

DRAFT

Periodic Review Report
to
Middle States

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Section One

Executive Summary

The University of Delaware is a state-assisted land-grant, sea-grant, space-grant, urban-grant university classified by the Carnegie Foundation for the Advancement of Teaching as having very high research activity. The state's flagship institution of higher education, the University traces its origin to a private academy dating from 1743. Chartered by the State of Delaware in 1833, the University retains independent governance through a predominantly self-selected Board of Trustees. A Women's College was opened in 1914, and in 1945 UD became permanently coeducational. The University conferred its first graduate degree in 1895 and its first doctoral degree in 1948. The University of Delaware is a member of the National Association of State Universities and Land-Grant Colleges and has been continuously accredited by the Middle States Commission on Higher Education since 1921, when the association was formed.

The main campus in Newark offers all academic programs. A few specialized programs are also offered in Wilmington, Dover, Georgetown and Lewes as well as on-line. Fall 2005 enrollment totaled 20,982 which included 16,350 undergraduates (of whom 94% were full-time), 3,434 graduate students (73% full-time), and 1,198 professional and continuing studies students. Approximately half of the undergraduates live in residence halls, and most other undergraduates and graduate students live nearby in the surrounding Newark community. In 2005-06 there are 1,077 full-time faculty positions, and approximately 80% of full-time tenure-eligible faculty are tenured. The University's academic offerings are provided through seven colleges. The largest of these – the College of Arts and Sciences – has about forty percent of the students and faculty. The other six are the College of Agriculture and Natural Resources; the Lerner College of Business and Economics; the College of Engineering; the College of Health Sciences; the College of Human Services, Education and Public Policy; and the College of Marine Studies.

In 1990 Dr. David P. Roselle became the 25th president of the University of Delaware. At that time the University was a good quality regional public university with well-established institutional traditions, a qualified faculty and student body, some areas of academic excellence, and an attractive campus with facilities in need of general improvement. President Roselle set out four strategic initiatives:

- Competitive compensation for faculty and staff as a vehicle for attracting and retaining the most qualified and capable employees.
- Enhanced access for undergraduate and graduate students through increased scholarship grants and fellowships/assistantships.
- A more student-centered campus that provides a broad range of services to undergraduates and graduates in a customer-friendly manner.

- A state-of-the-art living and learning community that is the product of both facilities renewal and renovation and construction of new facilities.

The 2001 Middle States Evaluation Team catalogued the University's success in realizing these four initiatives. "There is no question that the goal of competitive compensation for faculty and staff has been met," their report said, noting that "salaries for faculty and professional and salaried staff have risen from the lowest quartile for similar doctoral universities to the top quartile within the last decade." As for the goal of access, the team suggested that the University could also be proud of its progress, pointing out that "over the past nine years, it has increased its funds for undergraduate scholarships and financial aid by 213% while room and board rates have been kept very affordable." The team concluded that UD "has made great strides towards meeting the goal of a student-centered campus, particularly in the ways it has focused its energies on undergraduate education." And the team noted that "major resources have been committed to improving the physical plant to better the climate for student life and student learning. The University has renovated every classroom so that it has the same computing and audiovisual capabilities as would be found in a new classroom building, and it has put its physical plant on a program of 'scheduled' as opposed to 'deferred' maintenance."

The 2001 evaluation team also cited UD's "well-deserved reputation as a national leader for technology innovation" and recognized its "comprehensive research library that effectively supports the teaching, research and service missions of the University." Team members said they were "enormously impressed by the high level of morale that pervades the faculty, staff and students. Almost without exception, the people we spoke to take great pride in being part of the University." And "better than almost any university we are familiar with," the report stated, "Delaware has a clear sense of what it wants to be, namely, a university that offers a high quality undergraduate education with targeted areas of excellence in graduate education and research."

The cumulative impact of the changes in the 1990s was widespread and deeply transforming. By 2001 the University of Delaware was a top quality national university recognized for the overall excellence of its faculty, students, programs, and facilities and acknowledged as one of the nation's best higher educational values. As a result of this transformation, it is now appropriate to recognize a new University of Delaware, one that embodies a much higher standard of academic performance. As the 2001 Middle States Evaluation Team Final Report put it, "The University of Delaware has every reason to take enormous pride in what it has accomplished." More important, the new University of Delaware has the foundation needed for continuous academic progress and greater distinction in the future.

The New University of Delaware

In fall 2001, the University's academic leadership initiated a dialogue across the campus about the new University of Delaware and the opportunities it offers. This dialogue has involved deans, chairs, faculty, and students as well as the central

administration and the UD Board of Trustees. A key theme in this dialogue has been that the new University of Delaware not only embodies a much higher standard of academic quality, it also embodies a much higher level of expectations about the future.

There is widespread agreement that continued academic progress at the University of Delaware has five underpinnings: excellent faculty; successful students; high quality, affordable education; superior research and public service; and outstanding facilities. These key ingredients are interdependent and reinforcing; each ingredient affects the others. There is also widespread agreement that sustained academic progress requires continuous investment in all five key ingredients. Since 2001 the University of Delaware has continued to make – and to benefit from – these critical investments. Summarized below, the key ingredients of continued academic progress at UD are reviewed in greater detail in Section Three.

Excellent Faculty. The UD faculty is larger, more accomplished, and more diverse than ever before, with excellence demonstrated in all academic areas. Faculty compensation at all ranks has been sustained above the median for doctoral institutions in the mid-Atlantic region. This, combined with other factors such as higher levels of start-up support, a research semester for junior faculty, and greatly improved facilities, enables UD to consistently hire its first choice to fill faculty positions. Through the success of the *Campaign for Delaware*, the University’s first comprehensive capital campaign, endowed professorships increased from 21 to over 100, enabling recruitment and retention of outstanding senior faculty. Today the UD faculty includes Guggenheim and Fulbright Fellowship recipients and over 100 early career award winners from the National Science Foundation and other federal agencies, as well as elected members of the National Academy of Engineering, the National Academy of Science and other major national and international scholarly societies.

Successful Students. UD students are succeeding at higher levels on all academic indicators than ever before. The typical undergraduate student today has academic qualifications similar to many students who entered the UD honors program fifteen years ago. Undergraduate applications have increased to nearly 22,000 annually, with more non-resident applications than any other public university. UD students are now more diverse ethnically, racially, and regionally. UD students succeed above national standards for retention and graduation at highly selective institutions, and UD has among the highest retention and graduation rates in the nation for minorities and for athletes. With a graduate admission rate of 36%, UD ranks among the most selective graduate institutions in the nation, while also providing exceptional access to Delawareans seeking graduate study in education, nursing, public administration, physical therapy, and other fields of particular importance to the state.

High Quality, Affordable Education. UD’s 125 undergraduate programs and 148 graduate programs meet the highest standards of accreditation in their fields; many are ranked among the best in the nation. In recognition of the scope and range of its programs, UD is now classified by the Carnegie Foundation as an extensive doctoral/research university, a designation accorded to less than 4% of colleges and

universities. UD has earned national recognition for undergraduate research, study abroad, problem-based learning, instructional technology, the honors program, and general education reform. A UD education remains affordable. No student pays the full cost of a UD education; for Delaware students, UD is an unmatched bargain. UD is consistently ranked among the best values among all universities.

Superior Research and Service. The University's research and service programs have been strengthened and expanded campus-wide. UD faculty regularly attract major national research support, including support for federally funded national centers of excellence. Sponsored research funding has continued to grow significantly over the last five years, increasing from \$108 million in 2001 to over \$140 million in 2005. To an extent matched by few peer institutions, UD fulfills the Kellogg Commission's model of an "engaged university": an institution that makes a comprehensive and sustained contribution to the improvement of the communities that it serves. The University of Delaware provides a broader array of continuing public and community services to Delaware than is provided by public universities in larger states. The University also is Delaware's largest provider of trained professionals in education, nursing and other fields and is the state's largest provider of professional development training.

Outstanding Facilities. The entire UD campus has been renewed and improved. UD will soon complete the renovation or replacement of all laboratories, classrooms, and residence halls. Constant attention to the University's building and grounds has resulted in what *Princeton Review* cited as "absolutely one of the most gorgeous campuses anywhere." Beyond these visible improvements, UD is also nationally recognized as a leader in electronic library resources and in information technology. Investments in all of these improvements have been greatly assisted by the success of the *Campaign for Delaware*, which helped to raise the UD endowment and invested funds to over \$1 billion. The University is now in the advantageous position of essentially having replaced deferred maintenance with scheduled maintenance.

The campus-wide dialogue begun in 2001 has also been successful in affirming academic priorities and measures of success for the new University of Delaware. The statement on academic priorities adopted in August 2003 (Appendix 1) has been broadly disseminated on campus and is permanently posted on both the Faculty Senate and the Provost websites. The full statement is a working document that identifies specific action steps needed for improvement and that stipulates achievable and measurable outcomes in the four mission areas: undergraduate education, graduate education, research and scholarship, and public, community, and professional service. Progress is closely monitored, and updated "report cards" that provide a means of gauging continuing progress and of identifying areas that require further attention are regularly issued and posted on the websites. (The most recent *Report Card on Academic Priorities*, dated February 2006, is included as Appendix 2.)

In sum, the University of Delaware emerged from its 2001 decennial review in a position of strength, and the subsequent five years have provided opportunities to expand

and enhance that position. The 2006 Periodic Review Report describes major accomplishments since 2001 and affirms institutional goals and academic priorities against which we expect to be evaluated in 2011. This is an exciting time for the University of Delaware – a time to consolidate past gains and to establish the University of Delaware as one of the pre-eminent universities in the United States.

The Periodic Review Report

Oversight of the development of this Periodic Review Report rested with a broadly representative University-wide Steering Committee (Appendix 3) with administrative support provided by the Office of the Provost. There is substantial overlap in the membership of the Periodic Review Report Steering Committee and the University Assessment Advisory Committee. The University has begun to institutionalize outcomes assessment into all aspects of UD life, and that institutionalization is described in this Periodic Review Report.

A draft of this Periodic Review Report was first reviewed and approved by the Steering Committee and then posted on a website for review and comment by the entire campus community. That draft report was also shared and discussed with the Faculty Senate; the deans, department chairs and academic program directors; the Delaware Undergraduate Student Congress and the Graduate Student Senate; and the Provost's Academic Council. After further revision, the draft report was shared and discussed with the University's Board of Trustees. This document represents a final distillation of that review process.

The 2001 Middle States Evaluation Team Final Report cited no areas of concern and contained no recommendations growing out of the University of Delaware's Institutional Self-Study. The University was in full compliance with all sixteen (as there were then) standards for accreditation. The report however did contain a number of helpful suggestions that the University has acted upon. *Section Two* outlines those suggestions and subsequent actions taken by the University in implementing them.

Section Three identifies both the significant accomplishments achieved by the University of Delaware since the 2001 Evaluation Team site visit and the opportunities and challenges facing the University over the next five years. As previously referenced, Section Three reviews the ingredients of continued academic progress at the University, discusses distinctive issues and opportunities related to each ingredient, and sets out expectations for the next five years. This section also highlights progress in meeting the University's academic priorities in its four mission areas as described in Appendix 1; the detailed February 2006 Report Card on these academic priorities and measures of success is included as Appendix 2.

Section Four provides an overview of the University of Delaware's enrollment and financial projections. With over 21,000 applications annually for approximately 3,400 places in the entering freshman class, the University is well positioned to continue to enhance the quality and diversity of its undergraduate students well into the future.

Comparable competition also exists for graduate student places. The University is in a very strong financial condition, with an endowment in excess of \$1 billion and tuition and fees that consistently lead to the University's designation as a best buy in higher education. With a budget supported by diverse revenue sources, the University is more self-reliant than most state universities.

Section Five reviews the University's assessment programs, the infrastructure and procedures that support them, and the ways that the results of assessment are used to improve outcomes. The University of Delaware has well-established and extensively-utilized programs of assessment of institutional effectiveness and academic program effectiveness. The University is implementing a campus-wide program of assessment of student learning and has created an infrastructure to support the participation of all academic units in that program.

Finally, *Section Six* describes the interface between planning and budgeting at the University of Delaware. The University has well-established procedures for allocating human and fiscal resources in a manner consistent with stated goals and objectives that are consistent with the institutional mission and academic priorities. Moreover, that process includes systematic measurements of the extent to which those resources are being effectively and efficiently utilized.

Section Two

Response to the 2001 Evaluation Team Report

The 2001 Middle States Evaluation Team Final Report cited no areas of concern and contained no recommendations growing out of the University of Delaware's Institutional Self-Study. The University was in full compliance with all sixteen standards for accreditation that were then in force. The report did however contain a number of constructive suggestions that the University has acted upon and that are addressed in this section of the Periodic Review Report. Those suggestions fell in eight general areas: institutional resources; technology; educational programs and curricula and institutional effectiveness and outcomes; graduate education and research; faculty diversity; student services; distance and continuing education; and library/learning resources. The Evaluation Team's specific suggestions are italicized and bulleted; each one is followed by the University's response to that suggestion.

In addition, while there were very few general comments made by the evaluation team, there was a question posed concerning faculty governance and, in particular, on the role of the Faculty Senate.

The Team had less of a sense of the role of the Senate in the governance of the University. We were surprised that the Senate operates largely with a consent agenda and that it does not appear to be a forum for regular debate of academic issues among the faculty. Perhaps other forums, such as Senate committees, exist for this purpose. But if so, it was not made known to us. If none does exist, the absence of such a forum is a matter that should receive some attention....

The Faculty Senate's procedures as well as the rationale behind them ought to have been made clear to the team, and the University regrets that this was not done. The consent agenda deals only with items that have already been extensively reviewed and debated through Senate's committee structure and where there is an action recommended by the committee(s) responsible. This procedural approach allows the Faculty Senate to devote most of its time to important issues of concern to the entire faculty. Since 2001 such issues before the Faculty Senate have included the University's academic priorities, grade inflation, privacy in electronic communications, general education goals and reforms, evaluation of multicultural requirements, and revision of the procedures for review and permanent approval of graduate programs. Discussion of many of the same topics has of course also included both the 80 academic department chairs and directors and the deans of the seven colleges in addition to the Faculty Senate.

Institutional Resources

- *Resources now required annually to complete the facilities renewal program should be available for other uses within four years. A plan for the redirection of this funding, which would seem to be at least 10M/year, should be developed as a strategic investment after the next four years.*

The University of Delaware is committed to the position that facilities renewal never ends. To stop funding renewal would lead to a build-up of deferred maintenance and that would be a costly mistake. With a physical plant worth over \$1 billion, expenditures on the order of \$20-25 million (and more, as costs escalate and new buildings are added) will need to continue indefinitely. The University regards such expenditures as an appropriate strategic investment in its physical plant.

- *The continued limitation on budget allocations for administrative purposes may be difficult to maintain indefinitely because the productivity gains from pervasive use of technology would seem to be limited. An assessment of the feasibility of this policy should be conducted, as a change would have significant strategic implications for resource use.*

Little additional savings can be made in administrative areas, and the University recognizes that it is somewhat understaffed in some areas. As a result, there will likely be some added administrative costs over time, but they will not be significant.

- *An evaluation of the combination of effects resulting from relatively low debt outstanding, relatively high reserves for capital purposes, and near elimination of all deferred maintenance should be conducted to ascertain the best strategy for future financing of capital needs over the next ten years.*

The University plans to examine the future funding of capital needs. A major renewal of the balance of the residence halls is currently being planned that will require substantial added debt. With the State of Delaware's participation in capital activity at all-time low levels, the question of how the University finances new construction or major renovations of academic buildings is a real issue going forward, as the current charter does not permit borrowing for non-revenue-producing facilities. The University will be taking a closer look at this question over the next 12-18 months.

Technology

- *Continue to strongly support its talented IT staff and ensure that programs are in place that will help retain and recruit talented IT personnel*

Performance and morale continues to be high and non-retirement turnover low among IT personnel. Recruitment of quality personnel is excellent due to the awareness in the field that IT at the University of Delaware is an outstanding place to work. The University continues to competitively compensate its IT personnel, benchmarking within

the higher education community. IT workspace at the University is functional, attractive and equipped with technology essential to support each area. IT personnel are afforded professional development opportunities on a regular basis, and team approaches to projects provide opportunities to mix and match employee skills and give employees both deepening and broadening experiences and a better understanding of the University's IT environment and the communities it serves. Career ladders exist for each job classification, and opportunities for advancement along these ladders are reviewed annually. This review may be initiated by the individual employee or by IT management. Special project success may be rewarded with University recognition, advancement, increased remuneration, and bonuses.

Educational Programs and Curricula and Institutional Effectiveness and Outcomes

- *Develop criteria to assess the general education objectives.*

In May 2003 the Faculty Senate affirmed the full implementation of the general education initiative effective fall 2004 semester. As part of the initiative, the University considered general education as a total coherent experience through the adoption of the ten goals of undergraduate education (see Section Three of this report). The Office of the Provost and the Office of Undergraduate Studies are conducting a pilot project that will eventually involve every academic unit supervising undergraduate education. Each unit will be asked for a statement that focuses on how its program(s) and major(s) are achieving the ten goals of undergraduate education. Definitional guidelines have been developed for each goal to assist academic units in monitoring their progress.

The general education initiative also required that every UD undergraduate student be given the opportunity to participate in a first year experience and discovery learning experiences and strongly encouraged that capstone courses be offered in all majors. Since fall 2001, the University has collected assessment data as part of its ongoing efforts to assess the first year experience and the discovery learning programs. In 2003 an electronic survey was sent to all department chairs and program directors to query their department/program's use of capstone courses in an effort to determine the number of programs that currently offer one or more capstone courses and how many students receive a capstone experience. The University will continue the collection of data in a timely manner to assess its progress towards meeting the general education objectives. Additional specific plans on assessment are described in Section Five of this report.

- *Take steps to inform students, especially lower division students, who could benefit from the new curriculum about the criteria and the new pilot program.*

The University widely publicizes these programs in recruiting literature and on its website. Starting in fall 2005, as approved by the University Faculty Senate, all freshmen must participate in the University's first year experience program. For information on the

University's LIFE Program, see <http://life.ugs.udel.edu>. For information on the first year experience, see <http://www.ugs.udel.edu/gened/FYE>.

- *Find a systematic means for providing this information to departments with the expectation that they will use the information as a means of self-appraisal and improvement.*

The Office of Undergraduate Studies works with colleges and departments to plan, implement, assess, and refine first year experience options for all majors. During the 2004-05 academic year, meetings were held nearly every month to plan and implement first year experience course offerings for all fall 2005 first year students. The Office of Undergraduate Studies now surveys first year students in December and reviews the survey results with departments and colleges in the early spring, providing ample time to refine and revise courses for the next cohort of first year students.

- *Establish a process for student course evaluation that will lead to greater consistency in quality and effectiveness in the use of these instruments.*

In fall 2001, the University of Delaware initiated a pilot project on online student course evaluations to achieve consistency in quality and effectiveness in the use of these instruments. The goal of the project was to develop a web-based course evaluation system where questions can be customized at the level of the instructor, department/school, college and University. The new evaluation system assured consistency in the use of appropriate assessment techniques in collecting student responses in a timely manner, while assuring confidentiality of results. In fall 2005 36% of all University courses used the online student course evaluation system.

- *Make the purpose and resources of the Office of Institutional Planning and Research better known to academic departments so that they may draw upon its services and thereby improve the planning process at the unit level.*

While the Office of Institutional Research and Planning has been a recognized resource to the University community for over twenty years, its visibility has been significantly enhanced by a website that describes its products and services and that details its national leadership role in housing the Delaware Study of Instructional Costs and Productivity (www.udel.edu/ir).

- *Develop outcome measures and assessment tools to better understand the impact of out-of-the-classroom use of chat rooms, e-mail, and virtual study groups on learning.*

These variables are, in fact, assessed and benchmarked through the University of Delaware's participation in the National Survey of Student Engagement.

Graduate Education and Research

- *The Team respects the University's preference for the decentralized model, but suggests that the University make a concerted effort to develop a more strategic vision for its aspirations in graduate education and research and concrete strategies to realize that vision. Perhaps these strategies could be a target for funding as the university completes its commitment to deferred maintenance.*

A university-wide dialogue on academic priorities was initiated in fall 2001. That dialogue led to the adoption in August 2003 of a planning document – *Affirming Academic Priorities* (Appendix 1) – that identifies the keys to continuing academic progress and defines priorities and specific measures of success in each of the University's four mission areas, including graduate education and scholarship and research. That document presents the University community's aspirations in graduate education and research. Progress is closely monitored, and updated "report cards" that provide a means of gauging continuing progress and of identifying areas that require further attention are issued regularly (the most recent *Report Card on Academic Priorities*, dated February 2006, is included as Appendix 2). Section Three of this Periodic Review Report addresses some of the key opportunities and challenges in the domains of graduate education and research. Since 2001, the University has made significant additional investments of recurrent funds in both graduate education and research; for example, University-supported graduate student funding has increased from \$24.4 million in 2001 to \$36.3 million in 2005. The University does not believe that investment of recurrent funds in graduate education and research is in competition with capital investment in the continuing renewal of its facilities.

Faculty Diversity

- *The President should consider appointing a high level committee charged to review the university's current strategies for recruiting minority faculty and to make suggestions for new programs that might be more effective.*

The role is performed by the President's Commission to Promote Racial and Cultural Diversity. Composed of faculty, staff and administrators, the Commission is charged with "promoting equity and diversity throughout the fabric of the University." Since 2001, a key focus of the Commission has been the recruitment and retention of minority faculty. With the active encouragement of the President and Provost, the Commission has worked with deans and chairs to initiate new programs to attract and retain minority faculty, including enhanced search committee procedures, visiting scholar and lecturer programs to bring diverse scholars to campus, the development of comprehensive college and departmental recruitment plans, and the strengthening of bridge funding to support early hiring decisions by departments. President Roselle has reaffirmed the University's commitment to diversity and affirmed to deans and chairs that candidate pools for faculty searches must be fully representative in terms of race and gender. To insure that the University's commitment is continuously communicated, the Provost now sends a personalized note to the chair of every faculty search committee

(and the department chair and dean) reminding them of the University's commitment to recruit faculty members of the highest quality from a candidate pool that is fully representative in terms of gender and racial balance. Deans systematically audit search procedures to assure that all appropriate initiatives have been undertaken and to identify improvements for future searches. These efforts are responsive to the statement from the 2001 Evaluation Team that diversity "is an area where a fresh look at strategies, initiated from the senior leadership as a top institutional priority, could produce significant benefits for the University."

Recognizing that the "institution clearly has a sincere commitment to diversity and can point with pride to several recent successes in the appointment of African-American faculty," the 2001 Evaluation Team Final Report rightly concluded that the University's diversity goals had not yet been met. Data on faculty diversity and student diversity in Section Three demonstrate that, since 2001, notable additional progress has been made. Even so, continued progress is required and, as described later in this report, the University of Delaware remains actively committed to that progress.

Student Services

- *We believe considerable efficiency might be achieved if all of the functions supporting the residence halls were consolidated under Student Life.*

As auxiliary operations, the residence halls are, in the view of the University of Delaware, best left reporting to the Associate Vice President for Administrative Services, where other student-centered auxiliary operations such as dining services and bookstores report. That said, the University recognizes the unique role that residence halls play in the teaching and learning environments. Consequently, the Office of Residence Life, a part of the Division of Student Life, played a central role in the development of LIFE clusters and holds a seat on the University's General Education Committee.

- *Delaware's two offices serving different populations of disabled students could be consolidated into a single office under the Academic Services Center.*

The University has not consolidated these two offices because of legal considerations associated with the services offered by these units. The current separation of offices is more effective in tracking the University's legal responsibilities so that appropriate provision of services to disabled students can be maintained.

Distance and Continuing Education

- *Give greater visibility to this effort.*

UD Online continues to grow at an annual rate of about 30%. The visibility of the UD Online program across the campus and beyond has grown accordingly. UD Online revenue is now shared with the colleges and departments based on the participation of their faculty. A faculty/staff advisory committee was created, as was a course

acceleration account to fund new course and program development. New degree options include the Associate of Arts and the M. S. in Health Services Administration. A resource and testing center was opened near campus to accommodate the testing implications of enrollment growth. An annual faculty award was established to encourage participation in UD Online. More traditional forms of continuing education have become less attractive to students and the clear and growing preference for virtually all types of students is UD Online. That preference is reinforced by the continued growth in available courses and programs, the opportunity to work with regular UD faculty but with greater flexibility in time, and the increasing ease of access and participation made possible by improved advisement, a new testing center, and better marketing of programs.

Library/Learning Resources

- *The library should go forward with its plans to use its off-site storage annex to its maximum level. Moving more of its rarely used materials to the library's annex will provide more opportunities to enhance user services.*

The Library has now transferred more than 300,000 volumes to the Annex, thus providing opportunities to enhance user services. Thousands of items are moved to the Annex each month and a special project occurred during summer 2005, when a large number of items were transferred from the Reference Collection to the Annex. The resulting released space in the Reference Room was used to create a Library Instruction Room with the support of the Unidel Foundation. The Library Instruction Room was needed because of the commitment of the University to problem-based learning and the increased need for instruction to students in the use of electronic library resources. The Library Instruction Room is equipped for all kinds of uses and presentations and has received heavy use since it opened in fall 2005.

- *As more materials are moved into the annex and space becomes available in Morris Library, the University should use this opportunity to study, and plan for, the changing service needs of its users. Areas that could benefit from additional space include special collections, the consolidation of key service areas (media services, microforms, computer lab) in the lower level of the library to create greater efficiencies, and the expansion of group study and informal classroom space to accommodate the University's growing commitment to problem-based learning.*

The University of Delaware continues to study and plan for the changing needs of its users and is presently implementing plans to create a new Multimedia Communications Center on the lower level of the Morris Library that will lead to the consolidation of service points. A centralized, full-service, state-of-the-art facility, open to students from all disciplines, the new center will allow students to work individually and collaboratively to create multimedia-enriched course projects; record multimedia communication activities; and prepare and present information in media formats for electronic portfolios and exhibitions.

In addition to the creation of the Multimedia Communications Center and the Library Instruction Room, the Library has created three new technologically advanced group study rooms on the first floor of the Morris Library for students to use in collaborative learning. The new group study rooms became available in September 2005 and were heavily used from the moment they were opened.

Lack of space for Special Collections has not been addressed and is an issue for future consideration.

Strategic Goals and Academic Priorities

In its concluding remarks, the 2001 Evaluation Team affirmed that the University had been highly successful in achieving the four priorities enunciated by President Roselle in 1991. However, the team commented that the outcomes and continued relevance were not as clear for the strategic academic goals identified through a campus planning process after the previous Middle States Review.

... We suggest that the University leadership review these five goals, determine which are unmet and still relevant today, determine what small number of new goals, if any, might be added to this list, and bring the same intensity of effort to bear on these restated goals that has been so successfully demonstrated with the President's priorities.

In fall 2001, the University's academic leadership initiated a dialogue involving the entire campus community – deans, chairs, faculty, and students as well as the UD Board of Trustees – about the new University of Delaware and the opportunities it offers for continuous academic progress and greater distinction in the future. The changes at the University of Delaware in the 1990s as a result of the “intensity of effort” devoted to President Roselle's strategic initiatives were widespread and deeply transforming. By 2001 the University of Delaware was a top quality national university recognized for the overall excellence of its faculty, students, programs, and facilities and acknowledged as one of the nation's best higher educational values. A key theme in this campus-wide dialogue has been that the new University of Delaware not only embodies a much higher standard of academic quality, it also embodies a much higher level of expectations about the future.

That dialogue led to the adoption in August 2003 of a planning document – *Affirming Academic Priorities* – that identifies the keys to continuing academic progress, defines priorities in each of the University's four mission areas, and specifies measures of success for each of the priorities (Appendix 1). The full statement is a working document that identifies specific action steps needed for improvement and that stipulates achievable and measurable outcomes. Progress is closely monitored, and updated “report cards” that provide a means of gauging continuing progress and of identifying areas that require further attention are issued regularly. (The most recent *Report Card on Academic Priorities*, dated February 2006, is included as Appendix 2.)

Section Three

Major Challenges and Opportunities

During the 1990s, the University of Delaware experienced a dramatic decade-long transformation from a good quality regional public university to a top quality national university recognized for the overall excellence of its faculty, students, programs, and facilities and acknowledged as one of the nation's best higher educational values. The new University of Delaware embodies a much higher standard of academic performance and a much higher level of expectations and opportunities.

Following the 2001 Evaluation Team visit to the University of Delaware, the campus community engaged in a dialogue about the new University of Delaware and the opportunities it offers. The dialogue has involved the central university administration, deans, chairs, faculty, academic professionals and students as well as the UD Board of Trustees. The dialogue has concentrated on academic priorities and measures of success and on identifying the key ingredients for continuing academic progress. Those discussions resulted in widespread agreement that continued academic progress at the University of Delaware has five underpinnings: excellent faculty; successful students; high quality, affordable education; superior research and public service; and outstanding facilities. These key ingredients are interdependent and reinforcing; each ingredient affects the others. Sustained academic progress requires continuous investment in all five key ingredients.

The initial product of these discussions – *Affirming Academic Priorities*, adopted in August 2003 – details academic priorities and measures of success for the new University of Delaware in the four mission areas: undergraduate education; graduate education; research and scholarship; and public, community and professional service (Appendix 1). Now the academic planning “roadmap” for the University, this document has been broadly disseminated on campus; it can be found on the Faculty Senate and Provost websites at <http://www.udel.edu/provost/Priorities.html>.

The statement on academic priorities is a working document that identifies specific action steps needed for improvement and that stipulates achievable, measurable outcomes. The path to academic progress that is outlined through the proposed action steps is not self-confirming. As an academic community, the University holds itself accountable for fulfilling the promise of the new University of Delaware by evaluating its performance in achieving the measurable outcomes defined by its priorities. *A Report Card on Academic Priorities in Four Mission Areas*, detailing the extent to which these strategic initiatives and academic priorities are being realized, was presented by the Provost to the University Faculty Senate and reviewed with deans, chairs, and students in February 2005; it was updated in February 2006 (Appendix 2). That document will continue to be updated periodically, preparatory to our next Self Study in 2011. A frequently used vehicle for communicating this type of information is the *Resources* section on the web page of the Office of the Provost (<http://www.udel.edu/provost/>) as

well as the web page on information from the Provost at the University Faculty Senate web site.

This section provides an overview of accomplishments, challenges and opportunities as they relate to each of the five keys to continuing academic progress.

Excellent Faculty

Over the next five years, the University will further strengthen the faculty by rewarding faculty excellence and replacing the large number of retiring faculty with diverse teacher-scholars who meet the new University of Delaware’s higher standards in teaching, scholarship, and public service and who contribute to programs of academic priority.

The University of Delaware faculty is more accomplished than ever before, with excellence demonstrated in all academic areas. Today, for example, the UD faculty includes winners of Guggenheim and Fulbright Fellowships and over one hundred National Science Foundation, Department of Energy and Office of Naval Research Early Career and Distinguished Service award winners as well as members of the National Academy of Engineering and the National Academy of Science. A sample of recent national recognition of UD faculty for their achievements can be found in Appendix 4.

The University of Delaware faculty is now slightly larger than in 2001: 28 full-time faculty positions were added since 2001, including 21 tenured or tenure-eligible faculty (Table 1).

	<u>2001</u>	<u>2003</u>	<u>2005</u>
Tenured or Tenure Track	806	831	827
Full Professor	365	363	344
Associate Professor	288	293	295
Assistant Professor	153	175	188
Instructor	0	0	0
Lecturer	0	0	0
Non-Tenurable	243	237	250
Full Professor	8	7	12
Associate Professor	17	18	20
Assistant Professor	103	95	99
Instructor	113	114	118
Lecturer	2	3	1
Total Full Time Faculty	1,049	1,068	1,077

Note: Data include regular faculty (active or sabbatical leave) at the Newark Campus and Associate in Arts Program. Excludes Department Chairs and Visiting Faculty.

Over the past five years, the racial diversity of UD faculty has increased moderately (Table 2). Between 2000 and 2005 the representation of minority faculty has increased from 15% to 18%. The University of Delaware has consistently ranked high against comparator institutions in the representation of women among its faculty. Over the last five years, the percentage of women increased from 34% to 37%, with a notable gain in the representation of women in engineering.

Table 2: Full-time Faculty by Ethnicity: Fall 2000 and Fall 2005

	White		Black		Hispanic		Asian		Native American	
	2000	2005	2000	2005	2000	2005	2000	2005	2000	2005
Professor	335	314	9	11	0	2	22	29	0	0
Associate Professor	272	263	10	16	5	10	21	26	0	0
Assistant Professor	175	230	15	13	6	8	32	34	3	2
Instructor	82	103	4	5	2	7	1	1	0	2
Lecturer	4	1	0	0	0	0	0	0	0	0
TOTAL	868	911	38	45	13	27	76	90	3	4

Data include regular faculty (active or sabbatical leave) at the Newark Campus and Associate in Arts Program.

Excludes Department Chairs and Visiting Faculty

Over the next five years, the size of University of Delaware faculty will remain essentially the same as will the student/faculty ratio, currently 13:1. There will however be substantial turnover. Approximately half the faculty are over the age of 50 and a quarter of the faculty are over the age of 60. A faculty retirement incentive program initiated three years ago resulted in nearly triple the average annual number of retirements. As those hired in the 1960s and early and mid 1970s retire, the University will have the opportunity to fill hundreds of faculty positions. The University will take advantage of this opportunity to further raise the level of faculty excellence and concentrate on building faculty strength in areas of instructional and research priority. The University can also use this opportunity to greatly enhance the diversity of the faculty. The effectiveness of the University's efforts will shape the character and quality of the faculty for the next thirty to forty years.

To attract the best, the University must recruit aggressively and sustain the comparative advantages of the University of Delaware: highly competitive compensation; growing investments in faculty start-up support; mentoring and professional development support for tenure-track assistant professors; and sustained investment in facilities and core resources, such as the library and instructional and information technologies.

Faculty compensation (salaries plus benefits) at all ranks has been sustained above the median for the 24 Category I Doctoral Universities in the states contiguous to Delaware and the District of Columbia, as reported annually in the "Economic Status of

the Profession” in *Academe*. The average total compensation for full professors at the University of Delaware in 2004-05 ranked 9th out of 25; for associate professors, 6th out of 25; and for assistant professors, 8th out of 25 (Table 3). The UD faculty is represented in collective bargaining through the American Association of University Professors; the current collective bargaining agreement can be found at <http://www.udel.edu/aaup/>. Professional and salaried staff total compensation levels have made comparable gains when compared with peers; professional and staff salaries are increased at the same percentage rate as is negotiated with the AAUP for faculty.

Highly competitive compensation, combined with other factors such as higher levels of start-up support (which was a \$7.5 million cost in 2005), a research semester for junior faculty, and greatly improved facilities, should enable the University of Delaware to continue to hire its first choice when filling a faculty position. Moreover, the overall academic strength of the University should enable the institution to be very successful in attracting faculty who match UD’s academic priorities and who see teaching, scholarship, and service as interrelated and mutually reinforcing facets of their contributions rather than as competing demands on their time. Most faculty hiring will be at the junior level. Senior hires will be made when there is a need for leadership not available among the current members of a unit or when added value may be obtained through the addition of an individual who can help refocus and guide programs.

As faculty excellence grows, the University of Delaware needs to do more to reward and retain the very best faculty. Perhaps the most profound and long-lasting impact of the 1998-2005 *Campaign for Delaware*, the University’s first comprehensive capital campaign, has been the increase in the number of endowed professorships from 21 before the campaign to 106 today; the total endowment supporting these professorships was over \$74 million as of December 2005. That investment in faculty excellence will continue through the growth in size of endowments underpinning these new professorships.

Faculty workloads are administered at the department/discipline level and both teaching and research productivity are benchmarked against appropriate peer institutions and faculty categories using data from the Delaware Study of Instructional Costs and Productivity. The University’s teaching loads are consistent with those in the same disciplines at other peer institutions. The recent University-wide review of workload policies has helped to clarify the faculty contributions expected in each department. In keeping with the increasing quality of the faculty and the higher expectations that quality entails, promotion and tenure criteria will continue to be strengthened. The University of Delaware will increasingly expect faculty to demonstrate excellence across all their areas of responsibility – teaching, research, and service.

Table 3: Rank Ordering of 2004-05 Average Total Compensation for Faculty, by Rank, at University of Delaware and at Category I Doctoral Universities in Mid-Atlantic Region

<i>Full Professor</i>		<i>Associate Professor</i>		<i>Assistant Professor</i>	
University of Pennsylvania	Not reported	University of Pennsylvania	Not reported	University of Pennsylvania	Not reported
Princeton University	184,300	New Jersey Institute of Technology	119,875	University of Maryland - College Park	93,410
Georgetown University	156,500	Princeton University	118,200	Carnegie-Mellon University	93,210
New Jersey Institute of Technology	155,520	Carnegie-Mellon University	106,265	New Jersey Institute of Technology	91,815
Carnegie-Mellon University	146,660	Georgetown University	104,375	Princeton University	91,585
University of Virginia	145,340	University of Delaware	101,880	Drexel University	88,795
Johns Hopkins University	144,770	Johns Hopkins University	100,815	Lehigh University	86,135
American University	141,445	Rutgers University	100,020	University of Delaware	83,610
University of Delaware	141,385	Temple University	99,665	Rutgers University	82,385
Rutgers University	140,100	University of Virginia	99,165	Johns Hopkins University	82,065
University of Pittsburgh	136,720	American University	98,680	University of Virginia	81,885
Temple University	136,320	Lehigh University	97,310	Georgetown University	80,805
Pennsylvania State University	135,850	George Washington University	96,725	Temple University	80,325
Lehigh University	135,720	Drexel University	96,065	University of Pittsburgh	80,190
University of Maryland - College Park	133,985	University of Maryland - College Park	95,040	Pennsylvania State University	78,710
George Mason University	133,435	University of Pittsburgh	94,140	College of William and Mary	76,765
George Washington University	130,930	George Mason University	93,710	George Washington University	75,560
College of William and Mary	128,940	Pennsylvania State University	93,190	Virginia Polytechnic Inst. & State Univ.	73,980
Drexel University	122,455	College of William and Mary	91,360	George Mason University	73,235
Virginia Commonwealth University	118,580	Virginia Commonwealth University	90,495	Howard University	72,690
University of Maryland - Baltimore County	117,875	Virginia Polytechnic Inst. & State Univ.	85,290	University of Maryland - Baltimore County	72,295
Virginia Polytechnic Inst. & State Univ.	116,865	Howard University	84,425	American University	71,175
Howard University	112,110	University of Maryland - Baltimore County	84,290	Old Dominion University	70,620
Old Dominion University	106,605	Old Dominion University	78,100	Virginia Commonwealth University	70,565
Catholic University of America	104,080	Catholic University of America	77,600	Catholic University of America	66,195

Data Source: March-April 2005 Issue of *Academe*, "The Economic Status of the Profession"

To assist faculty in meeting these higher standards, the University offers comprehensive professional development programs. In addition to substantial start-up funding and a research semester for junior faculty, professional development efforts related to scholarship include General University Research grants that provide summer research support, University of Delaware Research Foundation grants (increased in 2005 from 13 to 25 grants per year at \$25,000 each) that provide initial support for junior faculty research programs, and international research grants that provide seed funds for faculty research beyond the United States.

The University of Delaware supports faculty efforts in professional development as teachers through two units: the Center for Teaching Effectiveness and the Institute for Transforming Undergraduate Education. The Center for Teaching Effectiveness offers instructional consultations, classroom observations, and assistance in developing measures for assessment and in implementing instructional projects. The Institute for Transforming Undergraduate Education promotes the effective use of instructional technology combined with active learning strategies, including problem-based learning. In addition, PRESENT, a center administered by Information Technologies, connects technology and the teaching process and offers online tools for communication, collaboration, and content delivery, and a facility where faculty and other teaching staff can explore technology-based teaching and learning options. The University also has established a program of Faculty Assessment Fellows, enabling faculty to work with the Office of Educational Assessment to play a lead role in the development and implementation of the University's comprehensive educational assessment program (see Section Five).

Successful Students

Over the next five years, the University will further improve the diversity and the academic qualifications and achievements of undergraduate and graduate students, and further strengthen educational opportunities for the citizens of Delaware.

The total student enrollment of the University of Delaware has remained stable over the last decade and virtually unchanged since 2001 (Table 4). While the number and quality of undergraduate applicants have continued to improve over the last five years, the University has maintained its commitment to an undergraduate enrollment of between 15,000 and 15,500 full-time students, including students in the Associate in Arts program on the campuses of Delaware Technical and Community College. At the graduate level, there has been moderate growth since 2001, virtually all of it in full-time students supported by the growth of faculty research programs.

The University of Delaware has become the institution of choice in the mid-Atlantic region for students with strong academic qualifications and wide-ranging interests and educational objectives. Moreover, compared with even a few years ago, many more applicants rank the University of Delaware as their first choice for continuing their education.

Table 4: University of Delaware Enrollments by Student Level and Time Status: Fall 1991 through 2005

	<u>1991</u>	<u>1993</u>	<u>1995</u>	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2003</u>	<u>2005</u>
University Total	20,868	21,735	21,365	21,166	21,206	20,949	21,121	20,982
- Full Time	15,522	15,804	15,594	15,900	17,105	17,360	17,773	17,956
- Part Time	5,346	5,931	5,771	5,266	4,101	3,589	3,348	3,026
Undergraduate	15,248	15,617	15,359	15,629	16,162	16,307	16,428	16,350
- Full Time	13,873	14,050	13,856	14,118	14,859	15,134	15,331	15,435
- Part Time	1,375	1,567	1,503	1,511	1,303	1,173	1,097	915
Graduate	2,668	3,083	3,224	3,250	3,108	2,942	3,301	3,434
- Full Time	1,540	1,674	1,693	1,745	2,197	2,171	2,394	2,502
- Part Time	1,128	1,409	1,531	1,505	911	771	907	932
Continuing Education	2,952	3,035	2,782	2,287	1,936	1,700	1,392	1,198
- Full Time	109	80	45	37	49	55	48	19
- Part Time	2,843	2,955	2,737	2,250	1,887	1,645	1,344	1,179

The Changing Profile of UD Undergraduates. Over the last fifteen years, the academic and demographic profile of incoming UD undergraduate students has changed profoundly, and the continuing strengthening of that profile over the last five years needs to be appreciated in that longer context. The University's applicant pool in 2005 was the strongest it has ever been. This improvement is evident for both resident and non-resident students and applies to all indicators – SAT scores, high school grade point index, class rank and percentile. UD freshmen have also become more diverse ethnically, racially and regionally, and students representing this diversity have stronger academic qualifications. These changes have generated increased opportunities for the University to shape the incoming freshmen class in ways that take the greatest advantage of our educational assets and thereby improve student success.

Through a carefully constructed admissions marketing plan, the University has increased the number of applications for admission of first-time freshmen from 12,329 in 1991 to 21,617 in 2005 (Figure 1, Table 5). The most significant growth (74%) has been in non-resident applications. The University of Delaware now receives more non-resident applications than any other public university. Applications from Delawareans have also grown from 2,036 in 1991 to 2,811 in 2005, an increase of nearly 40%.

By holding the targeted size of the freshman class at the 3,200-3,400 level, the University has been able to reduce its admission offer rate from about 80% to well under 50%. Within the context of a consistent yield rate of 35-40%, the University has been able to substantially increase the selectivity of its entering freshmen classes as measured by the academic qualifications of entering freshmen.

Figure 1
Trend in Admissions Activity: 1991 through 2005

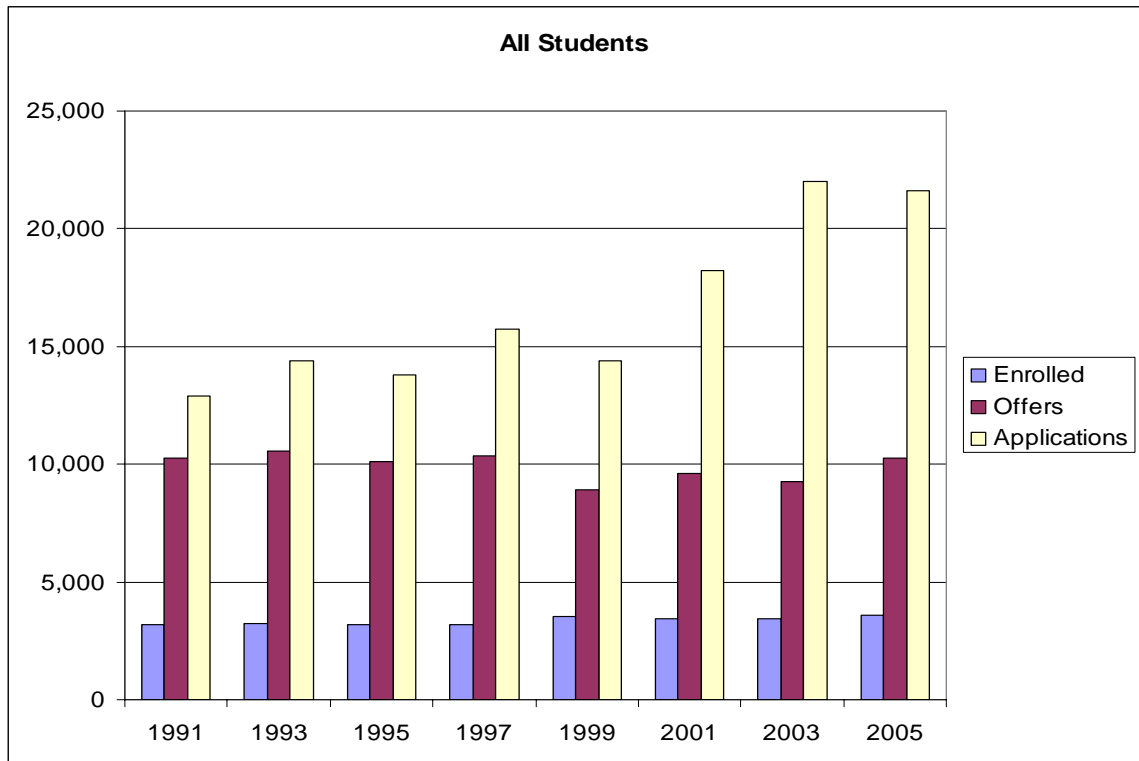


Table 5: Undergraduate Admissions Activity: First-time Freshmen, Fall 1991 through 2005

	<u>1991</u>	<u>1993</u>	<u>1995</u>	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2003</u>	<u>2005</u>
Total University Applicants	12,329	13,763	13,127	15,724	14,338	18,209	22,023	21,617
Offered Admission	10,796	10,516	10,062	10,343	8,868	9,581	9,235	10,256
Offer Rate	82.7%	76.4%	76.7%	65.8%	61.8%	52.6%	41.9%	47.4%
Offer Accepted	3,253	3,252	3,179	3,212	3,537	3,379	3,450	3,522
Yield Rate	31.9%	30.9%	31.6%	31.1%	39.9%	35.3%	37.4%	34.3%

The 2005 entering freshmen class was more qualified on every academic dimension than the entering class in 1991; their SATs average 84 points higher, their average high school GPA is more than a half a grade higher, and their average high school percentile is a full 10 points higher (Table 6). Moreover, the pattern of improvement has been continuous over the last five years.

**Table 6: Profile of Total Freshman Enrollees, Newark Campus:
Fall 1991, 2001, and 2005**

	<u>1991</u>	<u>2001</u>	<u>2005</u>
Number of Enrollees	3,196	3,426	3,522
SAT Total	1,121	1,159	1,205
High School GPA	2.98	3.45	3.56
High School %ile	72%	80%	82%

Over the next five years, the University of Delaware will maintain its current undergraduate enrollment, focusing on continuing improvements in quality rather than increases in size. With the expected continued improvement in the qualifications of the applicant pool, the University will be able to further “shape” incoming classes. More students will be admitted to programs with the capacity to effectively support their success, and fewer will be admitted outside the major of their choice. Incoming classes will become increasingly diverse – racially, culturally, ethnically, regionally, intellectually and socioeconomically.

Delaware Residents. Despite the remarkable growth in the size and quality of the non-resident applicant pool, Delaware applicants have not been disadvantaged by competition with out-of-state students. The University of Delaware offers admission to all Delawareans whose academic records predict success. No Delaware applicant competes with a non-resident applicant for a place at the University of Delaware; all Delaware applicants are evaluated against a standard of projected success. Clearly that standard has become more rigorous over the past fifteen years. At the same time, the number of applications from Delawareans has increased, the overall quality of those applications has improved, and the number of Delawareans enrolling as freshmen on the Newark campus has actually increased.

In the years ahead, the standard for projected success at the University of Delaware will become even more rigorous. The majority of Delaware applicants will meet that higher standard for success. However, it is likely that, without changes in high school preparation, an increasing proportion of Delaware high school graduates will not be adequately prepared to succeed at the University. While the qualifications of entering resident students have continued to improve, the rate of improvement for entering Delawareans has not kept pace with the improving qualifications of entering non-resident students; indeed the gap in qualifications has grown significantly.

Over the next few years, the University of Delaware will work to help more Delawareans become college-ready and, specifically, college-ready for UD. To help ensure that resident freshmen students admitted to the Newark campus are prepared to succeed, students in the entering class for fall 2006 admission will need to complete a minimum of 18 academic units in high school. The previous standard had been 16 units. The University is planning a further tightening of requirements so that all students must

have four years of college preparatory mathematics. (The current requirement is three years.) Quantitative reasoning is as fundamental to a student's success as verbal reasoning, and there is a correlation between how far students have progressed in high school math and their probability of earning a four-year college degree.¹ The University is also planning an increase in the amount of science required from three years with only two of them laboratory sciences to four years with three of laboratory sciences. The University of Delaware is working with the Delaware schools to help them develop the needed classes for college-bound students.

For students to prepare for admission and success at the University of Delaware, they must begin on a pathway to success in middle school. The proposed *A Commitment to Delawareans* is an academic roadmap that will show Delaware middle school students how they can assure themselves of a place at the University of Delaware (Appendix 6). Listing academic subject areas and specific college preparatory courses in English, mathematics, laboratory sciences, history, social studies, and foreign languages, *A Commitment to Delawareans* charts a curriculum that will enable Delawareans to be confident about admission onto the Newark campus so long as they earn the appropriate grades in these classes and otherwise meet entry expectations. It also stipulates that, if they file the *Free Application for Student Financial Aid*, the University will meet their demonstrated financial need with a combination of grants, loans, and work-study. In sum, if Delaware students do what is recommended and do it well, there will be a place for them at the University of Delaware, and the University will do all it can to address their documented financial need.

Delawareans who apply but are not college-ready have the opportunity to make up academic deficiencies through the new Associate in Arts program or through one of eleven coordinated options with Delaware Technical and Community College (DTCC). Under the agreement, any student who completes the prescribed program of study leading to a UD Associate in Arts degree, taught by University faculty on DTCC campuses, is assured the opportunity to complete baccalaureate study on the University's Newark campus. The Associate in Arts curriculum is built around general education courses that typically constitute the first two years of baccalaureate liberal arts study. Less well prepared students benefit from the smaller classes, additional academic advisement, and increased math and writing skills assistance provided in the Associate in Arts program.

The new SEED program (Student Excellence Equals Degree), established by the State of Delaware, will provide full tuition scholarships for qualified Delawareans in UD's Associate in Arts program and connected associate degree programs with DTCC. This scholarship program will make these alternatives attractive to more Delawareans, and it will help more students to complete these programs and earn an associate's degree.

¹ As reported in the spring 2004 issue of the *American Educator*, 79.8% of the students who take math through calculus in high school will eventually complete a 4-year degree. 74.3% of those who stop with pre-calculus complete a degree. The percentages drop to 39.5% when a student completes only through Algebra II and 7.8% when the highest math is only Algebra I.

Retention and Graduation. Enhanced entering student quality translates into improved retention and graduation rates. The University of Delaware has historically had high retention and graduation rates for its undergraduate population, and those rates have been steadily improving over time. According to 2005 data from the Consortium for Student Retention Data Exchange, University of Delaware undergraduate students succeed above national standards for retention and graduation at highly selective institutions (Appendix 5). The University of Delaware has among the highest retention and graduation rates in the nation for minorities and for athletes.

Research demonstrates that students are most vulnerable to attrition between their first and second year of undergraduate study. While the 84.7% freshman-to-sophomore retention rate for the fall 1995 cohort is quite respectable, the 89.0% rate for the fall 2004 cohort brings the University closer to its stated goal of a consistent 90.0% freshman-to-sophomore retention rate (Table 7).

Table 7: Retention Rates for entering Cohorts of First-time Freshmen, Fall 1991 through 2004

	<u>1991</u>	<u>1993</u>	<u>1995</u>	<u>1997</u>	<u>1999</u>	<u>2001</u>	<u>2003</u>	<u>2004</u>
Total Number of Freshmen	3,170	3,181	3,154	3,180	3,513	3,358	3,433	3,442
Retention Rate - 2nd Fall	84.0	84.5	84.7	87.0	89.0	88.6	88.4	89.0
Retention Rate - 3rd Fall	75.0	75.2	77.3	79.3	81.7	81.8	81.8	---
Retention Rate - 4th Fall	72.7	72.5	75.3	77.5	79.4	80.6	---	---

Enhanced retention rates also increase the likelihood that students will successfully graduate. Table 8 shows graduation rates for entering first-time freshman cohorts at four-, five- and six-year intervals from 1991 through 1999. Rates for each of the intervals have improved for all of the cohorts since 1991.

Table 8: Graduation Rates after Six or More Years: Entering Cohorts 1991 through 1999

	<u>1991</u>	<u>1993</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Total Number of Freshmen	3,170	3,181	3,154	3,290	3,180	3,545	3,513
Graduate Within 4 Years	50.2	51.0	54.6	55.5	57.5	58.6	62.4
Graduate Within 5 Years	67.2	67.1	70.4	70.0	71.8	73.9	74.9
Graduate Within 6 or More Years	71.5	69.9	74.3	73.8	75.5	76.9	76.4

Attracting and retaining the brightest young scholars to engage in undergraduate study at the University of Delaware has been considerably facilitated by the 267% increase in expenditures for student aid from Fiscal Year 1991 to 2005. The ability to offer attractive packages of both merit-based and need-based grant aid enables the

University to attract highly qualified students, regardless of their ability to pay for a college education.

Student Diversity. Diversity is a dimension of educational quality for the University of Delaware and increasing diversity among its students, particularly full-time students, is a UD priority. The University has made steady progress in diversifying both its undergraduate and graduate student populations, although not at the rates we would like (Table 9).

The 2005 entering freshmen class is the most diverse class in UD history with the largest total number of Black, Hispanic and Asian students (Table 10). While overall freshmen enrollment increased by 10% over the last fifteen years, the enrollments of Asian students increased 55%, Black students increased 90%, and Hispanic students, who now comprise the fastest growing minority group at the University, increased 523%. The diversity of the incoming class has continued to improve each year over the last five years. There are encouraging signs for further diversification. In fall 2005 Hispanic students comprised the largest group of ethnic minorities within the entering freshman class.

The University of Delaware takes very seriously its commitment to the academic success of all of its students. The graduation rates for ethnic minorities are at virtual parity with those for majority students. Moreover, the academic qualifications of entering Asian, Black and Hispanic students all improved significantly on all indicators.

Table 9: Ethnicity of Full-time Students at the University of Delaware, Fall 1995 through Fall 2005

	<u>1991</u>		<u>1993</u>		<u>1995</u>		<u>1997</u>		<u>1999</u>		<u>2001</u>		<u>2003</u>		<u>2005</u>	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Undergraduates																
Total	13,872	100.0	14,050	100.0	13,856	100.0	14,118	100.0	14,859	100.0	15,134	100.0	15,331	100.0	15,435	100.0
White	12,743	91.9	12,736	90.6	12,302	88.8	12,346	87.4	12,947	87.1	13,183	87.1	13,126	85.6	13,033	84.4
African-American	570	4.1	611	4.3	691	5.0	796	5.6	849	5.7	815	5.4	840	5.5	864	5.6
Hispanic	129	0.9	179	1.3	247	1.8	335	2.4	362	2.4	391	2.6	482	3.1	630	4.1
Asian	298	2.1	335	2.4	378	2.7	368	2.6	381	2.6	420	2.8	508	3.3	537	3.5
Native American	21	0.2	27	0.2	32	0.2	42	0.3	39	0.3	36	0.2	39	0.3	49	0.3
Non-resident Alien	85	0.6	133	1	131	0.9	128	0.9	135	0.9	153	1.0	159	1.0	116	0.8
Other ¹	26	0.2	29	0.2	75	0.5	103	0.7	146	1.0	136	0.9	177	1.2	206	1.3
Graduate																
Total	1,540	100.0	1,674	100.0	1,693	100.0	1,745	100.0	2,197	100.0	2,171	100.0	2,394	100.0	2,502	100.0
White	987	64.1	1,080	64.5	1,068	63.1	1,069	61.3	1,330	60.5	1,260	58.0	1,352	56.5	1,400	56.0
African-American	77	5.0	76	4.5	67	4.0	53	3.0	79	3.6	84	3.9	88	3.7	102	4.1
Hispanic	19	1.2	23	1.4	32	1.9	39	2.2	37	1.7	44	2.0	41	1.7	57	2.3
Asian	21	1.4	33	2.0	38	2.2	44	2.5	48	2.2	50	2.3	45	1.9	77	3.1
Native American	3	0.2	2	0.1	4	0.2	3	0.2	7	0.3	9	0.4	7	0.3	6	0.2
Non-resident Alien	419	27.2	460	27.5	477	28.2	525	30.1	671	30.5	699	32.2	816	34.1	815	32.6
Other ¹	14	0.9	0	0.0	7	0.4	12	0.7	25	1.1	25	1.2	45	1.9	45	1.8

¹ Other includes multiracial, native Hawaiian or other Pacific Islander, or unknown.

**Table 10: Profile of Total Student of Color Freshman Enrollees,
Newark Campus: Fall 1991, 2002, and 2005**

	<u>1991</u>	<u>2001</u>	<u>2005</u>
<i><u>Asian Students</u></i>			
Number of Enrollees	89	108	138
SAT Total	1146	1162	1212
High School GPA	3.03	3.52	3.47
High School %ile	75%	81%	82%
<i><u>Black Students</u></i>			
Number of Enrollees	89	148	169
SAT Total	1039	1041	1088
High School GPA	2.98	3.27	3.24
High School %ile	75%	75%	76%
<i><u>Hispanic Students</u></i>			
Number of Enrollees	31	106	193
SAT Total	1119	1121	1153
High School GPA	3.04	3.29	3.43
High School %ile	75%	72%	78%

In 2003 the Council on Student Diversity and Success was created by the Provost to coordinate and extend programs that support the recruitment and success of a diverse undergraduate and graduate student body. Chaired by the Assistant Provost for Student Diversity and Success, the 14-member council includes representatives of academic administration and affairs, faculty, student affairs, student support services and programs, and graduate and undergraduate organizations. Leading a University-wide program to support student diversity and success, the Council on Student Diversity and Success oversees a systematic, comprehensive approach to accomplish the following goals:

- Recruit and enroll a critical mass of academically talented minority students and other underrepresented students
- Work to obtain financial assistance to enable all qualified students to attend the University
- Sustain retention rates for minority undergraduate students comparable to those of the total undergraduate student body
- Sustain graduation rates for minority undergraduate students comparable to those of the total undergraduate student body
- Increase the enrollment of minority graduate students to a critical mass

- Sustain graduation rates of minority graduate students comparable to those of the total graduate student body
- Foster an academic environment and instructional content enhancement to enable overall multicultural and multiracial education with respect and appreciation for diversity
- Prepare minority students and other underrepresented students for professional success

Since 2001, the University has implemented many new strategies to support student diversity including increased web-based resources; the creation of a response team and protocol for reacting to acts of hate on campus; an increase in the number of educational programs, some that have received national awards; and mandatory diversity training for all in-coming freshmen, beginning in fall 2005. While the University of Delaware has programs already in place in some colleges (Engineering, Business and Economics, and CHEP) to support student diversity and success, additional programs are in development in Arts and Sciences and in Health Sciences.

A UD program that has had sustained success is the Ronald E. McNair Post Baccalaureate Achievement Program. One of more than 150 federally funded programs across the country, the McNair program helps students from diverse and disadvantaged backgrounds prepare for admission and success in graduate programs of their choice. The University's McNair program has had a 100% success rate every year it has been in operation and is the only McNair program in the nation with that success rate. Because of this success, the University initiated and funded an Undergraduate Scholars program modeled on the McNair Scholars program.

The University of Delaware also has launched the Paul R. Jones Initiative. Inspired by the gift of the Paul R. Jones Collection of African American Art, the most comprehensive and distinguished private collection in the nation, this initiative supports educational and scholarly uses of the Paul R. Jones Collection and the diversification of the University curriculum through a focus on Africa and its diaspora (with emphasis on the United States). The Paul R. Jones Initiative has engaged faculty and students across campus and beyond in programs that take advantage of, and build upon, the collection. Administered by the University's Black American Studies program, the Paul R. Jones Initiative includes a faculty institute to explore the uses of the Paul R. Jones Collection in teaching and research, grants for faculty to redesign courses to take advantage of the collection and to introduce course material that supports diversity, Paul R. Jones Summer Scholarships for undergraduates to work with faculty on research, and an undergraduate leadership conference that includes students from historically black colleges and universities as well as students from the University of Delaware.

At the graduate level, where program recruitment, admission and organization are highly decentralized, initiatives have been uneven. As part of the overall student diversity and success initiative, a Graduate Council was established by the Provost in 2005 with membership from senior faculty and graduate program directors. The Graduate Council focuses on strengthening the recruitment and academic success of

students of color and other underrepresented students initiatives across the entire campus and identifying policies and practices that will enhance campus-wide services to support graduate student success. One important initiative is the development of partnership programs with historically black colleges and universities, including Spelman College, North Carolina A&T and Delaware State University, that facilitate opportunities for undergraduates from those institutions to pursue graduate study at the University of Delaware.

Over the next five years, increasing undergraduate and graduate student diversity and success will remain a University priority. The University will continue to recognize diversity as an important dimension of educational quality and pursue greater diversity among both undergraduate and graduate students while sustaining and enhancing retention and graduation rates.

Graduate Students. In 2005, the University of Delaware awarded over 700 master's degrees and 192 doctoral degrees. The University's 3,400 graduate students represent 18% of the UD student body. This ratio falls within the lower range among comparator institutions such as Pennsylvania State University (13%), Rutgers University (23%); University of Maryland (28%) and the University of Virginia (35%). Most of UD's comparator institutions have a larger number of graduate professional schools (medicine, law, dentistry).

With a graduate admission rate of 36%, the University of Delaware ranks among the most selective graduate institutions in the nation, while also providing exceptional access to Delawareans seeking graduate study in education, nursing, public administration, and other fields of particular importance to the state. Not surprisingly, many of the high quality programs have the lowest acceptance rates and the highest yield rates. Among the most selective graduate programs are Clinical Psychology (6% acceptance and 92% yield), Material Sciences (7% acceptance and 69% yield), Chemical Engineering (16% acceptance and 48% yield), Art Conservation (16% acceptance and 100% yield), Art History (19% acceptance and 58% yield), and Energy and Environmental Policy (21% acceptance and 57% yield). For some programs, however, selectivity is not an appropriate indicator of quality. For example, the goal of the Master of Instruction program, which serves practicing teachers throughout Delaware, is to provide advanced graduate study for all qualified teachers.

The growth of graduate education at the University of Delaware has concentrated on programs that serve full-time graduate students. Full-time graduate enrollment has increased from 1,540 in 1991 to 2,156 in 2001 to 2,502 in 2005. Full-time graduate students now outnumber part-time students by a ratio of nearly 3 to 1. The University's ratio of full-time to part-time graduate students is greater than at any comparator institution. The growth of full-time graduate enrollment has been enabled by increased University investment combined with dramatic growth of the University's externally funded research program, through which many graduate students receive financial stipends. Minimum graduate stipends at the University of Delaware have increased from \$9,000 in fall 2001 to \$12,200 in fall 2005; the minimum will rise again to \$13,000 in fall

2006. Funding is provided by the Provost's Office for graduate fellowships and assistantships supported by the University's basic budget. Graduate students who receive the minimum stipend also receive a full matching University tuition scholarship. (The seven UD colleges typically supplement the minimum stipends to make graduate assistantships and fellowships even more attractive.) The stipends are indexed to increase annually at a rate at least equivalent to the increase in faculty salaries; clearly the rate of increase has been much greater over the past five years. Over this same period, graduate student health benefits have been increased at no additional cost to students.

Overall, about 70% of all UD master's students during the last decade have completed their degrees. Master's programs in the Arts and Humanities have the highest completion rate, while programs in the Social Sciences and Physical and Life Sciences have the lowest completion rates. Following national patterns, the average time required to complete a doctoral degree at the University of Delaware varies dramatically by field of study. Some fields and programs require a master's degree prior to admission, while others admit students with a bachelor's degree. Typically, doctoral programs in the Arts and Humanities have the longest average time to completion (8 years after receipt of a bachelor's degree) and the lowest completion rates, and those in the sciences have the shortest time to completion (3-4 years) and the highest completion rates. Programs in the Physical and Life Sciences have the highest completion rates, while those in the Arts and Humanities have the lowest.

The University continuously evaluates the time to degree completion and the rates of completion. UD programs with low completion rates and long times to degree completion are required to make improvements in these outcomes. All program faculty are being required to systematically evaluate the number of students they can effectively support to degree completion. This analysis will be described in detail in the University's 2011 Self Study.

Over the next five years, enrollment will grow to about 4,000 graduate students with most of that increase in full-time students linked to expanding sponsored research programs, especially in the sciences and engineering. Significant growth in graduate professional education is not expected, although new and enhanced partnerships – like a proposed agreement with Thomas Jefferson University for students to earn a UD bachelor's degree and then a graduate degree in Pharmacology at Jefferson – are anticipated. Part-time enrollment may increase somewhat through new opportunities for students to combine on-line instruction with regularly scheduled campus instruction. The University will also encourage departments to implement programs that enhance diversity and to initiate new programs that mirror the success of the University's McNair Scholars program.

High Quality, Affordable Education

Over the next five years, the University will strengthen its identity as an outstanding teaching university that remains affordable, provides access to academic programs of continuously improving quality, and actively supports discovery-based lifelong learning.

The University of Delaware's 125 undergraduate programs and 148 graduate programs meet the highest standards of accreditation in their fields; many are ranked among the best in the nation. Professional accreditation also is held in Accounting, Agricultural Engineering/ Engineering Technology, Athletic Training, Business Administration, Chemistry, Clinical Psychology, Dietetics, Education, Engineering, Medical Technology, Music, Nursing, and Physical Therapy. In recognition of the scope and range of its programs, the University is now classified by the Carnegie Foundation for the Advancement of Teaching as a research university with very high research activity, a designation accorded to fewer than one hundred institutions.

The University of Delaware has earned recent national recognition for undergraduate research, study abroad, problem-based learning, instructional technology, and the Honors Program. In 2004 the university was recognized as a Truman Foundation Honor Institution in recognition of its active encouragement of outstanding young people to pursue careers in public service, its sustained success in helping its students win Truman Scholarships, and having a current Truman Scholar. Only 50 institutions have received this honor in the foundation's 30-year history.

The continuing success of the University of Delaware depends upon maintaining the clear identity – and thus the comparative advantage – that sets this institution apart from most major universities. While recognition as a research university will continue to grow, the core strength of the University of Delaware is its identity as an outstanding teaching university that puts its students first, that engages its students in the research and service missions of the institution, and that defines the University's success by the success of its students.

Affordability. A University of Delaware education remains affordable. No student pays the full cost of instruction at the University of Delaware. The Office of Institutional Research and Planning estimates that the full cost for instruction at the University in FY 2005 was \$19,375 per FTE student. This is a broad general estimate and is not sensitive to disciplinary differences or level of instruction. For Delaware residents, the FY 2005 tuition and fee rate was \$6,954 and is supplemented by the annual operating appropriation from the Delaware General Assembly. The non-resident tuition and fee rate was \$16,640, still well below the full cost of instruction, and relatively few students pay the full tuition and fee rate.

Since 1990 undergraduate financial aid administered by the University of Delaware has nearly tripled, from \$13 million to \$37 million. Since 2001 such aid has grown by 24% (Table 11). Growth in financial aid for undergraduates from the University's own resources has far outpaced the growth of either federal or state aid.

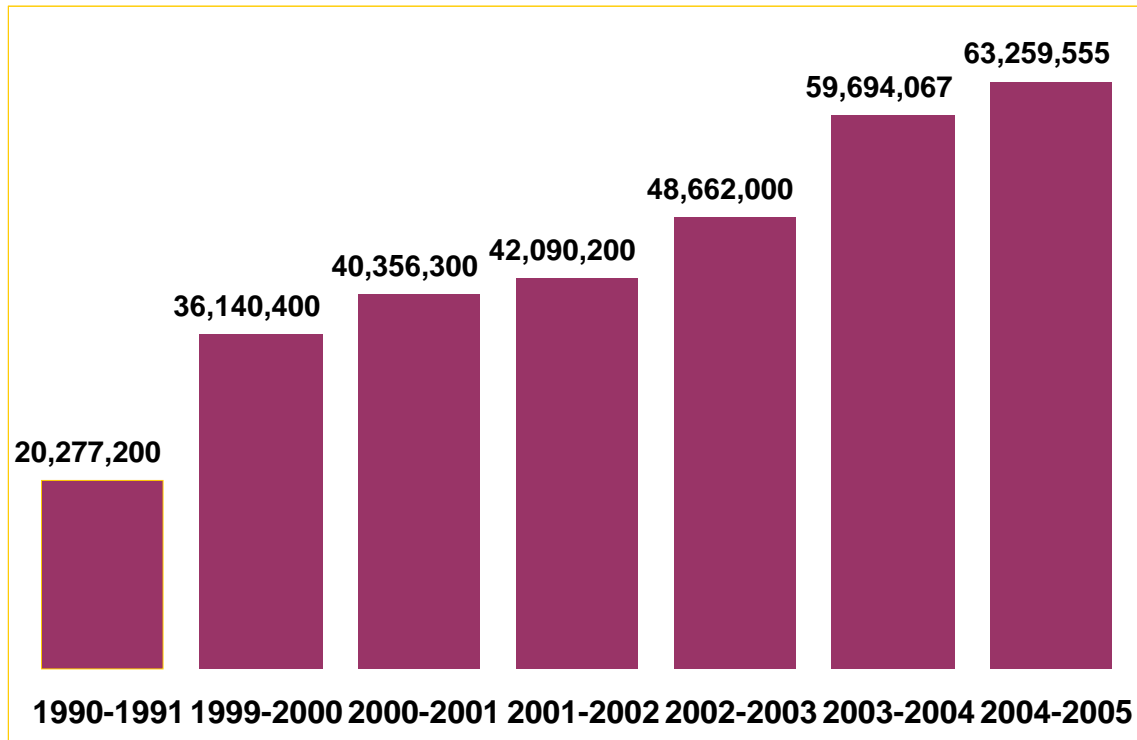
Total graduate student funding has increased from over \$20 million in 1990 to over \$60 million today, and by over 50% in the last five years (Figure 2). University-administered graduate funding has increased by a comparable percentage, from \$27,053,550 in 2000-01 to \$40,555,694 in 2004-05.

Table 11: Growth in University-Administered Undergraduate Financial Aid Resources
FY 1991, FY 2001, FY 2005

<u>Aid Category</u>	<u>FY 1991</u>	<u>FY 2001</u>	<u>FY 2005</u>	<u>% Increase 1991 to 2005</u>
State Grants	\$3,588,900	\$7,153,900	\$8,098,600	125.7
State Work Study Program	\$135,184	\$136,900	\$136,900	1.3
Federal Grants, Loans, Work Study	\$3,897,789	\$6,448,819	\$8,566,885	119.8
University/Private Scholarships, Grants	\$5,423,229	\$16,145,565	\$20,237,439	273.2
Total	\$13,045,102	\$29,885,184	\$37,039,824	183.9

Data Source: Office of Scholarships and Financial Aid

Figure 2
 Total Financial Support for Graduate Students



The University of Delaware is consistently ranked as a best buy. For example, *Kiplinger's Magazine* ranks the University of Delaware as one of the best values among all universities; the 2006 *Kiplinger's* survey of best values among public institutions of higher education rated the University 13th nationally for in-state students and 11th nationally for out-of-state students.

For Delawareans, the University of Delaware is an unmatched bargain. For FY06 tuition and fees for Delawareans total \$7,318. The University's in-state tuition and fees are lower than other flagship state universities in the Mid-Atlantic Region (Table 12).

Table 12: Student Charges at the University of Delaware and at Selected Admissions Competitors, FY06

<u>Institution</u>	<u>Resident</u>	<u>Non-Resident</u>
University of Delaware	\$7,318	\$17,474
Pennsylvania State University	\$11,508	\$21,744
Rutgers University	\$9,221	\$16,819
University of Maryland - College Park	\$7,961	\$20,285
University of Virginia	\$7,180	\$23,924

Data Source: Office of Institutional Research and Planning

The unmet need for Delawareans (which is the difference between the price of a University education and a family's ability to pay for that education after all available financial assistance has been awarded) is less than \$2,000. Students in the Associate in Arts program pay less than \$2,250 per year for tuition. In fall 2006, the State of Delaware's SEED Program ("Student Excellence Equals Degree") goes into effect. It will provide Delaware students full tuition scholarships when the student is enrolled full time in UD's Associate in Arts program.

A University of Delaware education must remain affordable. Cost controls combined with increases in financial aid have helped to keep access open to qualified students independent of their economic means. To keep that distinction and to attract and support more academically talented and diverse students, the University will need to continue to be cost-effective and to increase financial aid.

A parallel situation exists at the graduate level. The availability and continuity of graduate student financial support is often the key determinant of graduate program size and a key factor in student success. Graduate student funding has more than doubled over the past decade to over \$50 million in 2005. For fall 2005, the University is providing funding to about 85% of eligible full-time graduate students.

The University minimum graduate stipend is \$12,200 for the 2005-2006 academic year and that will rise to \$13,000 in 2006-2007; the University provides a matching tuition scholarship for these stipend awards. The University's minimum stipend level will have increased by nearly 45% between 2001 and 2006, making it competitive with stipend levels at leading graduate institutions.

Undergraduate Education. The University of Delaware has a distinctive identity as a teaching/research university that provides an undergraduate education that ranks among the finest offered by any university in America, public or private. To sustain this leadership position, the University's General Education Initiative was launched in 1996. A faculty committee was appointed by the Provost and the Faculty Senate to consider the emerging demands, responsibilities, and opportunities facing an educated person in the 21st century as well as the distinctive educational programs of the University and to recommend the academic goals that should define a University of Delaware undergraduate education. The General Education Initiative was conceptualized as spanning the undergraduate experience and thereby enriching the education and enhancing the success of students at every stage. Moreover, the General Education Initiative would be implemented across all academic programs, and the entire academic community would share responsibility for success. The signature features of a UD education were thus to be available to every undergraduate.

In March 2000 the Faculty Senate adopted ten goals for undergraduate education, approved a three-year pilot program, and encouraged instructors throughout the University to address these goals in their courses for undergraduates.

1. Attain effective skills in oral and written communication, quantitative reasoning, and the use of information technology.
2. Learn to think critically to solve problems.
3. Be able to work and learn both independently and collaboratively.
4. Engage questions of ethics and recognize responsibilities to self, community, and society at large.
5. Understand the diverse ways of thinking that underlie the search for knowledge in the arts, humanities, sciences and social sciences.
6. Develop the intellectual curiosity, confidence, and engagement that will lead to lifelong learning.
7. Develop the ability to integrate academic knowledge with experiences that extend the boundaries of the classroom.
8. Expand understanding and appreciation of human creativity and diverse forms of aesthetic and intellectual expression.
9. Understand the foundations of United States society including the significance of its cultural diversity.
10. Develop an international perspective in order to live and work effectively in an increasingly global society.

Three years later, the evaluation of the pilot program clearly demonstrated that the General Education Initiative was a success. The Faculty Senate, the Provost and the deans recommended that all undergraduate students should benefit from campus-wide

implementation of the General Education Initiative. In fall 2004, the University's Board of Trustees endorsed the Faculty Senate's resolution for full implementation of new general education requirements.

Effective September 2005, all entering students must participate in a first year experience designed to help students get off to a good start at the University and gain the skills needed for continued success. In addition, all students must complete at least three credits of discovery or experiential learning, such as undergraduate research, study abroad, service learning, or an internship or field experience. Moreover, all students are encouraged and facilitated to participate in as many discovery learning opportunities as can be effectively integrated within their specific programs of study. Towards the end of their undergraduate studies, all students should participate in a capstone experience. Academic departments and programs are developing capstone courses wherever appropriate and feasible for their majors, minors, concentrations, and certificate programs. Faculty across campus are modifying courses and instructional methods to more fully address the general education goals.

The *first year experience* is a multi-faceted program, requiring all students to participate in one of four options – LIFE (Learning Integrated Freshman Experience), First Year Seminars, Honors Program or Pathways courses. All four options should offer special assistance to students in making the transition to the University and in supporting their success at the University. All four provide students with information about learning strategies, educational program options, campus life programs, advisement support, study techniques, and many other matters that demonstrably increase academic and social success as well as contribute to higher first year student retention.

The University of Delaware is one of only a few universities across the nation to require a first year experience of all students. First year students are enrolled in one of the four options according to their major. For fall 2005 on the Newark campus, 1,779 students were enrolled in LIFE: 1,100 in First Year Seminars; 484 in the Honors Program; and 166 in Pathways courses. The LIFE program also encompasses the three Associate in Arts degree programs by enrolling 198 students in Wilmington, 78 students in Dover, and 44 students in Georgetown.

From 2002-2005, the LIFE program was offered, but not required. Evaluations over the past three years demonstrated that students who did participate were overwhelmingly positive about the LIFE program, citing its positive impact on both their academic and social experience. Students cited improvements in their ability to collaborate with others and in their ability to make connections between their courses and their broader world experiences. Evaluations also indicated that LIFE students performed better academically than students who did not participate in the program. Further, both the peer mentors and the first year students gained important interdisciplinary skills through completing hands-on assignments, practicing leadership skills, and having the opportunity to build trust and teamwork among peers. These results were instrumental in the decision to require a FYE. An assessment of the required FYE is currently being conducted.

Beginning with the fall 2005 entering class, all students will participate in a *discovery learning* program. Discovery learning is experiential learning that involves out-of-class educational experiences combined with in-class instruction or independent study with faculty. The University of Delaware is a recognized leader in innovative approaches to discovery-based student learning and is particularly well known for its programs of undergraduate research and study abroad as well as for faculty excellence in problem-based instruction. In addition to undergraduate research and study abroad, discovery learning programs include service learning as well as field internships and clinical practicums.

Founded in 1980, the University of Delaware's Undergraduate Research Program is a national model that demonstrates how university faculty, supported by an effective institutional infrastructure, are able to engage in productive research collaborations with talented, motivated undergraduate students. Over 90% of faculty in engineering and sciences, 80% in social sciences, 60% in humanities and arts, and 55% in mathematical sciences participate in the supervision of undergraduate research. Approximately 700 undergraduates work in various research collaborations with faculty every year. Accorded national recognition by the National Science Foundation's RAIRE grant program and by the Boyer Commission's Center for Reinventing Undergraduate Education, the University's undergraduate research opportunities were also cited by the Board of Trustees in December 2003 for achieving the highest standard of accomplishment in undergraduate research and discovery learning and for being recognized as a national model to be emulated by research universities throughout America.

The Undergraduate Research Program coordinates student research throughout the academic year. Undergraduate students work as assistants or junior members of faculty research teams. Preparing to do their own research, the students have the opportunity to share in a professional researcher's work, to learn how to formulate a significant question, develop a procedure to investigate it, gather and examine evidence, and share results with the scientific, scholarly or artistic community. Every UD college, department and research center provides opportunities for interested students to participate in research. A multitude of challenging options exists for students to explore and bring learning to life. In order to make these opportunities more accessible to more students, additional financial support has been provided by the University and the Unidel Foundation to increase access to undergraduate research opportunities, particularly in the arts, humanities and other fields in which external funding for research is limited.

In 1923 the University of Delaware was the first institution in the United States to offer a study abroad program. Today, the University offers more than 50 programs on all seven continents and is nationally recognized for undergraduate participation in study abroad programs, sending more than 1,500 students abroad annually. One-third of all UD graduates study abroad at least once in their academic career. The Institute of International Education currently ranks the University of Delaware sixth overall, and first among public research universities of similar size, in undergraduate participation.

Study abroad programs are administered by the Center for International Studies and are most often led by UD faculty members who manage logistics, mentor students and teach courses as part of the program. Study abroad programs help faculty and students to develop an international perspective on living and working effectively in an increasingly interdependent and global society. The majority of UD students who participate in study abroad do so during the five-week winter session in programs directed by University faculty. Students who participated during the 2003 and 2004 winter sessions were surveyed about their experiences; over 2,300 students replied. Their responses cited personal growth and development, such as adaptability, flexibility, patience, responsibility, respect for others, and appreciation for the arts. Students also learned to view the United States differently, acknowledging their position of privilege in the world, noting differences between the United States and their host countries, and indicating a greater awareness of global interconnectedness. To make a study abroad experience available to every student, the University with the assistance of the Unidel Foundation has doubled the allocated funds for study abroad scholarships, enabling assistance to more than 300 students each year.

Compared with undergraduate research and study abroad, service learning is an area of discovery-based learning that has received substantial attention and support only recently. Even so, hundreds of students participate in service learning projects annually, and it is expected that participation will grow significantly in the years ahead. Service learning is an instructional method that exposes students to the needs of the larger society, engages them in addressing those needs through community service, and connects what they learn in the classroom to real-world conditions. Much more than simple volunteerism, service learning is integrated into the academic curriculum, providing structured time for reflection and analysis and helping to foster civic responsibility.

To support the expansion of service learning opportunities for undergraduates, the University created the Office of Service Learning in 2004. The Office of Service Learning provides a central location for information about service-learning opportunities, supports faculty interested in developing service-learning courses, helps students design individual service-learning projects, and serves as a liaison for community partners interested in exploring new service-learning connections with the University of Delaware. As with undergraduate research and study abroad, the University with assistance from the Unidel Foundation has increased support for service learning programs and scholarships. In 2005, the State of Delaware awarded the University additional funding to support service learning programs.

Internships and clinical practicums are also valuable discovery learning options, particularly for students in pre-professional fields such as business, engineering and nursing. The MBNA Career Services Center offers an online system to identify local, regional and national internships and field experiences. While internships may vary among disciplines, in order to qualify as discovery learning, the experience must satisfy defined criteria including the supervision of a faculty member and the on-site supervisor. The internship must also include a reflective component, such as a student journal or

similar writing assignment, and the internship host must provide feedback to the faculty member and the student about the quality of the student's progress in his/her internship responsibilities.

Over the last two years, efforts have concentrated on full implementation of the first year experience and the discovery learning requirement. Even so, notable progress is underway in implementing other facets of the General Education Initiative. While many UD academic departments already have *capstone experiences* for their students, others are now working to develop such experiences. Capstone experiences help students to integrate, synthesize and reflect on what has been learned across a course of study. Coming at the end of the undergraduate experience, a capstone experience may take the form of a traditional course, such as senior seminar, or in some instances may also involve or be entirely constituted by a field experience, internship, career preparation experience, research, travel, exhibition or portfolio. It may be discipline-centered or interdisciplinary and may place the undergraduate experience in a broad context that can be applied to the students' post-college lives. Students in pre-professional fields have long been required to complete their studies with an application of their learning through student teaching, nursing clinical placements, engineering projects and internships, and similar capstone experiences. Capstone experiences will be part of the education of all UD undergraduates by 2008.

New initiatives are underway to support all ten of the goals for undergraduate education. The University has expanded programs of international/intercultural education, such as the "America and the Global Community" and "Global Agenda" lecture series, to enhance international understanding of global society. A new program has been initiated to strengthen and integrate written and oral communications throughout the curriculum; a new university media center in support of this initiative is being established at the library is being established. Programs have been established to engage students in dialogues on ethical issues and to incorporate issues of individual, community and social responsibility in courses throughout the curriculum; congruent programs in the residence halls have also been initiated by student life directors. A Council on Academic and Student Affairs was recently established to extend educational collaborations that integrate the living and learning experiences of students. Programs also have been implemented to help students (and faculty) attain effective skills in the use of information technologies and to guide their responsible use of those technologies; a new Multimedia Communications Center is being constructed in the Morris Library. Some new programs are still in development, including an effort to strengthen quantitative literacy and enhance quantitative reasoning for all UD students, and these initiatives will grow in the next few years. Over the past five years, the University's instructional development grants for faculty have given priority to proposals that are responsive to the general education goals.

As part of the General Education Initiative, the University has established a rigorous and continuous assessment program to evaluate learning outcomes and thereby identify areas for improvement; this is described in Section Five. Maintaining and

enhancing the program's success also requires that faculty sustain their leadership in instructional innovation and improvement and in student mentoring.

UD students benefit from the General Education Initiative through the increased knowledge and lifelong learning skills they obtain. They also benefit from an educational experience that supports their success from the day they arrive to the day they graduate. Beyond these student benefits, the General Education Initiative has forged a stronger sense of institutional identity on campus, increased the attractiveness of UD to academically talented students, reinvigorated a campus-wide engagement with the content and process of undergraduate education, and reaffirmed the priority of student success.

Graduate Education. Growth in the scale and importance of graduate education at the University has been relatively recent and later than at other flagship state universities. In 1948, the first PhD was awarded; there were then fewer than 150 graduate students. Beginning in the 1960s, graduate education expanded with the addition of many new master's and doctoral programs that generated modest but continuing increases in enrollment through the next half century. The expansion of graduate programs reflected the UD faculty's improving academic qualifications, their increasing scholarly productivity, and their growing success in attracting external funding for research. In addition, new programs were added to respond to emerging needs of the state and nation (such as education and nursing), to fulfill the University's responsibilities as a land-grant, sea-grant, space-grant and urban-grant institution, and to capitalize on the region's unique cultural and historic assets (Winterthur and Longwood, for example).

Because the growth of UD graduate programs was later than at comparable institutions, national recognition of the University of Delaware as an important center of graduate education is still relatively recent. Twenty-five years ago, the University could boast only a handful of nationally ranked and internationally recognized graduate programs, such as Chemical Engineering and Art History. Today, UD graduate programs in every substantive domain rank among the finest in their respective fields. Top ranked UD programs include the following.

- Arts and Humanities: Art Conservation, Art History, Early American Material Culture, Theatre
- Social Sciences: Energy and Environmental Policy, Urban Affairs and Public Policy
- Physical and Life Sciences: Chemistry and Biochemistry, Climatology, Oceanography, Plant and Soil Sciences
- Mathematical Sciences and Engineering: Chemical Engineering and Materials Science
- Professional Programs: Physical Therapy, Marine Policy, Public Administration

Evaluation of the quality of UD graduate programs is a continuous process. Some graduate programs – particularly professional programs in such fields as education, engineering, business administration, nursing, and physical therapy – are evaluated through a periodic accreditation review conducted by national professional organizations. Other programs are evaluated through the University’s Academic Program Review process, which requires full-scale assessments by external review teams once every five to ten years (see Section Five).

Over the next five years, the University will continue to emphasize increasing graduate program quality rather than the number or size of programs. There will be growth in programs that serve special needs, such as nursing, early childhood education, and teacher education, and in programs driven by the growth of faculty research and their increasing success in attracting external contracts and grants; biotechnology and the life sciences are good examples. While a few new programs will be initiated, the focus will continue to be on enhancing the quality of existing graduate programs.

The development of new programs will concentrate in interdisciplinary areas that build on the research and scholarship of the faculty and on UD’s comparative advantages. New program development is likely in the following interdisciplinary areas: biotechnology and the life sciences; American art, African American art, and material culture; advanced materials sciences; information technology; early learning and development; environmental, marine and coastal sciences; clean energy research; and corporate governance.

Even without a large number of new programs, the continuing growth of graduate enrollments and faculty research programs will generate the need for expanded space and the continuous updating of laboratories, equipment, and computer and other support facilities. The growth of graduate programs also requires continuous improvements in library resources. While greater reliance on improved electronic library resources has improved access and displaced some costs, overall library costs, particularly for journal acquisitions, continue to grow much faster than the rate of inflation.

Maintaining adequate funding for graduate students will remain an institutional priority. To recruit and support the best graduate students will require competitive stipends and benefits, some of which have been and will continue to be generated from continuing growth of contracts and grants. Even so, maintaining competitive graduate student support will require continuing substantial investments from the University. To be successful, the University of Delaware needs to continue benchmarking its graduate support against that provided by the leading comparator institutions. As noted earlier, the University is committed to annually increasing the minimum stipend level for graduate students at the same rate as faculty salary increases. In fact, the increments have been much larger for graduate stipends in recent years, and that pattern should continue to move UD minimum stipends above the median among our comparator institutions. In addition, increasing investment will be needed to strengthen benefits support for teaching and research assistants.

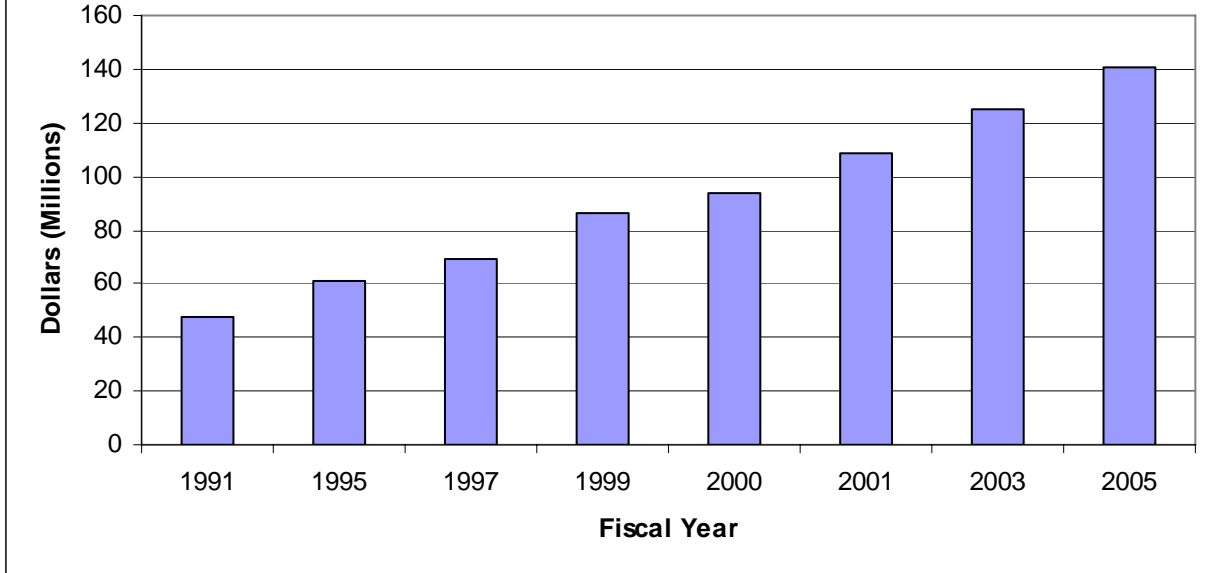
Superior Research and Service

Over the next five years, the University will enhance research and service programs that build on institutional and interdisciplinary strengths, extend its leadership as a state-assisted land-grant, sea-grant, urban-grant and space-grant university, and initiate new models of institutional partnership in both research and public service.

Over the past five years, the research and service programs of the University of Delaware have continued to grow in scope, scale, impact, and recognition. Concurrent with this growth, standards and expectations regarding the scholarly contributions of faculty continued to become stronger and more consistent across the campus. Strengthening support for enhanced productivity in both externally sponsored and University-supported research and scholarship remains an important academic priority of the faculty. Beyond its fundamental importance to the scholarly and education mission of the University, faculty research and scholarship contribute on a daily basis to improving the quality of life in Delaware and far beyond. Indeed, an increasing number of UD research programs are important state and national assets.

Research. University of Delaware faculty attract major national research support, including support for federally funded national centers of excellence. Externally sponsored activity at the University of Delaware related to instruction, research, extension, and public service has more than doubled in the past decade, increasing from \$108.3 million in FY 2001 to \$140.7 million in FY 2005 (Figure 3). In addition to the growth in sponsored programs, targeted federal funding for UD programs increased to about \$18 million in 2005.

Figure 3
Sponsored Activity at University of Delaware
FY 1991 through FY 2005



Despite increasing national competition, the success of the University of Delaware in attracting external contracts and grants to support research will likely continue. Increased emphasis will be placed on the development of multidisciplinary “centers of excellence.” The University will continue to improve and expand facilities that support research and scholarship and sustain investments in technology and library resources.

With increasing pressures on federal funding sources, the need to diversify funding bases and partners will increase. The University has already had some success in partnering with external entities. The UD Center for Composite Materials is a pioneer in university-industry partnerships and has established a premier technology transfer network to transition research accomplishments to industry. Its University-Industry Consortium “Application of Composite Materials to Industrial Products” was established in 1978; since then, the Center for Composite Materials has collaborated with some 160 companies representing materials suppliers and end users in the aerospace, automotive, and durable goods industries. The Center for Composite Materials partnership continues to grow: total CCM grants and contracts for FY 2005 were over \$8 million.

An important initiative and model for the future is the University’s Delaware Biotechnology Institute (DBI), opened in January 2001. DBI is a partnership among government, academia and industry to help establish the State of Delaware as a center of excellence in biotechnology and the life sciences. A state-of-the-art facility with excellent instrumentation to support research has been established. An interdisciplinary, inter-institutional, and collaborative statewide partnership has emerged in life sciences

and biotechnology research and education including genetic engineering and cancer research. A new model of economic development that connects academic researchers with private and public sector interests has been developed. DBI's partnerships with other educational institutions and with the private sector enable research and educational efforts on the scale required for success and foster the technology transfer to support the commercialization of research products. For example, DBI and the Department of Biological Sciences, in collaboration with Christiana Care Health System and the Graham Cancer Center, is establishing a medical research capability in Delaware.

Since 2001 over \$60 million in federal funds have been awarded to DBI and its partner institutions. DBI was instrumental in obtaining EPSCoR status for Delaware's academic community. (EPSCoR – the Experimental Program to Stimulate Competitive Research – is a special National Science Foundation effort to help states strengthen their basic research capability.) As a result of this designation, Delaware institutions have already won National Science Foundation grants that would otherwise not have been available. DBI together with its partner institutions has received a \$6 million basic research grant from the foundation's Research Infrastructure Improvement program; the grant is supplemented with \$3 million in matching funds from the State of Delaware. The grant is a critical component of Delaware's strategic thrust in the life sciences and biotechnology and focuses on building an inter- and intra-institutional, interdisciplinary research capability with a focus on complex environmental systems. As a result of these programs, UD faculty will be more competitive in winning federal grants in the future.

Moving forward, the number of similar opportunities for broad-based and sustained partnerships is likely to increase significantly, and it will be even more important to be selective in supporting only those that fit with and reinforce other University priorities and leverage our comparative advantages.

The growth of sponsored programs also requires that the University of Delaware continues to implement best practices in grants and contract administration and to improve policies and procedures that address issues of intellectual property, equity interest ventures, and commercialization of new ideas and procedures. The UD Office of the Vice Provost for Research is expanding workshops to assist faculty in proposal development and sponsored program management. As noted earlier, the University has a number of programs to provide small grants and seed funding to faculty to initiate research programs that may then be competitive for sustained external support.

New research programs will develop primarily in areas where the University of Delaware has a distinctive opportunity or advantage relative to other universities, or where the University has a notable responsibility to the community. Prime candidates are interdisciplinary areas that draw upon faculty expertise from many departments and colleges, such as biotechnology and the life sciences; American art, African American art, and material culture; information technology; early learning and early experience; nanoscience and nanotechnology; environmental, marine, and energy sciences and policy; international and cross-cultural research; and corporate governance. Two new centers launched in the last year bring together researchers from diverse disciplines

cutting across the seven colleges: the Center for Critical Zone Environmental Research and the Center for Clean Energy Research.

Public Service. To an extent matched by few peer institutions, the University fulfills the Kellogg Commission’s model of an “engaged university:” an institution that makes a comprehensive and sustained contribution to the improvement of the communities that it serves. The University of Delaware provides a broader array of continuing public and community services to Delaware than is provided by public universities in larger states. The University also is Delaware’s largest provider of trained professionals in education, nursing, and other fields as well as being the state’s largest provider of professional development training.

The research expertise and educational services of the University provide direct benefits to Delaware’s citizens, communities, organizations and agencies in many areas. University contributions range across the full scope of State of Delaware responsibilities and services, from agriculture, water quality and marine resources to education, health, and community development. Here are just a few examples:

- The UD Poultry Diagnostics Lab evaluates 700 disease cases and tests 20,000 blood samples annually to monitor poultry diseases, a support activity to the state’s poultry industry.
- The University coordinates the work of all the Early Head Start programs in New Castle and Kent counties.
- The University’s Center for Historic Architecture and Design works with individual owners and private and nonprofit groups to record and preserve Delaware’s historic resources and landscapes.
- The University tracks the economic performance of the state to assist public officials in understanding growth patterns and in making decisions about future requirements in the areas of labor force, education, health care, transportation, etc.
- The Delaware Data Mapping and Integration Laboratory (DataMIL) is an interactive, online, geospatial data collaboratory supporting decision makers at the federal, state, county, and local government levels. Designed and developed by UD’s Research & Data Management Services staff in consort with the State of Delaware’s Office of Planning Coordination and the Delaware Geological Survey, DataMIL (<http://datamil.delaware.gov>) is maintained by the Delaware Geological Survey and the State.
- The University annually provides 10,000 units of professional development training for Delaware teachers, school administrators, and other state service professionals.
- University Nursing faculty and students annually provide more than 12,000 client encounters for health promotion and chronic disease screening.
- The University’s Legislative Fellows program provides staff support for the Delaware General Assembly.
- The UD Marine Advisory Service helps foster conservation and development of coastal resources.

Sometimes these services are provided through partnerships with federal and state agencies. The Cooperative Extension Program and the Sea Grant Program are two well-known examples with analogs in many other states. The UD Center for Disabilities Studies, one of over sixty University Centers for Excellence in Developmental Disabilities in the country, is another; its activities are designed to expand and improve services available to Delawareans with disabilities and their families, including community education and technical assistance and program evaluation. The Water Resources Agency provides technical assistance for water resources and watershed policy to governments in Delaware and the Delaware Valley; its programs are funded by four governments – the State of Delaware, New Castle County, the City of Wilmington, and the City of Newark – along with grants from public and private sources. The Delaware Center for Teacher Education and the Mathematics and Science Education Resource Center work with school districts and the state Department of Education to link the research and resources of the University with the professional development needs of the Delaware education community.

In many respects, the University of Delaware is a model of the engaged university and much more of a public university in its contributions to the State of Delaware than the level of state support would suggest. Because the University of Delaware is the only comprehensive research university in the state, it is unlikely that public service expectations will diminish. As a result, the University must establish a new partnership with the State of Delaware that better reflects mutual expectations and resource requirements.

The University of Delaware's public service role will grow through partnerships in areas of University priority and responsibility, such as pre-K to 12 education; professional development for business, education and health professionals; and improvement in agriculture, coastal management, and environmental practices. In some cases, the University will need to develop innovative models to support the new and expanding partnerships.

A major example already underway of such a partnership is the new secondary education initiative. The University will work with partnering school districts to better support the cooperating teachers who mentor UD students while reorienting UD secondary teacher education field placements. The effort will begin with two or three districts next year and will focus on math, English, science and special education; in the next several years more districts will be added and social studies will also be included. All partners will benefit from the effort. Teachers will have a broader range of support services available, including professional development from pedagogy specialists in the subject areas. The University and the districts will ultimately reap the reward of better prepared students. Indeed, this partnership will directly support the University's efforts through *A Commitment to Delawareans* to ensure that more Delaware residents become college-ready and, specifically, college-ready for the University of Delaware.

Outstanding Facilities

Over the next five years, the University will maintain and enhance existing facilities and equipment, while enriching the academic infrastructure and campus environment required by students and faculty of a continuously improving University of Delaware.

Since 1990 over \$772 million has been invested in facilities, including the construction of 34 new buildings and the completion of 1,400 renovation/renewal projects. The building program added approximately 1.7 million square feet to the University's physical plant. Beyond these visible improvements, the University is also nationally recognized as a leader in electronic library resources and in instructional technology. Investments in all of these improvements have been greatly assisted by the success of the University's first-ever comprehensive capital fund-raising effort, the *Campaign for Delaware*, which helped to raise the University endowment and invested funds to over \$1 billion.

In the five years since the Evaluation Team visit, the following new or fully renovated for adaptive reuse facilities have been or are being added:

- Mechanical Hall (home of the Paul R. Jones Collection of African-American Art)
- UD Marriott Courtyard Hotel
- DuPont Hall addition (Chemical Engineering)
- Early Learning Center (a clinical education and research site)
- George Read Hall (residence hall)
- James Smith Hall, and Thomas McKean Hall (fall 2006 completion, residence halls)
- Jastak-Burgess Hall (Foreign Languages and Literatures)
- Center for the Arts (fall 2006 completion date)

A list of major projects since the 2001 Middle States Evaluation Team visit is included as Appendix 7.

The University of Delaware is now in the advantageous position of essentially having replaced deferred maintenance with scheduled maintenance. Keeping this advantage will require a minimum recurrent 2% annual investment in a physical plant now valued at about \$1.4 billion dollars. Beyond maintenance, continued academic progress will also require continuing improvements in the living-learning environment.

One area requiring continuous improvements is instructional facilities. For example, about \$1.5 million a year is spent on upgrades of instructional laboratories. Classrooms are also upgraded on a regular, scheduled basis. In addition, changing educational needs and new opportunities for improvements in educational facilities generate an on-going demand for new instructional facilities. Several examples illustrate the extent of recent investment in discovery learning. The clinical nursing skills simulation laboratory with three simulation mannequins allows the School of Nursing to

teach patient care skills in a more efficient, student-focused, and safe environment. The financial markets simulation laboratory will have technologically advanced financial tools with financial market applications, real-time market data, accounting databases, information systems tools, and market research applications and provide access to real-time trading data. The Multimedia Communications Center in Morris Library will help develop student mastery of computer-controlled communication and presentation technologies. All of these new facilities are important to the University's educational programs, and the demand for modern instructional facilities will not diminish in the years ahead.

Another important area for continuous investment and improvement is the University of Delaware Library. About \$1 million per year has been spent on library improvements since 2001. The Library has assumed a leadership role in the development of the electronic library, providing a large array of electronic services and resources including access to over 235 databases and thousands of electronic journals to support the research needs of students, faculty and staff. The Library has implemented the development of an Institutional Repository that provides access to UD original research in digital form, including technical reports, working papers, conference papers and other material and that will showcase the international prominence of the faculty both individually and collectively to a wider audience. The Library also has made increasing investments in important special collections that provide exceptional and often unique opportunities for scholarship. Over the last five years, major renovations have been made to various parts of the Library to improve service delivery and to adapt to the changing needs of students and faculty. For example, the Library Commons has been renovated to serve as a 24 hour study hall. It is expected that the need for these types of investments will continue.

Over the last five years, the University of Delaware has also continued to make major information technology investments in both administrative and academic areas. New information systems have been introduced for both personnel and financial operations. Implementation of a new student information system will be complete by fall 2006. The University's IT network infrastructure has been enhanced by wireless services in dining halls, student centers, libraries, and certain outdoor venues where students gather as well as common spaces in classroom buildings. Classrooms have been enhanced to include remote monitoring to more readily assist faculty with their use of technology during classes. Since 2001, annual use of the University's online course management system and course redesign services has grown from 30 to 454 faculty and 2,659 to 14,669 students. Open source initiatives have brought to fruition a UD student portal, to be followed by a faculty and staff portal. Additional open source initiatives manage and make available for view and study the various image collections of the University. For example, the Paul R. Jones Collection of African American Art is being digitized and made available on the internet to scholars at other universities. The investment in IT infrastructure and services will continue over the next five years.

Maintaining the quality of library resources and instructional technology requires continued investment. While greater reliance on improved electronic library resources

has improved access and displaced some costs, overall library costs, particularly for journal acquisitions, continue to grow much faster than the rate of inflation. Resources must be reserved to support this cornerstone of quality undergraduate and graduate instruction and research.

In the years ahead, the students attracted to the University of Delaware will continue to be more academically qualified than their predecessors; they also will have greater expectations about the environment for learning and somewhat different needs in terms of the types and quality of learning resources available. As the University attracts more of these better-prepared students, the institution will need to increase investments in the living-learning environment. Two current projects reflect this need. One is the replacement of the entire Pencader housing complex on north campus with three new residential facilities – George Read Hall will be joined next year by Thomas McKean Hall and James Smith Hall – that are much better suited to the University’s character and needs. Over the next decade a comprehensive upgrading of all dormitories will be undertaken.

An even more compelling example is the new Center for the Arts, due to open in fall 2006. Over the last decade, the number of music and theater majors has doubled and the number of music and theater minors has tripled; in addition, a larger number of non-majors are now participating in music-related activities. This trend is likely to intensify as the University attracts students of increasing academic quality because better students are more often interested in the arts and seek instruction in music or perform in choral or theater groups. The approximately 90,000 square foot structure will feature a multi-purpose 450-seat proscenium theater, a 200-seat recital hall, a large lobby/function area, an orchestra rehearsal room capable of seating 300, a theater rehearsal room, 32 music practice rooms, and a variety of performance support spaces. The Center for the Arts is clearly an important investment in the success of the students of the University of Delaware.

Additional investments will also be needed in facilities that support the signature features of a University of Delaware education. One such facility is a dedicated undergraduate laboratory building that would extend the institution’s capacity to support undergraduate research. While providing state-of-the-art laboratories designed for instruction in the sciences and engineering, such a facility also would relieve pressure on laboratories in a half-dozen current buildings.

A parallel situation exists in regard to the growth of research programs. The growth of sponsored programs generates the need for expanded modern research space and continuous upgrades in equipment and core research facilities; it also increases the opportunity for spin-off initiatives that require suitable facilities, such as those now available at the Delaware Biotechnology Institute and the Delaware Technology Park. The University’s responsibility as a land-grant, sea-grant, space-grant, and urban-grant institution also sustains demands for continuous upgrading of equipment and facilities. For example, the University’s new 146-foot research vessel, the R/V *Hugh R. Sharp* that will sustain the research of scientists in the College of Marine Studies and from

institutions across the county, required an investment of \$18.5 million with the funding provided by the University with assistance from the Unidel Foundation, the National Science Foundation, the Office of Naval Research and the National Oceanic and Atmospheric Administration. Similarly, the University will soon open the Carvel Research and Education Center in Georgetown, which will provide the College of Agriculture and Natural Resources with an opportunity to enhance cooperative extension and other service programs that benefit the citizens of southern Delaware. This \$7.6 million facility is funded through gifts and University and State of Delaware resources.

Over the next five years, the University will need to maintain investments of \$20-\$25 million each year for scheduled maintenance. In addition, major investments will continue to be needed to serve the emerging educational and research needs of students and faculty.

Section Four

Enrollment and Finance Trend and Projections

This section provides an analysis of financial and enrollment projections at the University of Delaware for the next three years as well as the assumptions upon which those projections are constructed. (The three-year time frame differs from the standard five-year projection typically required in a Periodic Review Report. The University of Delaware annually provides its Board of Trustees with three-year budget and enrollment projections, and it is University practice not to provide external agencies with data that differs from those provided to the UD Trustees.) The University of Delaware is in very sound condition with respect to both finances and enrollment, and the data indicate that this positive condition will persist for the foreseeable future. Appendix 8 contains audited financial statements for Fiscal Years 2004 and 2005, with accompanying independent auditor's reports.

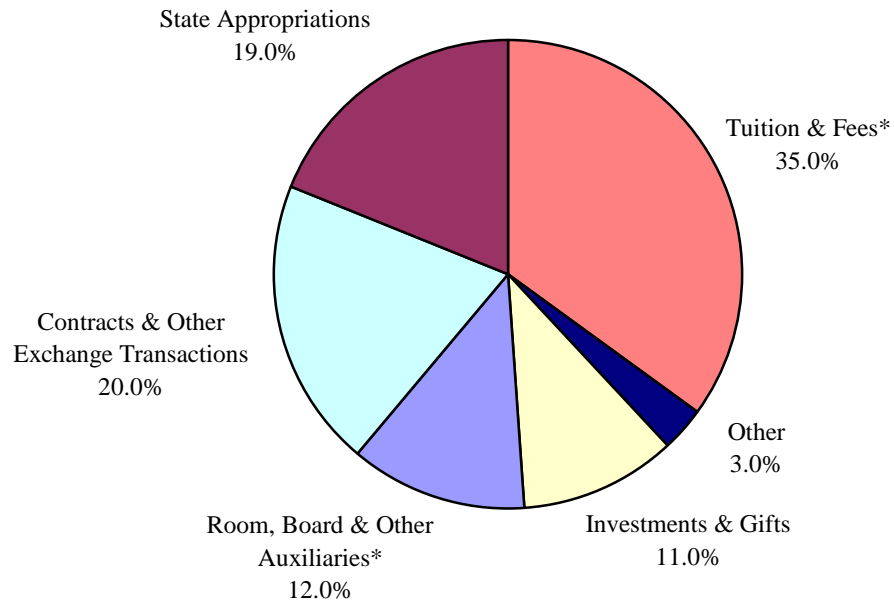
Financial Trends and Projections

The University of Delaware's operating budget for Fiscal Year 2005 was \$585,250,000. Revenue to support budget requirements comes from student tuition and fees (35%); State of Delaware appropriations (18.6%); contracts and grants (20%); funds from room, board and other auxiliary services (12%); gifts and income from endowment (11%); and various miscellaneous sources (less than 4%) (Figure 4). More than half of expenses are for instruction and academic support (52%), followed by sponsored activities (21%), room, board and other auxiliary expenses (11%), institutional expenses (11%), student services (3%), student aid (1%), and various transfers (2%) (Figure 5).

The University annually receives an appropriation for operations from the Delaware General Assembly. The operating appropriation consists of two basic components – a lump sum for basic operations and various “state lines,” or line-item appropriations intended for the specific purpose described therein (for example, financial aid for Delaware residents, sea grant, agricultural experiment station, etc.).

While the State of Delaware appropriation for operations increased by nearly \$15 million between 2000 and 2005, the State appropriation as a percentage of the University's total operating budget has decreased from 20.5% in 2000 to 18.6% in 2005 (Table 13); this process of decline actually began two decades earlier. Put another way, the total University operating budget increased by 27% during that five-year period while State appropriations for operations grew by less than 16%. The University of Delaware has assumed ever greater financial responsibility for meeting the instructional, academic support, and student support needs of undergraduate and graduate students as well as for programs of research and scholarship and outreach activity to the communities and citizens of the State of Delaware.

Figure 4 - REVENUE (\$585.3 Million)



*Net of Scholarship & Fellowship Allowance

Figure 5 - EXPENSES AND TRANSFERS (\$585.3 Million)

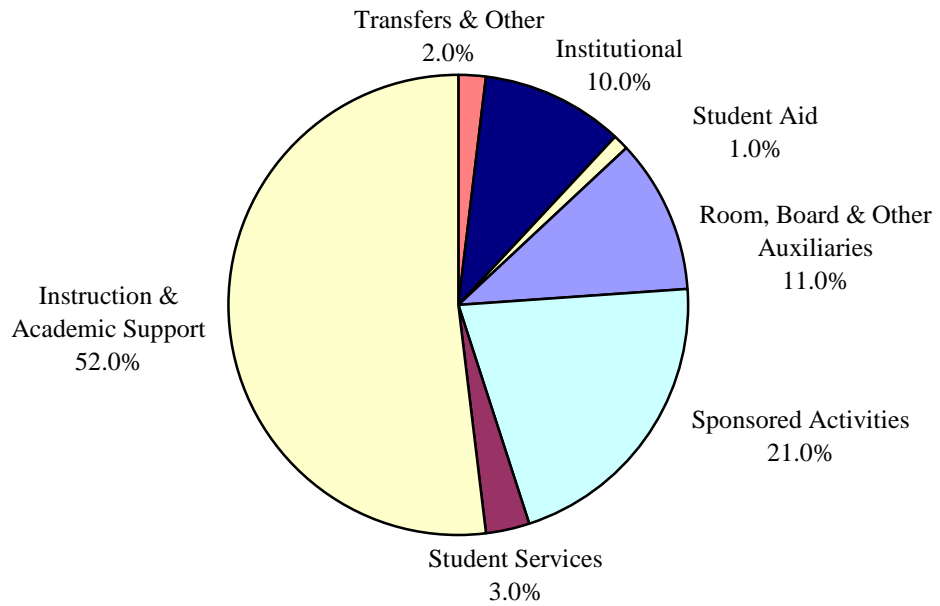


Table 13: State Operating Appropriation as a Percentage of University Operating Budget

Fiscal Year	State Operating Appropriation (\$1000s)	UD Operating Budget (\$1000s)	%
2000	\$94,280	\$460,441	20.5
2001	\$98,763	\$487,749	20.2
2002	\$98,520	\$496,728	19.8
2003	\$100,114	\$530,882	18.9
2004	\$102,876	\$556,347	18.5
2005	\$109,140	\$585,250	18.6

Source: Office of Associate Treasurer - Financial Services

The declining fiscal contribution of the State of Delaware is even more apparent with regard to support for capital projects. The University receives a State capital appropriation annually, although a substantial portion of the institution's capital projects have always been funded through private and institutional sources. The absolute dollar allocation in 2005 is essentially the same as in 2000; State capital support declined from 2001 to 2004, increased in 2005, and is projected to decline again for 2006 (Table 14). Viewed as a percentage of overall capital expenditures, the contributions from the State of Delaware have been in dramatic decline. State contributions represented slightly less than 20% of capital expenditures in 2000 but only 11.3% in 2005. Despite the decline in the State of Delaware contribution, UD capital expenditures have been substantial and sustained, rising to nearly \$80 million in 2005, the highest level in UD history. This expenditure is made possible through increasing support from private and institutional sources.

Table 14: Capital Expenditures by Funding Source

<u>Fiscal Year</u>	<u>University and Other Private Sources (\$)</u>	<u>State Funds (\$)</u>	<u>Total</u>
2000	35,283,000	8,500,000	43,783,000
2001	46,601,000	9,000,000	55,601,000
2002	43,071,000	7,262,000	50,333,000
2003	26,751,000	7,000,000	33,751,000
2004	30,921,000	5,105,000	36,026,000
2005	70,523,000	8,974,000	79,497,000

Source: Budget Office

The general decline in State of Delaware assistance as a proportion of the University of Delaware's operating budget places growing pressure on other revenue sources. The University has, to the greatest extent possible, contained annual tuition increases, seeking to manage the pressures from declining State support by limiting the increase in administrative costs and non-academic services while diversifying revenue streams, including increases in contracts and grants and gifts. The strategy has been intentional and largely successful in dealing with the decline in State support without compromising investments needed for continuing academic progress.

Table 15 displays tuition and mandatory fees at the University of Delaware for both resident and non-resident students and the annual percentage increase for the past five years. The University has the statutory authority to set its own tuition rates. The strategy in doing so has been to annually increase tuition and mandatory fees by a modest rate, rather than to freeze those rates for a protracted period of time, only to have that freeze followed by an inordinately large increase. University of Delaware resident tuition and fees are generally below those of other flagship state universities in the surrounding region. University-administered financial aid has continued to increase at a much greater rate than UD tuition and fees.

Table 15: Tuition and Mandatory Fees at the University of Delaware

Fiscal Year	Delaware Residents	% Increase	Non-Residents	% Increase
1991	\$3,126	----	\$7,916	----
1995	\$4,100	----	\$10,630	----
2000	\$4,858	----	\$13,228	----
2001	\$5,004	3.0	\$13,754	4.0
2002	\$5,290	5.7	\$14,380	4.6
2003	\$5,760	8.9	\$15,290	6.3
2004	\$6,498	12.8	\$16,028	4.8
2005	\$6,954	7.0	\$16,640	3.8
2006	\$7,318	5.2	\$17,474	5.0

Source: Office of Institutional Research and Planning

Over the last five years, the University has successfully increased alternative revenue streams, particularly externally funded contract and grant activity and gifts. Annual externally funded contract and grant activity has increased by 30% from 2001 to 2005, reflecting the increasing success of UD faculty research programs (Table 16).

The University of Delaware undertook its first comprehensive capital fund-raising effort in 1998, when it launched the *Campaign for Delaware*. Its objective, at the outset, was to raise a total of \$225 million over the next five years. The fundraising goal was achieved after three years, and the decision was made to extend the *Campaign for Delaware* until 2004. When this fundraising effort was officially concluded, the *Campaign for Delaware* had raised a total of \$425 million in gifts-in-hand and pledges. The effects of the *Campaign for Delaware* clearly demonstrate that the institution has moved to a new level as a philanthropic beneficiary: the rate of annual giving has increased by 250% since 1991 and doubled over the last decade (Table 17). More recently, the giving rate has rebounded fully from the effects of the economic downturn from 2001 to 2003.

Table 16: Combined External Funds Expenditures - Instruction, Research, Extension, and Public Service

Fiscal Year	External Funds Expenditures (\$1000s)
2000	\$94,172
2001	\$108,305
2002	\$116,382
2003	\$124,863
2004	\$131,313
2005	\$140,710

Source: Office of Associate Treasurer - Financial Services

Table 17: Annual Gifts to the University of Delaware

Fiscal Year	Gifts (\$1000s)
2000	\$42,584
2001	\$40,295
2002	\$36,692
2003	\$31,906
2004	\$45,413
2005	\$42,140

*Gifts reported in Table 11 above reflect cash and capital gifts in kind based on the date received. Pledges, certain small gifts in kind, and certain deferred gifts that may not meet the criteria for inclusion in the financial statements are not included

Source: Office of Associate Treasurer - Financial Services

The University's fiscal health is also reflected in the growth of its endowment. In addition to funds received for both restricted and unrestricted endowments, a diversified investment strategy overseen by the Investment Visiting Committee of the UD Board of Trustees has produced investment returns that significantly outperformed national benchmarks. The growth in the University's endowment is displayed in Table 18.

Table 18: University of Delaware Endowment Funds New Assets and Earnings

<u>Fiscal Year</u>	<u>University Held Market Value (\$)</u>	<u>Funds Held in Trust by Others Market Value (\$)</u>	<u>Total</u>
2000	750,635,000	69,349,000	819,984,000
2001	760,366,000	66,140,000	826,506,000
2002	713,565,000	59,360,000	772,925,000
2003	721,391,000	58,762,000	780,153,000
2004	835,125,000	62,891,000	898,016,000
2005	914,397,000	63,502,000	977,899,000

Source: Office of Associate Treasurer - Financial Services

The effectiveness of the University's management of the endowment is evident from the data in Table 19, which compares the University's annual net performance against the median return for college and university endowments as reported to the National Association of Collegiate and University Business Officers (NACUBO). The University of Delaware endowment outperformed the NACUBO median return rate in five of the ten years under examination.

Table 19: University of Delaware Net Endowment Performance Compared with NACUBO Median Return:

<u>Fiscal Year</u>	<u>University of Delaware Annual Net Performance</u>	<u>NACUBO Median Return</u>
2000	8.4%	10.7%
2001	2.6%	-3.7%
2002	-2.9%	-6.4%
2003	4.6%	2.9%
2004	19.5%	16.0%
2005	13.3%	9.1%

Source: Office of Associate Treasurer - Financial Services

Table 20 is a Statement of Operating Activities from Fiscal Years 2001-2005 and provides a general picture of the overall financial health of the University of Delaware. Table 21 contains a three-year budget projection for the University of Delaware. (As noted earlier, a three-year time frame for budget forecasting is the standard Board of Trustees policy at the University of Delaware.) The forecast in Table 21 has been reviewed and ratified by the Finance Committee of the University's Board of Trustees. No significant changes in the University's financial conditions are anticipated over the next three years. The projected budget for FY 2007 is balanced, and the budgets for succeeding years will be balanced once more reliable projections are available on key drivers impacting costs, such as utility rates, benefits cost increases, and library materials costs. The projections assume no significant change in the rate of growth in State of Delaware appropriations for operations, with an annual percentage of growth of between 4% and 4.5%. The University's Faculty Collective Bargaining Agreement with the American Association of University Professors includes average salary increases of 4% for Fiscal 2006 and 4.25% for Fiscal 2007. The projected increases in tuition and fees are simply placeholders that are adjusted each year after the State of Delaware appropriation and other factors are known.

TABLE 20
STATEMENT OF OPERATING ACTIVITIES
FY 2001 Through FY 2005
(Thousands of Dollars)

	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
	\$	\$	\$	\$	\$	\$
OPERATING REVENUE						
Tuition and fees, net of scholarship and fellowship allowance ⁽¹⁾	152,238	156,321	165,435	180,531	191,853	204,064
State operating appropriations	94,280	98,753	98,520	100,114	102,876	109,140
Contracts and other exchange transactions	79,566	89,801	89,405	99,530	109,844	116,087
Room, board, and other auxiliaries, net of scholarship and fellowship allowance ⁽¹⁾	60,888	61,798	62,230	66,672	69,831	73,128
Investments and gifts	54,892	64,385	64,825	63,400	66,321	66,337
Other	18,577	16,691	15,313	20,635	15,622	16,494
Total operating revenues and support	460,441	487,749	495,728	530,882	556,347	585,250
⁽¹⁾ <i>Scholarship and fellowship allowance</i>		41,928	45,396	48,837	52,279	55,795
OPERATING EXPENSES AND TRANSFERS						
Instruction and academic support	235,632	252,175	259,896	274,829	287,149	307,471
Sponsored activities	79,888	88,097	93,627	106,606	114,528	121,878
Student services	18,062	18,781	18,948	19,064	19,558	19,244
Student aid	3,351	4,380	4,541	4,766	4,319	4,851
Institutional	41,762	40,457	43,841	47,310	50,280	57,927
Room, board, and other auxiliaries	55,228	56,312	57,340	60,239	61,743	65,062
Transfers and other	26,518	27,547	18,535	18,068	18,770	8,817
Total operating expenses and transfers	460,441	487,749	496,728	530,882	556,347	585,250

Data Source" Office of Associate Treasurer - Financial Services

Table 21

UNIVERSITY OF DELAWARE
2004-05 ACTUAL, 2005-06 REVISED BUDGET,
2006-07, 2007-08, 2008-09 ESTIMATED PROJECTS
(000's omitted)

	2004-05 Actual	2005-06 Revised Budget	2006-07 Proposed Budget	% change 05-06 to 06-07	2007-08 Estimated Budget	% change 06-07 to 07-08	2008-09 Estimated Budget	% change 07-08 to 08-09
REVENUE:								
Tuition & Fees	316,079	322,345	346,066	7.4%	366,231	5.8%	386,086	5.4%
Gifts	16,376	20,439	15,711	-23.1%	15,764	0.3%	15,818	0.3%
Endowment and Temporary Investment Income	45,879	46,880	52,700	12.4%	55,316	5.0%	57,873	4.6%
Sales & Services	12,517	12,588	12,897	2.5%	13,153	2.0%	13,412	2.0%
Auxiliaries Sales & Services	19,700	21,004	21,210	1.0%	21,824	2.9%	22,460	2.9%
State Appropriation	109,640	115,666	119,945	3.7%	124,761	4.0%	130,003	4.2%
Federal Appropriation	2,758	2,850	2,758	-3.2%	2,620	-5.0%	2,489	-5.0%
Overhead on Grants & Contracts	24,331	23,494	25,261	7.5%	26,230	3.8%	27,247	3.9%
Other	3,337	3,237	3,414	5.5%	3,462	1.4%	3,511	1.4%
Total Non-Grants & Contracts	\$ 550,617	\$ 568,503	\$ 599,962	5.5%	\$ 629,361	4.9%	\$ 658,899	4.7%
Grants & Contracts	87,060	91,304	95,869	5.0%	100,662	5.0%	105,695	5.0%
TOTAL REVENUES	\$ 637,677	\$ 659,807	\$ 695,831	5.5%	\$ 730,023	4.9%	\$ 764,594	4.7%
EXPENDITURES								
Non-Grants & Contracts								
Instruction, Research, Service & Acad. Support	\$ 238,638	\$ 247,412	\$ 251,731	1.7%	\$ 261,372	3.8%	\$ 270,834	3.6%
Libraries	15,489	15,835	16,362	3.3%	17,003	3.9%	17,649	3.8%
Student Services	8,503	8,809	9,041	2.6%	9,343	3.3%	9,642	3.2%
Operation & Maintenance of Plant	28,307	30,605	37,553	22.7%	39,549	5.3%	41,578	5.1%
Capital Maintenance	4,660	5,576	5,934	6.4%	6,169	4.0%	6,413	4.0%
Administrative	25,426	28,340	29,133	2.8%	30,385	4.3%	31,629	4.1%
Benefits	68,659	75,321	79,741	5.9%	87,544	9.8%	95,796	9.4%
Student Aid	57,266	61,739	66,271	7.3%	69,642	5.1%	72,631	4.3%
General Institutional	8,131	7,935	9,339	17.7%	9,898	6.0%	10,460	5.7%
Debt Service	40	76	76	0.0%	76	0.0%	76	0.0%
Auxiliaries	67,894	70,150	75,231	7.2%	75,528	0.4%	77,981	3.2%
Auxiliary Debt Service	9,453	11,441	12,603	10.2%	17,472	38.6%	18,779	7.5%
Total Non-Grants & Contracts	\$ 532,466	\$ 563,239	\$ 593,015	5.3%	\$ 623,981	5.2%	\$ 653,468	4.7%
Grants & Contracts	87,060	91,304	95,869	5.0%	100,662	5.0%	105,695	5.0%
TOTAL EXPENDITURES	\$ 619,526	\$ 654,543	\$ 688,884	5.2%	\$ 724,643	5.2%	\$ 759,163	4.8%
REVENUE LESS EXPENDITURES	\$ 18,151	\$ 5,264	\$ 6,947	32.0%	\$ 5,380	-22.6%	\$ 5,431	0.9%
Revenue less Expenditures:								
Non-C & G Restricted Rev Carry Forward	\$ (1,195)	\$ 0	\$ 0	0.0%	\$ 0	0.0%	\$ 0	0.0%
Operating Reserves for Self-Supporting units	3,839	2,582	4,247	64.5%	3,778	-11.0%	4,770	26.3%
Contingency	15,507	2,682	2,700	0.7%	2,800	3.7%	2,900	3.6%
	\$ 18,151	\$ 5,264	\$ 6,947	32.0%	\$ 6,578	-5.3%	\$ 7,670	16.6%
Deficit to be cleared	0	0	0		(1,198)		(2,239)	

Enrollment Trends and Projections

As described in Section Three, the University of Delaware's total student enrollment has remained stable at about 21,000 over the last decade and virtually unchanged since 2001 (Table 4); indeed the variation over that period has been fewer than 100 students. Over that same period, the University has maintained an undergraduate enrollment of between 15,000 and 15,500 full-time students, including students in the Associate in Arts program.

The University's planned undergraduate enrollment in the years ahead will remain stable. The data in Table 22 reflect projections through fall 2010 based on a model of semester enrollments driven by assumptions about admission, retention rates and graduation rates. As discussed in Section Three, the number and quality of undergraduate applicants have continued to improve over the last five years; in 2005 the University had 21,617 applicants compared to 18,447 in 2000. Despite the dramatic growth in the quality and size of the applicant pool, the University plans to annually enroll a freshmen class of between 3,350 and 3,450 students. Since the University is committed to admitting all qualified Delaware applicants, the actual numbers of full-time Delaware resident freshmen will vary from year to year but will likely range from about 1,100 to 1,150. The non-resident freshmen enrollment will fill out the entering class and range between 2,200 and 2,300. In addition, the University will annually accept about 550 transfer students. As noted in Section Three, the University's freshmen-to-sophomore retention rates are close to 90% and five-year graduation rates are at about 75%. The product of these circumstances is that the undergraduate enrollment at the University over the next three to five years will be quite close to the undergraduate enrollment over the previous five years.

	Fall 1991	Fall 1995	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Full Time	13,404	13,398	14,301	14,639	14,769	14,816	15,109
Part time	1,251	1,247	1,197	1,092	1,039	992	914
Total	14,655	14,645	15,498	15,731	15,808	15,808	16,023
	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	
Full Time	14,880	14,733	14,648	14,595	14,557	14,550	
Part time	932	898	902	898	895	892	
Total	15,812	15,631	15,550	15,493	15,452	15,442	

Over the next five years it is anticipated that enrollment in the Associate in Arts program may grow by a third (Table 23). This growth will be driven by the demonstrated success of the program and by the new State-funded SEED program described in Section Three that will provide full tuition scholarships for Associate in Arts students in good standing for two years. As noted earlier, those who complete the Associate in Arts degree are guaranteed a place on the Newark campus as juniors.

	Fall 1991	Fall 1995	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Full Time	469	566	515	495	526	515	471
Part time	124	125	97	81	85	105	54
Total	593	691	612	576	611	620	525
	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	
Full Time	555	577	608	644	680	720	
Part time	53	64	68	72	76	80	
Total	608	641	675	715	755	800	

Note: The University Associate in Arts Program commenced in Fall 2004 and replaced the University Parallel Program

Enrollments in both credit and non-credit continuing education programs have declined over the last five years (Table 24). The decline has been significant for noncredit programs, with registrations declining from 7,462 in 2001 to 5,620 in 2005. During that same period, however, enrollment in UD Online distance education programs has increased dramatically, from 2,753 registrations in 2001 to 4,799 registrations in 2005. A continued moderate decline in traditional credit and non-credit continuing education enrollments is expected, but that decline is expected to level off over the next five years. Continued but more moderate growth in UD Online enrollments is expected over the next five years.

	Credit (Students)	Noncredit (Registrations)	UD Online (Registrations)
FY05	4,736	5,620	4,799
FY04	5,261	4,335	3,656
FY03	5,763	5,788	3,421
FY02	5,767	5,608	2,820
FY01	5,970	7,462	2,753
FY00	6,433	6,594	2,455

Graduate enrollments have grown from 2,942 in 2001 to 3,434 in 2005, virtually all of it in full-time students (Table 25). As noted in Section Three, graduate enrollment will grow to about 4,000 over the next five years. Most of that increase will continue to be in full-time graduate students working with faculty in areas linked to continually expanding externally sponsored research. Significant growth in graduate professional education programs is not expected, although new partnerships in professional programs with Thomas Jefferson University and other universities are expected.

Table 25: Enrollment Trend in University of Delaware Graduate Students, Fall 1991 to Fall 2005; Estimated Enrollments, Fall 2006 to 2010							
	Fall 1991	Fall 1995	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004
Full Time	1,540	1,693	2,156	2,171	2,346	2,394	2,519
Part time	1,128	1,531	806	771	844	907	876
Total	2,668	3,224	2,962	2,942	3,190	3,301	3,395
	Fall 2005	Fall 2006	Fall 2007	Fall 2008	Fall 2009	Fall 2010	
Full Time	2,502	2,610	2,665	2,824	2,829	2,913	
Part time	932	965	986	941	1,046	1,077	
Total	3,434	3,575	3,650	3,765	3,875	3,990	

Section Five

Assessment at the University of Delaware

The University of Delaware has a well-established, extensive and active program of assessment directed at evaluating institutional effectiveness, academic program effectiveness and student learning. The Office of Institutional Research and Planning has primary responsibility for oversight of the assessment of institutional effectiveness, and the Office of the Provost has primary responsibility for evaluating academic program effectiveness. The University believes that the assessment of student learning outcomes should be a faculty-driven process. Accordingly, the assessment of student learning outcomes is coordinated by the Office of Educational Assessment, which is headed by a faculty director and works with faculty in all academic departments and schools. In 2005 the Educational Assessment Council was created to promote an environment that stresses the importance of educational assessment as a means of improving academic quality.

This description of assessment activity begins with a discussion of assessment of institutional effectiveness, moves to academic program assessment procedures, and then looks at the strategies and procedures for the assessment of student learning outcomes, which are an important component of both institutional and academic program assessment. It concludes with a review of assessment plans for the next five years.

Institutional Effectiveness

The University of Delaware has implemented a comprehensive and systematic program of institutional research for two decades. That program addresses the Commission on Higher Education's Standard 7 that deals with assessment of institutional effectiveness. Figure 6 contains a non-exhaustive listing of routine data collection activities of the Office of Institutional Research and Planning on institutional assessment. The seven basic sub-components of Standard 7 are references to current collection activities that are characterized as primary, secondary, or tertiary measures of each attribute.

The 29 items listed in Figure 6 represent a non-prioritized inventory of ongoing assessment tools and projects to assess institutional effectiveness. For example, one of the major data collection efforts is the *Budget Support Notebook*. Developed in collaboration with academic units, this metric is used as the basis for assessing instructional productivity and associated costs. Appendix 8 contains budget support data for two very different disciplines – Philosophy and Marine Studies. In each instance, metrics have been developed to assess over time the number of majors in the discipline, degrees awarded, student credit hours taught, and full-time equivalent (FTE) students taught. Two specific teaching productivity measures are derived – student credit hours taught per FTE faculty and FTE students taught per FTE faculty. Expenditure data are then introduced in the form of direct expenditures for instruction, research and service, respectively. These allow for metrics such as separately budgeted research and service expenditures per FTE faculty on appointment and direct instructional expense per student

credit hour and/or FTE student taught. The Office of Institutional Research and Planning also calculates earned income from instruction for each respective discipline, enabling computation of an earned income/direct expense ratio.

Figure 6
Standard 7: Institutional Assessment

The institution has developed and implemented an assessment plan and process that evaluates its overall effectiveness in: 1. achieving its mission and goals; 2. implementing planning, resource allocation, and institutional renewal processes; 3. using institutional resources efficiently; 4. providing leadership and governance; 5. providing administrative structures and services; 6. demonstrating institutional integrity; 7. and assuring that institutional processes and resources support appropriate learning and other outcomes for its students and graduates.

<u>Assessment Tool</u>	<u>Primary Measure</u>	<u>Secondary Measure</u>	<u>Tertiary Measure</u>
Academic Program Review Data	1	2	3
Economic Impact Analysis	1	---	---
Budget Support Notebooks	2	3	---
Campus Climate Survey	2	4	6
College Student Selection Survey (ASQ)	2	7	6
Delaware Study of Instructional Costs and Productivity	2	3	---
Enrollment Projection Model	2	---	---
Financial Aid Yield Model	2	3	---
Persisters Analysis	2	7	---
Salary Benchmarking Studies	2	3	6
Salary Equity Studies	2	3	6
State Budget Development Support	3	2	1
Employee Satisfaction Survey	4	3	6
ACT Survey of Student Opinions	5	2	7
Affirmative Action Analyses	6	2	1
Commission on Status of Women Analyses	6	2	1
ACT Student Needs Assessment Survey	7	2	---
Alumni Survey	7	2	---
Career Plans Survey	7	1	---
Grade Distribution Analysis	7	6	---
Induced Courseload Matrix	7	2	---
National Survey of Student Engagement	7	2	---
NCAA Compliance Analyses	7	6	2
ACT Survey of Academic Advising	2	7	---
Affirming Academic Priorities	1	7	---
Internal Audit/Budget Control	3	2	---
Space Utilization Studies	3	2	5
Professional Accreditation Self Study Analyses	7	2	1
Assessment of Student Learning	7	2	1

This metric enables department chairs and school directors as well as college deans to evaluate how each unit contributes to the overall mission of the University in teaching, research, and service. In Philosophy, the teaching productivity ratios are among the highest at the institution, while externally funded research and service expenditures are minimal. By contrast, Marine Studies has among the lowest teaching productivity

ratios (where teaching productivity is measured in terms of student credit hours per FTE faculty), but externally funded research and service expenditures per FTE faculty are among the highest at the University.

The Budget Support Notebook is accessible to authorized UD personnel on the Institutional Research and Planning website at www.udel.edu/ir. Each unit on campus has access to the summary data for all other units, and that access has helped academic units to better understand how each contributes to the institutional mission.

In addition to appropriate interdepartmental comparisons within the University, data are provided on a continual basis to allow comparisons of any department with comparable departments at peer institutions. In 1992 the Office of Institutional Research and Planning initiated the *Delaware Study of Instructional Costs and Productivity*. This data-sharing consortium has grown from 86 four-year institutions in 1992 to nearly 500 colleges and universities throughout the United States. The Delaware Study collects comparable metrics to those in the Budget Support Notebooks, and allows departments and schools at the University of Delaware to compare their performance with the national benchmark for all research universities participating in any given year. Moreover, academic departments and schools at the University may request customized peer analyses, selecting units at participating institutions that they deem appropriate comparators. Delaware Study data are also generated and disseminated annually to all deans, department chairs and school directors as well as to the Provost's Executive Committee. Delaware Study data are routinely incorporated in Academic Program Reviews, and are reviewed by the Provost, deans, and department chairs/school directors.

The University also makes use of assessment tools designed to measure student-related variables. For example, the Admitted Student Questionnaire, a commercially prepared instrument, allows institutions to learn more about how prospective students perceive them, and the factors that come into play in the college selection decision. This questionnaire allows for one-on-one comparisons between the University of Delaware and selected competitor institutions. In the mid-1990s the results showed that Pennsylvania State University was the top choice of many students applying to the University of Delaware, but when those students made a visit to the UD campus, most enrolled at the University of Delaware. Comparable patterns were evident with other competitors. The University used these data as well as other market research information to restructure its student-recruiting strategies, placing a significant emphasis on campus visitations. The result has been an increase in applications from about 13,000 in 1995 to over 21,000 in 2005.

The University of Delaware closely monitors the retention of students and their ultimate graduation from the institution. The University routinely participates in the Consortium on Student Retention Data exchange, and benchmark data from that source demonstrate that the University's retention and graduation rates exceed the national benchmark for both "Selective" and "Highly Selective" institutions (Appendix 5). Even so, the University seeks to better understand why some students choose to leave the institution without graduating. The University administers the ACT Survey of Student

Opinions to a robust sample of students in their freshman through senior years at regular intervals during the spring semester. The data are then examined the following fall and the respondent pool is disaggregated into two components: students who completed the survey in the spring and returned in the fall, and students who completed the survey in the spring but did not return or graduate. Response patterns from both groups with respect to satisfaction with programs and services and a broad array of characteristics of student life are then examined for statistically significant differences between returning and non-returning students. The results are widely disseminated to academic units and student life offices. The University's Student Services Center, one of the first one-stop service centers in the country and a national model, is the result of information gleaned from past Surveys of Student Opinion. The University's emphasis on enhanced academic advising services is a similar by-product of student research.

The University participated in the National Survey of Student Engagement in 2001 and again in 2005. Data were compared for the two administrations among University of Delaware students and between University of Delaware students and the national benchmarks for research/doctoral-extensive universities as well as for a comparator pool of selected peer institutions. The data will help guide faculty with respect to student expectations about the nature and volume of reading and writing assignments as well as involvement in group learning, service learning, and other education processes and methods. While the intra-institutional comparisons between 2001 and 2005 UD freshmen and seniors are important, the benchmarking analyses with national and regional peers are equally important in academic planning. The University Assessment Council is actively considering the Faculty Survey of Student Engagement as a complement to the data being collected through the student survey. The capacity to ascertain differences between student and faculty perceptions of learning styles and level of engagement should prove valuable in curriculum and general academic planning.

In addition to student-focused assessment, the University of Delaware periodically surveys its employees with respect to satisfaction with job conditions, including salary and benefits, opportunities for career advancement, professional development opportunities, input into the decision-making process, and selected campus climate variables including a welcoming environment with respect to gender, ethnicity, and sexual orientation. Data from these surveys are the basis for development of training and professional development opportunities provided by the UD Division of Human Resources. In addition to employee satisfaction studies, the University regularly engages in salary equity analyses for faculty, professional, and salaried staff and regularly evaluates salaries and compensation against doctoral, research extensive universities in the North-East and Mid-Atlantic regions. As described in Section 3 and Appendix 2, the University conducts regular assessments of performance in meeting academic priorities. As described in Section 4, the University also conducts ongoing assessment of enrollment plans and financial performance.

Academic Programs

The University of Delaware conducts extensive assessments of academic programs, departments and schools on an on-going basis through periodic Academic Program Reviews. Assessment guidelines have also been developed to address four different types of changes in academic programs: provisional and final approval of programs, disestablishment of programs, and curriculum revisions of programs.

Academic Program Reviews are conducted by the Office of the Provost in cooperation with the Faculty Senate. Each review is designed to evaluate the quality, productivity, and role of each academic unit and program in the fulfillment of the University's mission and academic priorities. Each review is conducted by a panel normally composed of five members, typically with four external members and one UD faculty member. The external reviewers come from other institutions in disciplines related to the unit under review; the UD faculty member is recommended by the Faculty Senate from a UD unit other than the one being reviewed.

The Academic Program Review process requires self-study and planning that connects the priorities of individual units with those of their colleges and of the University as a whole. Reviews inform budgetary planning decisions at every level of administration. Evaluation of resource requests and recommendations are framed under three budget scenarios; that is, a 20% reduced budget environment, constant budget environment, and a 20% increased budget environment. Faculty workload policies are also reviewed as part of the unit's Academic Program Review. Although the Academic Program Review process was designed for the review of academic departments, it has also served as a model for the review of interdisciplinary programs as well as research and public service centers and institutes.

Academic units are required to benchmark and identify peer departments at other institutions and to identify target departments at other institutions that can serve as benchmarks for development in the next five to ten years. They are also asked to identify benchmarks for measuring effectiveness and efficiency in the use of their resources. Data from the Delaware Study of Instructional Costs and Productivity are provided to compare the academic unit with comparable units at other institutions. Units are also asked to describe student learning outcomes (including clear statements of expected student learning outcomes in the areas of knowledge, skills, and competencies), assessment plans, and utilization of assessment results. Departments, schools and programs are normally reviewed at five- to ten-year intervals, but this schedule may be accelerated in individual cases at the discretion of the deans and the Provost. Where possible and desirable, Academic Program Reviews are conducted to coincide with accreditation and other externally imposed reviews or with reviews for new degree programs. The Faculty Senate Academic Priorities Review Committee also has the opportunity to suggest programs or programmatic areas for review. Over the last five years, 44 Academic Program Reviews have been completed and 7 to 10 reviews will be conducted in each of the next five years.

Assessment guidelines have also been developed to address the submission process for four different types of changes in academic programs: provisional approval of new programs; permanent approval of provisional programs; disestablishment of existing programs; and curriculum revision of existing programs. Degree programs may include a single major or a set of majors. Each major has a curriculum which consists of an approved course of study that is detailed in the *UD Undergraduate and Graduate Catalog*. Academic units proposing new programs are instructed to carefully consider University academic priorities as well as resource implications of the new program. Those evaluating a new major are asked to carefully analyze how that major relates to the degree program and how the proposed major would compare to similar majors at comparable institutions.

The assessment process for approving or disestablishing programs and majors begins within the academic unit, proceeds through the college level, is reviewed at the University level by one or more Faculty Senate committees, and is sent to the Faculty Senate for approval as an item of business and then to the Board of Trustees for final approval. Assessment of curriculum revisions and approval of new minors within existing programs follow the same process but do not need the approval of the Board of Trustees. Curriculum revisions and minors are referred to the Faculty Senate as announcements for challenge. In addition, open hearings organized by the Faculty Senate Coordinating Committee on Education may precede Faculty Senate action on provisional and/or permanent approval of programs and/or majors and on disestablishment of departments, programs and/or majors. Faculty Senate committees may also call for additional documentation for open hearings.

An example of the Faculty Senate assessment process was the rigorous review conducted for the General Education Initiative. In May 2000 the Faculty Senate approved a three-year pilot project to implement the General Education Initiative, which included the first year experience, discovery learning experiences and capstone courses. Each year, the initiative, particularly the first year experience, was reviewed and the assessment results were used to guide the program design for the following year. In May 2004 the Faculty Senate approved the permanent implementation of the General Education Initiative based on the positive assessment results and demonstrated improvement of student learning.

Programs and/or majors seeking permanent approval also undergo an assessment before being considered at the college and University levels. A new Permanent Status Program Review process was recently developed by the Office of the Provost in cooperation with the Faculty Senate. This review process requires academic units to submit a self-study report focusing on three major areas: objectives, strengths and weaknesses of the program; impact and student demand; and program evaluation. In particular, the program must establish that it has clearly delineated the knowledge, values, skills, and other learning outcomes that its graduates will be expected to have acquired and that it has implemented a plan to evaluate and assess the learning outcomes of its students. The self-study report is reviewed by at least two faculty members from outside the unit proposing the program. Their report is then reviewed by several Faculty

Senate committees before the program is brought to the Senate floor for approval and forwarded to the Board of Trustees for final approval.

Student Learning Outcomes

The University is in the process of developing, implementing and institutionalizing a University-wide student learning outcomes assessment program. The student outcomes assessment program has one central goal: to create a University of Delaware culture of continuous academic improvement that is focused upon student learning.

Through the campus-wide student learning outcomes assessment program, academic units will define clear, concise and measurable student learning outcomes, identify opportunities within and outside of the classroom and the curriculum for students to achieve those outcomes, apply measures to assess whether the desired outcomes are being achieved, and use the results of the assessment for decision-making that improves instruction, strengthens the curriculum, and forms the basis for policy development and resource allocations. To be successful, the program requires full faculty and department/school engagement in the design and practice of student learning outcomes assessment. The UD student learning outcomes assessment program has four underlying principles:

- Faculty should determine the desired learning outcomes for students in their department/school/program.
- Faculty should devise and implement the assessment methodologies that are most appropriate for their stated outcomes.
- Academic units are best suited to determine how to use the assessment results for internal programmatic improvements.
- The assessment process should be iterative within academic units, manageable within resource bases, objective, and meaningful to both faculty and students.

Many academic units at the University of Delaware already engage in assessing student learning, whether formally for accreditation purposes or informally as part of an ongoing discussion about what students know, understand, and can do with the knowledge they acquire as a result of their educational experiences. In particular, the University's professional programs have extensive experience in assessing student learning, due in no small measure to accreditation standards within such groups as the Association to Advance Collegiate Schools of Business, the Accrediting Board for Engineering and Technology, the American Chemical Society, the National Council on Accreditation of Teacher Education, and the National League for Nursing. For some academic units, however, there is no tradition of or experience with assessing student learning in a systematic fashion.

The University recognizes that academic units and faculty differ in their abilities to engage in student outcomes assessment, and that substantial assistance – as well as direct communications about the value of assessment – are required to fully involve the faculty in meaningful assessment activities. In September 2005 a number of strategic initiatives were undertaken to communicate the University’s commitment to assessment, offer direct resources to jump-start pilot assessment activities, and provide training, tools, personalized assistance and educational opportunities to faculty and staff. These included initiatives to:

- Institutionalize the University-wide commitment and support for learning assessment
- Pilot the assessment process in the College of Arts and Sciences
- Develop and expand University-wide faculty leadership for assessment
- Improve communication and consultation about assessment
- Promote faculty development, education and training in assessment

These major initiatives are described below.

Institutionalize University Commitment and Support. The University of Delaware’s commitment to student learning outcomes assessment is institutionalized through two new entities – the Educational Assessment Council and the Office of Educational Assessment – as well as through the Center for Teaching Effectiveness and the Faculty Senate.

The Educational Assessment Council, established in September 2005, promotes the use of educational assessment to improve academic quality. The Council makes recommendations regarding institutional practices and policies related to educational assessment and serves as a channel for communication among the UD academic community. The Council is co-chaired by the assistant vice-president for Institutional Research and Planning and the faculty director of the Office of Educational Assessment. Council members represent all colleges, the Faculty Senate, and University offices and units that support the educational endeavors of students and faculty. Specific responsibilities of the Educational Assessment Council members include building campus-wide connections among assessment, planning and program improvement activities; supporting campus assessment training opportunities; participating in assessment activities with their respective units; serving as liaisons between the Office of Educational Assessment and relevant campus units/organizations; and assisting with campus-wide assessment projects.

The Office of Educational Assessment provides assistance to academic units on assessing student learning and development. It assists academic programs in formulating, collecting and analyzing information about student learning, and offers assistance to individual units. The Office of Educational Assessment maintains a website that collects best practices, tools, and resources that are available to faculty (<http://assessment.udel.edu/index.htm>). The website also serves as the main depository of unit assessment plans and assessment results.

While the Office of Educational Assessment works primarily with units on programmatic assessment, the Center for Teaching Effectiveness offers consultation to individual faculty members concerned with assessment methods within their own courses.

The Faculty Senate is also a key partner in institutionalizing assessment as part of faculty responsibilities. The format of the Academic Program Review has been revised to include sections on student learning outcomes assessment. Proposals for new programs/majors must now include unit plans for assessing student learning outcomes as well as indicating the desired learning goals. Similarly, requests for permanent status for new programs must now include results of a student learning outcomes assessment. The Office of Educational Assessment also coordinates with the Faculty Senate General Education Committee and the Faculty Senate Undergraduate Committee as they evaluate University progress in meeting the objectives of the first year experience and the General Education Initiative.

Pilot the Assessment Process. The College of Arts and Sciences was chosen as the locus of the student learning outcome assessment pilot project. While there are several academic programs that undergo accreditation by their own disciplinary or professional organizations, very few of those are in the College of Arts and Sciences. Although it is the largest college at the university, it has the fewest number of academic departments that engage in a formal process of learning outcomes assessment.

In 2005 seed funds were made available to six academic departments in the College of Arts and Sciences that will pilot the assessment process. Each department will identify 3-5 learning goals, identify where and how each goal is addressed in the curriculum and within specific courses, measure student performance in achieving the goals using at least two different forms of assessment, analyze the results of the measures, and use the results to improve the unit's program or modify learning goals. The participating units are Biology, Communication, English, Political Science, Psychology, and the Associate in Arts degree program. The Office of Educational Assessment will provide assistance at all phases of the process. The units will document their assessment process and provide feedback to the Office of Educational Assessment about what is and is not working well with the process and how the Office of Educational Assessment can improve its services. Faculty in the participating units will share their experiences and expertise with colleagues in other academic units.

Develop faculty leadership. The Office of Educational Assessment has initiated a Faculty Fellows program to develop faculty leaders in assessment. In the first round of applications, 23 faculty accepted this appointment for 2006, with half coming from the College of Arts and Sciences. The disciplines represented are Accounting; Biology; Communication; Computer Science; English; Fashion and Apparel Studies; Foreign Languages and Literatures; Health, Nutrition and Exercise Sciences; Hotel, Restaurant and Institutional Management, Instructional Technology; Marine Studies; Mathematics; Medical Technology; Music; Philosophy; Political Science; Psychology; Urban Affairs and Public Policy; and the Associate in Arts program.

Working closely with chairs/directors and faculty, Assessment Faculty Fellows are responsible for coordinating, supporting and maintaining student learning outcomes assessment processes in their respective academic units as well as sharing knowledge with colleagues across the University. Assessment Faculty Fellows meet monthly to share progress and discuss successes and challenges; attend special workshops and training sessions specifically designed for Assessment Faculty Fellows; and work closely with, and submit progress reports to, the Office of Educational Assessment. The appointment extends until the fellow's academic department has completed one full cycle of assessment.

Improve Communication and Consultation. A sustained dialogue across the academic community is necessary if student learning outcomes assessment is to become a common, valued practice at the University of Delaware. As previously described, both the Educational Assessment Council members and the Assessment Faculty Fellows have responsibilities for promoting that dialogue. In addition the Provost and the faculty director of the Office of Educational Assessment regularly speak to various UD constituents about the University's commitment to outcomes assessment, explaining the purpose and expectations of the assessment process and addressing concerns and questions. These venues include the Faculty Senate, the Dean's Council, the Chairs Caucus, Department Chairs Workshops, Faculty Institutes, and college and department faculty meetings. Feedback from early meetings has already been used to improve practices of the Office of Educational Assessment.

Communication with various academic units has made clear the need for individual consultations, so that units have the needed support to shape the assessment process in ways that are valued by unit faculty. In its consulting with various units, the Office of Educational Assessment is careful to respect faculty autonomy. For example, the Office

- Helps units clarify their learning goals, but does not judge the goals as acceptable or not acceptable.
- Helps units decide upon appropriate assessment methods, but leaves the ultimate choice of methodology to the department/school.
- Does not intervene or participate in departmental discussions without a specific request from the department/school.

The Office of Educational Assessment provides feedback as requested and also maintains web-based planning and reporting forms completed by the department, so the faculty always have ready access to the results of their assessment processes. Since September 2005 private consultations requested by academic units have ranged from facilitating a programmatic retreat designed to result in agreement upon learning goals, to providing assistance in meeting professional accreditation requirements, to meeting with individual chairs and deans about good practices for building and maintaining an environment that supports continuing assessment efforts.

Faculty Development, Education and Training. The Office of Educational Assessment conducts workshops and general sessions for faculty and administrators and monthly workshops and sessions for Faculty Assessment Fellows, so that they are well-prepared to lead in their own departments and schools. For example, the 2006 Winter Faculty Institute focused on the theme: “You’re teaching – what are your students learning?” Over 110 faculty attended this session, the largest in the eleven-year history of the University’s Winter Faculty Institute. Other faculty-oriented education and training sessions are offered on a regular basis; a dozen different programs were offered in fall and winter of 2005-2006.

Assessment Plans

Over the next five years, assessment results will continue to be used to enhance the effectiveness of the University and the quality of its academic programs. The Office of Institutional Research and Planning will continue to conduct a comprehensive program of assessments for measuring institutional effectiveness. Synthesizing them into a descriptive plan and documenting their outcomes will be a key component of the University’s 2011 Self Study. The Office of the Provost will continue to conduct Academic Program Reviews of seven to ten academic units annually to evaluate the progress of individual programs in meeting their goals. In cooperation with the Faculty Senate, the Office of the Provost will also continue the Permanent Status Program Review process to ensure the quality of academic programs granted permanent status. The Office of Educational Assessment will strengthen the assessment of student learning outcomes through increased faculty leadership and involvement. In a 2005 letter to faculty, the Provost announced that all academic units will complete at least one assessment cycle of student learning outcomes by 2011.

Section Six

Planning and Budgeting

The University of Delaware has well-defined priorities and measures of success, described in Section Three, that are continually reviewed and updated. The specific budgeting decisions made at all levels of the University administration – institutional, provost, college, and school/department – are driven by these priorities.

In fall 2001 the University's academic leadership initiated a dialogue across the campus about the new University of Delaware and the opportunities it offers. This dialogue has involved deans, chairs, faculty, and students as well as the central administration and the UD Board of Trustees. The product of that dialogue – *Affirming Academic Priorities*, adopted in August 2003 – defined academic priorities and measures of success for the University of Delaware's four mission areas: undergraduate education, graduate education, research and scholarship, and public, community and professional service. (*Affirming Academic Priorities* is attached as Appendix 1.) As the University evaluates progress in achieving particular measurable outcomes, the UD community needs to maintain perspective on what matters most. As described in Section Three, the academic progress of the University of Delaware depends most significantly on strengthening the five key ingredients: excellent faculty; successful students; high quality, affordable education; superior research and public service; and outstanding facilities.

Ongoing planning processes consider these ingredients and priorities as well as past and desired progress toward them in allocating resources. What needs to be done? What resources are needed? What types of resources are appropriate? In this way, the processes of planning and budgeting are carefully and thoroughly linked. These linkages are documented throughout the *Report Card on Academic Priorities*, which is regularly updated (see Appendix 2 for the most recent version). Section Three describes in detail the investments made toward the keys to academic progress. In particular, faculty compensation, financial aid, and facilities have received significant investment. Below are several additional examples that are illustrative of the process.

- ***Expand the Undergraduate Research Program so that all students have the opportunity to participate.*** Additional external and internal funding has been allocated to expanding undergraduate research opportunities, particularly in disciplines where opportunities were not sufficient to meet demand.
- ***Make a study abroad experience available to every student and expand study abroad options.*** The Center for International Studies was created in 2002 to enhance the international dimensions of teaching, research, and service by encouraging and supporting the active participation of faculty and students in the process of integrating international and global themes into their individual and collaborative scholarship. Since 2001, there have been

80 new faculty directors of 38 new study abroad programs involving 14 formerly unrepresented academic disciplines. In 2001-2002, 923 students participated in study abroad; by 2004-05 the number increased to 1,460. Approximately 775 students have been awarded study abroad scholarships during the last three years. A Unidel Foundation grant has doubled scholarship funding for study abroad over the next three years, after which the Provost's Office will provide recurrent resources to maintain the increased scholarship level.

- ***Increase graduate stipend rates and floors.*** From the 2001-02 year through the 2005-06 year, minimum stipends were increased by over 35%. The minimum stipend will increase by an additional 6.6% in the 2006-07 year, and plans are underway to ensure that the minimum stipends continue to increase by at least the same rate as faculty salaries.
- ***Enhance interdisciplinary programs in areas of comparative advantage and state, regional, and national need.*** The Early Learning Center, which opened in June 2004, is an excellent example of an initiative that combines teaching, research, and important public service. With an annual budget of over \$2.7 million, the Early Learning Center is supported by a combination of University, state, federal and client funds. The Early Learning Center's goals are to provide the best services possible to children and their families through year-round, full-day early care and education, as well as family services and support programs, and to conduct research in prevention, intervention and education in early childhood development.
- ***Strengthen the support and recognition for excellence in scholarship and research.*** The University has increased the number of endowed professorships from 21 before the *Campaign for Delaware* in began 1998 to 106 today and has implemented a research/scholarship semester for assistant professors. Funding for endowed professorships, which now exceeds \$74 million, has been a high priority for internal funding as well as in development efforts.
- ***Sustain the University's leadership role in the transition to the "electronic" library.*** The University of Delaware continues to be a leader in the development of the electronic library, providing a large array of electronic services and resources including access to over 235 databases and thousands of electronic journals to support the research needs of students, faculty and staff. The Library has developed an Institutional Repository that includes University of Delaware original research in digital form including technical reports, working papers, conference papers and other material; it will showcase the international prominence of the faculty both individually and collectively to a wider audience. The Library is consistently a very high funding priority at the University: it receives materials budget increases in excess of the overall budget increase and is in the top two priorities (along with scholarships) for State of Delaware funding each year. The Library has

also received high priority in requests for funding from the Unidel Foundation.

Planning and budgeting at the University of Delaware is a multilayered process. The basic budget document is a three-year rolling forecast of all revenue and expenses that is adopted by the Board of Trustees at the recommendation of its Finance Committee. The colleges, however, are the primary budget units at the University of Delaware and have significant resources and decision-making authority. College deans operate within a larger institutional planning and budgeting context that both enables and constrains their options and resources.

University Planning and Budgeting

The University's budget is presented in its entirety to the Board of Trustees twice each year. The Finance Committee first reviews and recommends action or approval of the three-year rolling forecast of all revenue and expenses. Included in the forecast are estimates of tuition (based on enrollment projections compiled by Institutional Research and Planning), endowment and temporary investment income, State of Delaware appropriations, salary and benefit costs, expenses related to new initiatives, scholarship/financial aid increases, utilities, and other miscellaneous income and expenses. Input from revenue-generating units is sought, as is information from major expenditure-producing units, such as the benefits office and Facilities. Funding for approved academic priorities and other new approved initiatives for areas such as financial aid and administrative units are included. Administrative unit priorities are recommended for inclusion by the Executive Vice President and Treasurer and academic unit priorities by the Provost.

There is a strong emphasis on the President's identified priorities for the University: a competitive salary structure for faculty and staff, enhanced access for students through increased financial aid, a more student-centered campus, and a state-of-the-art living and learning community. Progress toward these priorities is documented in detail in Section Three.

The complete budget is compiled and reviewed by Budget Office staff and the Executive Vice President and Treasurer. A high-level review of the budget is undertaken by the President prior to its publication for the Board of Trustees. Parameters related to tuition increases, salary increases and support increases are discussed by the President, the Executive Vice President and Treasurer, and the Provost prior to inclusion in the three-year budget plan.

At their fall meetings, the Finance and Executive committees of the Board of Trustees review the key drivers for the budget and recommend any changes. Suggestions from the Board of Trustee committees are included in the spring meeting version of the budget, at which time a balanced budget is presented for Board approval.

The Capital Budget plan for the next three years is also presented at the fall and spring meetings of the Board of Trustees. A broad plan for major capital initiatives is maintained for at least the next five years and may be maintained for a longer term, depending on the nature of the possible projects that may require funding.

Academic Planning and Budgeting

The colleges are the primary budget units at the University of Delaware. The University's decentralized budget model has resulted in significant resources and decision-making authority in the colleges and also for the Library, which functions as a UD college for planning and budgeting purposes. These units thus have the responsibility and the authority to manage most of their own needs with resources under the dean's control. The Provost works closely with these units to identify funding priorities and challenges, and the Provost controls funds that can supplement those funds available to college deans and the director of libraries.

There are also non-college academic units that have responsibility for academic needs and funds to meet those needs. However, the degree of control over funds in these other academic units is not as great as that in the colleges and the Library.

The Provost holds comprehensive planning meetings at least twice each year with each college dean and the director of libraries. At these meetings, three-year budget and position plans are reviewed and approved; increasingly, enrollment planning is factored into the colleges' three-year plans. Colleges present their budget and position plans in the context of their priorities. Major issues and stress points are identified as are strategies to address these challenges. Sometimes, the colleges have the ability to address the challenges and needs fully with college resources. Other times, additional resources are involved, in order either to address University-wide priorities that do not reside only in a single college or to address college priorities valued by the University for which the college itself does not have sufficient resources. An example of the former is the expansion of service learning opportunities; an example of the latter is the expansion of Nursing programs in the College of Health Sciences.

In cases when additional resources are involved, the Provost has a number of sources that he manages. The Provost's resource planning extends six years beyond the current fiscal year. All known sources in that horizon are included in the planning process as well as all definite and planned uses of these resources. All planned expenditures, including contingencies, are matched to a known source of funds. These "known sources" include:

- recurring funds that are centrally budgeted for the Provost
- one-time funds from identified University sources
- one-time funds from the Unidel Foundation, which are very conservatively estimated for future years
- recurring funds that are "reallocated" from the colleges (described in more detail below)

In addition to managing these known sources of funds, the Provost requests funds from outside sources in accordance with academic priorities. There are two important kinds of request from outside sources. The first such requests are for specific line-item appropriations in the annual budget of the State of Delaware, or “state lines.” Working together, the President, the Provost and the Executive Vice President request recurring state funds for high priority needs. These may be requests for new state lines or for increases to existing state lines. For example, such requests have been successfully made in recent years for additional faculty in the Nursing programs and operating support for the Early Learning Center. Federal “earmarks” are the second such source. The Provost coordinates a University-level request for earmarked federal funds for such high priority endeavors as the new research vessel, the *R/V Hugh R. Sharp*, and avian biosciences.

In working with colleges to meet their funding needs, the Provost often seeks to leverage resources. That is, funding from the Provost will be provided as a form of match to a college commitment to the priority. One example of leveraging resources in this way is faculty start-up support. The University spent approximately \$7.4 million on faculty start-up support in FY 2004-05, with the colleges and the Provost sharing the costs.

There is no institutional formula employed by the Provost in allocating resources to the academic units. That is, there is no analytic procedure that results in automatic resource allocation decisions being made. For example, while the Academic Program Review process provides valuable information to the unit being reviewed as well as the relevant college and the Provost that may lead to a change in resources, neither a very positive nor a negative review triggers an automatic resource change. Rather, all decisions to allocate resources are made by the Provost in light of the academic priorities, the units’ three-year plans and needs, the resources available to the Provost as reflected in the plan which extends six years into the future, and the prospect of external resources.

College Budgeting. The University of Delaware’s block budgeting model gives the college deans as well as the director of libraries effective planning and resource management tools. There are eight “blocks” at the University: one for each of the seven colleges and another for the Library. With block budgeting, the deans and the director of the libraries are given a specific allotment of central operating funds that are associated with a specific number of personnel “lines” or full-time-equivalent employees, for which benefits are covered centrally, as well as support funds. (Benefits for temporary employees funded from the block are also covered centrally.) The block allotment of funds changes each year in highly predictable ways, which enhances deans’ ability to plan, and any unspent funds at the end of the year are retained by the colleges.

Under this system, deans and the director of libraries have significant opportunity as well as responsibility to control their resources. In particular they actively manage funds, particularly salary funds, and they are responsible for meaningful fiscal planning over the long term. Colleges and departments, not the University, bear the burden of waived overhead dollars and approval of such waivers. The colleges are responsible for meshing dollars needed for temporary teaching with courses that need to be taught. The

colleges also have tremendous incentive to increase research funding (and it works: witness the growth in research funding). In short, the Library and the colleges have incentives to effectively manage funds in support of their priorities.

Deans have considerable flexibility to budget within their block as they see fit. They can move their “lines” from one department or school to another, although they cannot re-budget support dollars as salary dollars, thus creating new “lines,” without giving recurring money to the central budget to cover associated benefits costs. Any new position on the block also requires the approval of the Provost and the President. Colleges retain all funds for current year expenditures, including all salary and support dollars. At year-end, colleges retain unspent funds for one-time needs or return over-expenditures in the block to the central administration. Raises and faculty promotional increments are funded centrally; that is, recurring money is added to the blocks for the Collective Bargaining Agreement-approved raises. Tuition for graduate students who receive full stipends is also funded centrally.

All seven colleges – but not the Library – are assessed a 1-2% “reallocation” annually as a method of reallocating funds for new initiatives and programs. Funds from the reallocation are administered by the Provost and are directed in several ways. Reallocation monies fund both existing initiatives in colleges (“returning” money directly) and new initiatives in the seven colleges. They also fund needs in non-college academic units (admissions, research, etc.) and they contribute to central University needs – for example, they help fund the increasing cost of the tuition for graduate students who receive full stipends. Before any reallocation funds are sent to non-college units, options are explored for other sources of funding. For example, overhead funding has been directed for some central research expenses, and funds for admissions budget increases came from application fee increases and other Provost funds.

Each college also has an “overhead benchmark.” When the block budgeting system was established in 1997, this benchmark represented the amount of overhead return from each college that went to support the central budget. At the end of each fiscal year, the excess over benchmark is given to colleges for one-time future needs. These funds generally support research-related expenses (for example, faculty start-up support and grant matching). In the rare event that a college does not meet its overhead benchmark, the excess under benchmark is taken from colleges on a one-time basis. The benchmark amount was “frozen” for several years to ensure success; it now increases 3% per year. The 3% increase is used to fund research-related expenses. In addition to these benchmark increases, 1% of all overhead generated goes to fund increased research costs.

Prior to decentralization, colleges had no direct financial incentive to run efficiently; now they have strong incentives to do so. As noted, the colleges retain any unspent funds at the end of the year. Furthermore, the deans must manage their resources in ways that position the colleges for short- and long-term success as measured in terms of their academic priorities. There are a number of resource management strategies employed by college deans, including:

- Identifying new sources of recurring revenue, such as state lines and endowment income (including endowed professorships).
- Increasing a college's overhead benchmark and gaining matching funding in the college block: by increasing the overhead benchmark, a college in effect commits more recurring money to the central budget, which is matched one-for-one with an increase in its block budget.
- Direct-charging expenses to contracts and grants that were formerly charged to the block. This is often made possible by the development of key research areas, either within a single college or inter-college.
- Managing successful self-supporting operations in support of college priorities.
- Cost cutting and realizing gains in efficiency.
- Capturing salary savings: when a member of the faculty or professional staff retires, 8% of the person's salary at retirement is taken on a recurring basis to fund his or her retirement benefits, but the college keeps the remaining savings. In some units, this savings – the difference between the former employee's salary at retirement and the salary of his or her replacement – is significant; in others, such as some departments in the Lerner College of Business and Economics, there are no salary savings because the market continues to drive salaries for new faculty hires ever higher.

It is central to the University's planning process that all of these strategies are pursued in the context of the clearly defined academic priorities. For example, the University of Delaware has made a commitment to fill faculty positions with full-time faculty to the greatest extent practicable and with tenure-track lines wherever possible. The University thus maintains a very low level of reliance on supplemental faculty. While "exchanging" full-time, tenure-track faculty lines for supplemental faculty would indeed reduce costs, it would not support the key ingredients of academic progress.

Each dean works with the department chairs/school directors and other unit leaders in his or her college to address college and unit priorities. As noted, the deans have discretion to rebudget funds and positions within their blocks. The specific ways in which deans and chairs/directors work together vary, but generally budget meetings are held at least annually to review position plans, teaching needs and unit initiatives. Department and school teaching needs must be defined and planned for in advance in order to manage the course demand and departmental resources. In some cases, departments and other units can keep any support fund surplus at the end of the year.

Other Academic Units. Academic units other than the seven colleges and the library do not operate as "blocks." These other units include the Office of the Vice Provost for Research, the Office of the Vice Provost for Academic and International Programs, Student Services and Registrar, and University Museums.

Generally, these units have less flexibility than do those under the block budgeting system to manage multiple needs and multiple sources over the long term because they usually do not carry over unspent current funds from one year to the next. The Provost holds budget meetings with each of these units at least annually and considers their priorities and needs. The Provost often provides or seeks from external sources funds for initiatives in these units; for example, the service learning, study abroad and undergraduate research programs mentioned earlier have all received additional funding in recent years.

Innovative funding models exist in these units to enhance the ability of their leadership to generate resources to address the identified priorities. For example, the Division of Professional and Continuing Studies (part of the Office of the Vice Provost for Academic and International Programs) has a net revenue benchmark to the University, which increases each year and which ensures that the University shares in the success of the division. The division has the flexibility to invest in new programs, which in turn contribute to the educational mission of the University. Another example is the Admissions Office. In 2004-05 the Admissions Office was given the opportunity to carry over any unspent support funds from one year to the next, which enhances the ability of that office to plan for long-term needs.

Appendix 1
AFFIRMING ACADEMIC PRIORITIES

August 2003

KEYS TO CONTINUING ACADEMIC PROGRESS

❖ ***Excellent Faculty***

Attract, retain, and reward faculty who are diverse in background and accomplishments and who excel in teaching, scholarship, and public service.

❖ ***Successful Students***

Recruit academically talented and diverse undergraduate and graduate students and support their intellectual, cultural, and ethical development as citizens, scholars, and professionals.

❖ ***High Quality, Affordable Education***

Provide broad access to a comprehensive array of educational programs that reflect high academic standards, exemplify best practices in teaching, and encourage discovery-based lifelong learning.

❖ ***Superior Research and Service***

Enhance research and service programs that build on our institutional and interdisciplinary strengths and extend our leadership as a state-assisted land-grant, sea-grant, urban-grant, and space-grant university.

❖ ***Outstanding Facilities***

Provide the infrastructure and tools required for sustained academic success, including state-of-the-art libraries, technology, classrooms, laboratories, equipment, and residence halls.

**PRIORITIZING IN FOUR MISSION AREAS:
UNDERGRADUATE EDUCATION
GRADUATE EDUCATION
RESEARCH AND SCHOLARSHIP
PUBLIC, COMMUNITY, AND PROFESSIONAL SERVICE**

UNDERGRADUATE EDUCATION

- 1. Remain the institution of choice in the mid-Atlantic region with continuing improvement in student academic qualifications and diversity.***
 - Retain a freshman admissions target of 3,200-3,400, with an admissions profile for 2007 of 23,000 applications, a 40% admit rate, and a yield rate above 35%.
 - Improve the alignment of undergraduate enrollment distribution and instructional resource distribution, particularly faculty distribution.
 - Review and revise undeclared student status through improved matching of students and majors on admission, improved early advisement for new students, creation of “college” majors, and establishment of a university studies option.
 - Maintain a freshman retention rate above the national average for highly selective institutions and seek to achieve a 90% rate.
 - Maintain a graduation rate above the national average for highly selective institutions and seek to achieve a 75% five-year rate.
 - Increase minority and international enrollment, with retention and graduation rates consistent with university-wide averages.

- 2. Provide undergraduate education that ranks among the finest provided by any public university in America.***
 - Fully implement all recommended general education reforms by 2005.
 - Expedite entry into Life/Pathways courses and similar opportunities for all students.
 - Expand the Undergraduate Research program with extended college and program collaborations so that all students have the opportunity to participate.

- Make a study abroad experience available to every student and expand study abroad options.
- Expand programs of international/intercultural education, such as America and the Global Community, The Global Agenda, discovery abroad research, visiting scholars and speakers.
- Strengthen the University Advisement Center, improve web-based advisement resources, and increase faculty participation in undergraduate student mentoring.
- Expand and integrate written and oral communications learning opportunities throughout the curriculum.
- Actively promote university-wide service learning programs, and make a service learning opportunity available to all students.
- Selectively expand support for interdisciplinary study options.
- Provide a capstone experience for all students that may include internships and other practical field experiences as well as special courses and projects.
- Strengthen the Honors Program; pursue a new model that exemplifies leadership in the development and adoption of best practices for UD undergraduate education and that signals a new partnership between the Honors Program and the contributing Departments.
- Expand Winter Session options and enrollment; better incorporate Winter Session in departmental academic planning.
- Review and improve the overall design and delivery of the Parallel Program; pursue expanded articulation agreements with Delaware Technical and Community College.
- Support services that improve employment and professional career opportunities for UD graduates.

3. Extend national leadership in instructional innovation and improvement.

- Establish and institutionalize the Office of Undergraduate Studies as the focal point for continuous improvement in undergraduate education.
- Extend UD international leadership in active/discovery learning (e.g., PBL).
- Extend faculty and student utilization of new instructional technologies; establish WebCT course support sites for most courses by 2007.
- Implement continuing outcomes assessment of instructional innovation.
- Extend UD's leadership roles for programs of undergraduate research, study abroad, and service learning.
- Continue to improve facilities that support excellence in undergraduate education, including library renovations to improve access and use,

laboratories, classrooms, and performing arts studios that support discovery-based learning.

GRADUATE EDUCATION

1. Strengthen graduate programs in areas of demonstrated comparative advantage and areas that address state, regional, and national needs.

- Define explicitly the criteria for success in every graduate program, clarifying the different expectations for research-oriented and professional programs and applying those criteria consistently.
- Review the effectiveness of all graduate programs on a regularly scheduled basis through the Academic Program Review and Accreditation Review processes.
- Invest selectively in interdisciplinary graduate programs in areas of demonstrated comparative advantage and community need.
- Explore new graduate program options, including expanded undergraduate/graduate “4 plus 1” options, targeted distance education programs, a 5-year BA/MAT program, coordinated MA/MS-PhD options, and more extensive international collaborations.

2. Remain an institution of choice for high quality graduate students.

- Define and meet qualitative and quantitative enrollment targets and student profile objectives for all graduate programs.
- Sustain a stable university-wide graduate admissions profile with 6,000 annual applications, a 30% admit rate, and a yield rate over 50%.
- Increase the diversity of the graduate student population by implementing program-based plans to enhance diversity.
- Improve graduation rates, time to degree completion, and job placement of graduates, with specific objectives defined by each program.

3. Improve University, college, and departmental services that support excellence in graduate education.

- Maintain national best practices in electronic graduate admissions procedures.
- Improve graduate student recruitment strategies, including web-based recruitment and the identification of feeder schools, for each graduate program.
- Assist graduate programs in providing improved support for the job placement of graduates.
- Increase graduate stipend rates and floors and then incrementally increase graduate stipends at the same rate as salaries, maintaining graduate stipends at nationally competitive levels.
- Improve recognition for faculty excellence in graduate supervision and instruction.
- Improve campus-wide coordination of services for graduate students.

RESEARCH AND SCHOLARSHIP

1. Improve productivity in University's research and scholarly programs.

- Continue to increase the level of externally sponsored research, with a target increase of 50% over the FY01 level by 2007.
- Improve productivity in departmentally sponsored research; strengthen assessment and support higher levels of performance.
- Strengthen start-up and pilot support for scholarship and research in selected areas of priority, such as the international research awards program.

2. Enhance interdisciplinary programs in areas of comparative advantage and state, regional, and national need.

Possible examples include the following:

- ❑ Biotechnology and the Life Sciences
- ❑ American Art, African American Art, and Material Culture
- ❑ Information Technology: Science, Technology and Management
- ❑ Early Learning/Early Experience Research
- ❑ Nano-science and Nano-technology
- ❑ Environmental, Marine, and Energy Sciences and Policy
- ❑ International and Cross-Cultural Research
- ❑ Corporate Governance

3. Strengthen the support and recognition for excellence in scholarship and research.

- Increase the number of endowed named professorships to 90 by 2005 and to 100 by 2007.
- Fully implement the research/scholarship semester for assistant professors.
- Better recognize and celebrate scholarly achievement through named professor inaugural lectures, University faculty forums, and student research conferences.
- Continue to implement national best practices in the area of grants and contracts administration at the University, college, and departmental levels.
- Improve policy and procedures to address issues of intellectual property, equity interest ventures, and commercialization of new ideas and procedures.
- Sustain UD's leadership role in the transition to the "electronic" library.
- Strengthen the development of the Delaware Biotechnology Institute (DBI) and improve the mutual support between DBI and participating colleges and departments.

- Create a University Museum to coordinate and expand the development and use of UD art collections and related programs including the Paul Jones Collection, the University Gallery, the Inuit Art Collection, the Museum Studies Program, the Center for American Material Culture, and the Winterthur Program.
- Better integrate computer and network services into the research and scholarship activities of the University.
- Continue to improve facilities that support increasing research and scholarly productivity, focusing on areas of University-wide priority such as the life sciences, marine sciences, advanced materials science and engineering, and early experience/translational research.

PUBLIC, COMMUNITY, AND PROFESSIONAL SERVICE

1. Strengthen UD leadership as Delaware's land-grant, sea-grant, urban-grant, and space-grant institution.

- Strengthen partnerships in areas of University priority and responsibility such as state and local economic development, pre-K to 16 education, effectiveness of governmental services, delivery of non-profit services, professional development for business, education, and health professionals, and improvement in agricultural and environmental practices.
- Inventory and better coordinate service programs and partnerships on and off campus; improve inter-college collaboration and cooperation in the design and delivery of service programs.
- Develop new institutional models for service that are responsive to the evolving needs of the constituencies we serve, such as the Early Learning Center, Center for Corporate Governance, new organization for Cooperative Extension, and the Center for Disabilities Studies.

2. Improve the integration of service values in the educational and research missions within and across the colleges.

- More fully incorporate service learning in undergraduate education; improve the use of service learning as an educational method.
- Selectively extend life-long learning and distance learning programs in areas of comparative advantage and state, regional, and national need.
- Increase the number of service-oriented undergraduate and graduate assistantships and internships.
- Improve the availability and delivery of service-oriented instructional and professional development programs in such areas as education, nursing, human services, business, and agricultural sciences.

3. *Enhance the support and recognition for excellence in public, community, and professional service.*

- Establish endowed professorships that recognize excellence in public, community, and professional service and the integration of service with teaching and research.
- Establish University Excellence-in-Service Awards
- Regularly conduct program reviews of the performance and achievements of service programs.
- Continue to improve facilities that support increased service responsibilities.

A REPORT CARD ON ACADEMIC PRIORITIES IN FOUR MISSION AREAS:

UNDERGRADUATE EDUCATION GRADUATE EDUCATION RESEARCH AND SCHOLARSHIP PUBLIC, COMMUNITY, AND PROFESSIONAL SERVICE

The narrative below evaluates progress in achieving the academic priorities adopted in 2003. Unless otherwise noted, the baseline for assessment is 2001.

UNDERGRADUATE EDUCATION

1. Remain the institution of choice in the mid-Atlantic region with continuing improvement in student academic qualifications and diversity.

- Retain a freshman admissions target of 3,400-3,450, with an admissions profile for 2007 of 23,000 applications, a 40% admit rate, and a yield rate above 35%. Recruiting more ethnically and geographically diverse students with stronger academic qualifications as well as more first-generation students is an important part of this effort.

The fall 2005 entering class of 3,522 freshmen was selected from 21,600 applicants. Overall, offers of admission were made to 45% of non-resident applicants with an overall yield rate of 34.3%.

UD is *the* first choice of 59% of non-resident enrollees and 71% of Delaware enrollees. Entering freshmen have average SATs of 1205 and high school GPAs of 3.56, and are on average in the top 17% of their graduating class. Half of new students with SATs over 1300 enter outside the Honors Program.

The fall 2005 class was the first entering class to score above 1200 on the combined SAT-verbal and SAT-mathematics tests and had an average high school GPA of 3.56. The class included a record number of students with SAT scores of 1400 or higher (251 freshmen). The class was comprised of students from 35 states, the District of Columbia, the U.S. Virgin Islands, and 7 foreign countries. Approximately 25% of the class was first-generation college students, and over 15% were students of color.

- Continue to increase both merit-based and need-based financial aid.

Financial aid has increased from \$25 million in 1991 to over \$116 million in 2005. Additional funds will be targeted toward increasing the socioeconomic diversity of the student body and recruiting more students with special talents.

The provost office is developing a plan to ensure the optimal use of financial aid over the next 5 years.
- Help more Delaware high school students prepare for a UD education.
- Set admissions standards that will encourage Delaware residents to take a more challenging academic curriculum in high school.

Effective with the Fall 2006 entering class, UD will now require freshmen applicants to have completed 18 academic units including 4 years of English, 4 years of history/social sciences, 3 years of science, 3 years of mathematics, 2 years of foreign languages, and 2 years college prep/honors/advanced placement/international baccalaureate electives.

Over the next few years, the University will be reviewing the number of college preparatory units it requires in mathematics and laboratory science. It is probable that these requirements will be increased.

Also under discussion is a “Commitment to Delawareans.” It will provide middle-school students and parents in Delaware with an academic roadmap that will specify the particular courses that students should take in high school and the grades that they should earn in them if they want to be confident of being qualified for admission to the University of Delaware.
- Improve the alignment of undergraduate enrollment distribution and instructional resource distribution, particularly faculty distribution.

Initiated annual enrollment planning with deans and admissions office; included enrollment planning in annual budget planning reviews. Alignment is still incomplete.

Colleges have made enrollment demand a priority in faculty position planning.

The admission office has increased efforts to recruit qualified applicants for under-enrolled majors and programs, while the deans are increasing their efforts to target additional resources to departments where the enrollment pressures are greatest. Enrollment planning is now a regular part of the annual budget planning reviews.

- Review and revise undeclared student status through improved matching of students and majors on admission, improved early advisement for new students, creation of “college” majors, and establishment of a university studies option.

A university studies option was created for entering freshmen in 2003. The newly created university advisement center improved the orientation process for incoming students, helping to match students and majors upon initial enrollment.

A college major exists in the College of Human Services, Education and Public Policy, an undeclared option is available in business and in engineering, and the College of Health Sciences has established a health education studies major. This is no longer a priority of colleges because of the success of enhanced advisement initiatives.

- Maintain a freshman retention rate above the national average for highly selective institutions and seek to achieve a 90% rate.

The retention rate for the fall 2004 cohort was 89%. The national retention rate for highly selective universities was 86.8%.

The retention rate for African American students was 81.5% compared with a national retention rate of 85.3% for highly selective universities. The retention rate for Hispanic students was 87.8% compared with a national retention rate of 85.5% for highly selective universities.

- Maintain a graduation rate above the national average for highly selective institutions and seek to achieve a 75% five-year rate.

The 5-year graduation rate for the fall 2000 cohort is 73%. The national rate for highly selective universities is 63.2%. *Graduation* rates for African American and Hispanic students are far above the national average for highly selective institutions; UD ranks sixth in the nation among all public universities in the graduation rate of African American students.

Increase minority and international enrollment, with retention and graduation rates consistent with university-wide averages.

Diversity has increased with enrollment of African American students increasing to 5.6% in 2005 and Hispanic enrollment increasing to 4.1%.

The fall 2005 entering class is the most diverse in UD history with more than 540 students of color comprising 15.4% of the entering class.

An assistant provost for student diversity and success was appointed in 2003 to work with a new university council focused on strengthening diversity across campus.

Support has been increased for college and university programs that support the success of underrepresented, low income students. UD's McNair scholars program is the only one of 161 in the nation with a 100% student success rate; UD has provided funding to supplement federal support for this program.

International undergraduate enrollment remains low at less than 1%. The Center for International Studies is working with the Office of Admissions to develop a proposal to recruit international students. The English Language Institute is working with the Admissions Office to improve the processing of international student applications.

2. *Provide undergraduate education that ranks among the finest provided by any public university in America.*

- Fully implement all recommended general education reforms by 2005.
The Faculty Senate (May 2004) and Board of Trustees (November 2004) approved recommendations for campus-wide implementation of general education reforms aligned to the 10 goals for general education adopted by the Faculty Senate in 2001.

- Expedite entry into LIFE courses and similar opportunities for all students.
Starting in fall 2005, all first-year students are enrolled in a Freshman Year Experience (FYE) according to their major with 1,779 LIFE students, 1,100 First Year Seminar students, 484 Honors students, and 166 Pathways students. Beyond the Newark campus, the LIFE program encompasses the three Associate in Arts degree programs by enrolling 198 students in Wilmington, 78 students in Dover, and 44 students in Georgetown.

Some colleges and departments and departments already offer a freshmen seminar or other freshmen experience, while others are planning to introduce these options.

- Expand the Undergraduate Research Program with extended college and program collaborations so that all students have the opportunity to participate.
The Undergraduate Research Program has received a three-year, \$300,000 Unidel grant for the support of undergraduate research in the summer scholars program and other similar programs during the academic year. These funds will also be used to help faculty meet the costs associated with apprenticing undergraduate researchers. This funding can be used for supplies, travel, and related expenses and will make possible the participation of many more undergraduate students in collaborative research projects each year. The Office of the Provost has developed a

plan to sustain this increase in scholarship funding after the requested Unidel support is no longer available.

New collaborations have been facilitated by the Undergraduate Research Program with the Colleges of Arts and Sciences, Engineering, Agriculture, Health Sciences, and Marine Studies. Undergraduate Research Programs now operate at DBI, Delaware Water Resources Agency, several other research centers, and through the new University of Delaware Research Foundation (UDRF) Undergraduate Scholars Program.

Some colleges provide additional funding for students engaged in undergraduate research.

Some university centers provide research opportunities to undergraduates.

To expand the models of undergraduate research and to recognize registration for undergraduate research credit in any field, a new "UNIV" course number sequence has been introduced and approved.

UD is the site for a National Science Foundation-supported Research Experiences for Undergraduate site in bridge engineering.

- Make a study abroad experience available to every student and expand study abroad options.

In 2002, the University established the Center for International Studies (CFIS) to enhance the international dimensions of teaching, research, and service at the University by encouraging and supporting the active participation of University faculty and students in the process of integrating international and global themes into their individual and collaborative scholarship.

Since 2001, the rate of student participation in study abroad has increased from 26% to just over 40%. In 2001-2002, 923 students participated in study abroad. By 2003-2004 the number increased to 1,300 and approached 1500 for 2004-05. Fourteen new programs were introduced for winter session 2005, bringing total program offerings to over 50 in January. Those programs were led by 80 faculty members and included about 100 freshmen. New academic areas include women studies, marine studies, engineering, physics and leadership. An exciting new program location for winter 2006 is India.

Approximately 775 students have been awarded study abroad scholarships during the last three years. A Unidel grant awarded in spring 2005 will enhance scholarship funding greatly over the next three years. During the first year, the grant provided an additional 110 scholarships for students to study abroad.

In 2005, UD was ranked No.1 in study abroad participation among the nation's public institutions of higher education, according to figures

released by the Institute of International Education. The report evaluates study abroad participation as a percentage of undergraduate degrees conferred at doctoral research institutions in 2003-04, and UD ranks first among public universities and 12th overall at 32.1%

- Expand programs of international/intercultural education, such as America and the Global Community, The Global Agenda, discovery abroad research, visiting scholars and speakers.

Since 2002, CFIS has supported visiting scholars from Japan, Australia, Greece, Bulgaria, Ukraine, the United Kingdom, the Netherlands, Qatar, Mexico, Norway, Italy, Austria, Russia, Costa Rica, Nunavut, and Brazil. CFIS continues to support a number of visiting scholars annually, most of whom participate in seminar series and programs within academic departments.

A faculty fellows program has been established through which faculty focus on internationalizing the curriculum. Approximately twenty-five faculty members have been selected as fellows with a commitment to develop a new course or revise an existing course to make it more international or global in content.

The Global Agenda series annually brings to the campus at least seven internationally prominent practitioners in global politics and media. The University expanded the scope of the Global Agenda program in 2002 by adding major speaker events under the Unidel-supported “America and the Global Community” initiative. Beginning in the fall of 2005, this initiative will be integrated with the LIFE program to help increase the international awareness of new students.

Undergraduate research exchange programs and service learning abroad programs have been established. UD international awards and grants are increasing as exemplified by UD hosting the State Department’s Fulbright Institute and the USAID project in Bosnia.

The Middle East Partnership Initiative's Undergraduate Institute on American Studies and Leadership is a special program designed for students from North Africa and the Middle East who will be entering their 2nd or 3rd year of undergraduate study. Applicants are nominated by US Embassies and are selected by the Department of State’s Bureau of Educational and Cultural Affairs. The University of Delaware was selected by the US Department of State to host the program in 2004 and 2005. The program brought over 40 students from Algeria, Bahrain, Egypt, Iraq, Israel, Jordan, Kuwait, Lebanon, Morocco, Oman, Saudi Arabia, Syria, Tunisia, U.A.E., Yemen and the West Bank to the University. Plans are being developed for UD to host the program again in 2006.

- Strengthen the University Advisement Center, improve web-based advisement resources, and increase faculty participation in undergraduate student mentoring.

The University Advisement Center has been provided with additional resources to implement a new process for senior checkout of students in the College of Arts and Sciences. Faculty advisors in eight units are now participating, representing just over 50% of the total Arts and Sciences total checkout workload. Web-based advisement tools have been enhanced and made more accessible. An online placement test for entering students has been implemented. A faculty-led graduate student advisement certificate program has been developed to train graduate students to assist in undergraduate student orientation and advisement.

- Expand and integrate written and oral communications learning opportunities throughout the curriculum.

A Unidel grant has provided support for new initiatives that will strengthen written and oral communications in ways that correspond to the goals of general education reform.

An expanded oral and written communications center is being planned by the College of Arts and Sciences working with the departments of English and Communications.

A collaborative multimedia center designed to support a number of academic initiatives is being planned by Information Technologies and the University Library.

Some colleges and departments are providing specialized instruction in written and oral communications.

The Honors Program encourages the inclusion of oral communication components in Honors ENGL 110 sections and colloquia and the writing fellows program has been expanded.

The 2004-2005 instructional grant program targeted oral and written communication as a goal. Four grant proposals from three different colleges were selected for funding in the area of written and oral communication.

- Actively promote university-wide service learning and citizenship programs, and make service learning and citizenship opportunities available to all students.

An Office of Service Learning (OSL) was established in fall 2004. OSL

maintains an updated university-wide database of departments and courses incorporating service learning in undergraduate course instruction. In 2004-05, OSL identified 21 courses (546 students in 35 sections) that met the criteria for a service-learning course. In 2005-06, OSL identified 26 courses (750 students in 55 sections) that meet the criteria.

Mini-grants are being awarded to faculty to assist with service learning course instruction. The 2004-2005 and 2005-2006 instructional grant program targeted service learning as a goal.

Study abroad service learning programs are now underway. In 2004-05, UD sponsored five study abroad service learning programs in Barbados, Ecuador, Fiji, Peru, and South Africa. In 2005-06, programs in Costa Rica, Fiji, South Africa, Vietnam, and Mexico met the criteria for service learning programs.

A Unidel grant has provided funding for a service learning summer scholars program. During the summer of 2005, eight students were chosen to serve as Service-Learning Scholars; and funding is available for up to sixteen students for the summer of 2006.

Some colleges, departments and centers sponsor service learning programs for undergraduates.

Institute educational initiatives in all the residence halls (housing 93% of the freshman class) to develop in students an awareness of community, civic responsibility, and social obligations through the implementation of out-of-the-classroom curricula in collaboration with faculty and the FYE program.

- Selectively expand support for interdisciplinary study options.

New interdisciplinary programs include new majors jointly offered by the Math and Economics departments and the Computer and Information Sciences and Accounting/Management Information Systems departments, and a new minor in Disabilities Studies. New programs have been supported in Food Science, Food and Resource Economics, Cognitive Science, and Marine Studies.

The College of Arts and Sciences has made support for interdisciplinary programs one of its priorities for faculty position planning. It has provided faculty support to programs like Black American Studies and Women's Studies as part of its efforts to promote interdisciplinary programs. These faculty have joint appointments with other academic units but their primary appointments are in the interdisciplinary programs.

The feasibility of creating additional interdisciplinary cross college

programs will be explored in such fields as biotechnology and environmental sciences.

- Provide a capstone experience for all students that may include internships and other practical field experiences as well as special courses and projects.

Capstone experiences are now recommended by the faculty senate for all departments under approved general education reforms. Capstone experiences exist in pre-professional programs, such as Teacher Education, Nursing and Engineering, and through the Honors Program.

A survey of capstone experiences was initiated in fall 2005, as part of a comprehensive report on the implementation of the Discovery Learning Experience requirement. The purpose of the 2005-2006 survey is to compile a list of all potential capstone courses organized by colleges and departments. Additional data will be compiled to summarize enrollments in capstone courses for students graduating between fall 2004 and summer 2005. Results of the survey will be used to determine the number of existing capstone opportunities and suggest areas where more are needed.

- Strengthen the Honors Program; pursue a new model that exemplifies leadership in the development and adoption of best practices for UD undergraduate education and that signals a new partnership between the Honors Program and the contributing Departments.

The transition in the model of the Honors Program has been accomplished.

In fall 2005, the Honors Program enrolled 495 freshmen with SATs for the middle 50% of the admitted class averaging 1340-1440 and high school GPAs for the middle 50% averaging 3.82-4.00.

Four new honors degrees were established for the 2004-05 academic year; and five new degrees have been proposed for the 2005-06 academic year. The establishment of the General Honors Award (GHA) and the establishment of the non-thesis honors degree option have been successful. Since the fall of 2002, approximately 75% of the entering Honors Program classes have earned the GHA. In 2006, approximately 200 students, or 40% of the Honors Program senior class, are slated to earn an enriched degree.

- Expand Winter Session options and enrollment; better incorporate Winter Session in departmental academic planning.

Since 2003, academic departments have been given subvention payments directly and they have offered more winter session courses. Each winter, approximately half of all matriculated undergraduates who were enrolled during the fall semester return for the optional winter session to enhance progress toward their degrees. Enrollment in winter session 2004 was over

8,100, a level reached for only the second time in 10 years. In 2005, winter session enrollments set another record, numbering over 8,300.

- Review and improve the overall design and delivery of the Parallel Program; pursue expanded articulation agreements with Delaware Technical and Community College.

In fall 2004, the Associate in Arts (AA) program replaced the Parallel Program. In F04, there were 323 first-time AA students, 187 returning parallel students, 13 transfer students, and 2 readmitted students. In fall 2005, there were a total of 608 students taking courses through the Associate in Arts Program in Wilmington, Dover, and Georgetown: 323 first-time students, 276 returning students, 7 transfer students, and 2 readmitted students. In addition to the Associate in Arts program, 11 connected degree options are now in place with Delaware Technical and Community College.

In 2005, the state legislature approved the Delaware SEED Scholarship Program. The SEED (Student Excellence Equals Degree) Scholarship Program provides tuition for full-time students enrolled in the AA program at UD.

- Support services that improve employment and professional career opportunities for UD graduates.

The MBNA Career Services Center works cooperatively with academic units to ensure that all students are provided opportunities to explore careers, build job search skills, and interact with potential employers. The Center offers programs designed to reach students earlier in their academic careers. “Freshman Chat” and “Sophomore Remix” introduce students to a variety of career development skills. Each staff member serves as a liaison to a specific college.

A new course, UNIV 364: Experiential Internship, is administered and taught by professional staff of the MBNA career services center. This course is offered each semester and is intended to provide students with structured internships designed to support their career-development goals.

In 2004-05, the center organized 16 jobs fairs, 8 of which were jointly sponsored with colleges and/or departments.

In 2004-05, the center organized nearly 500 career workshops, 132 of which were classes to support faculty, and another 114 of which were designed for student organizations.

Through the LIFE Program, the center is also working directly with academic units in order to better prepare students to meet their career goals.

- Evaluate and strengthen academic programs in Southern Delaware.

An academic council on Southern Delaware has been established by the provost to improve the coordination and delivery of programs. The council is currently engaged in planning and assessment activities. In addition, UD is upgrading the ITV facilities at DTCC so that courses can be shared between the Newark and Georgetown campuses.

3. Extend national leadership in instructional innovation and improvement.

- Enhance the support and recognition for excellence in teaching.
- Establish and institutionalize the Office of Undergraduate Studies as the focal point for continuous improvement in undergraduate education.

The Office of Undergraduate Studies was established and consists of nine programs: Associate in Arts program; Academic Enrichment Center; Center for Teaching Effectiveness; General Education Initiative; Office of Service Learning; McNair Scholars Program; Undergraduate Research Program; University Advisement Center; and the University Honors Program.

- Extend UD international leadership in active/discovery learning, e.g., Problem-Based Learning (PBL).

The Institute for Transforming Undergraduate Education (ITUE) continues to provide leadership in the use of PBL both at UD and abroad. The institute sponsors workshops every winter and summer session. In addition, ITUE faculty has presented PBL workshops in Peru, Ecuador, Chile, Bolivia, Singapore and other international locations.

- Extend faculty and student utilization of new instructional technologies; establish MyCourse@UD support sites for most courses by 2007.

The number of UD academic courses using MyCourse@UD increased from 218 in 2000-2001 to 1,402 in 2004-05.

- Implement continuing outcomes assessment of instructional innovation.

The Office of Educational Assessment (OEA) was established in 2005 in order to provide resources and consulting to academic units engaged in the continuous process of assessing student learning and development. The Office, under the leadership of a faculty director, assists academic

programs in formulating, collecting, and analyzing information about student learning, and offers assistance, guidance and advice to individual units. In pursuit of these goals, the OEA has embarked on a number of initiatives: Six academic units have agreed to work closely with the OEA in a pilot test of assessment procedures and methodologies; an Assessment Faculty Fellows program was instituted; and the January 06 Winter Faculty Institute featured sessions that engaged faculty in learning, discussing, and practicing the elements of the outcomes assessment process. Additionally, the Office of Educational Assessment has developed a website at <http://assessment.udel.edu/index.htm>, which contains an extensive collection of successful practices, tools and resources that academic units can adopt or adapt as they engage in examining student-learning outcomes.

- Continue to improve facilities that support excellence in undergraduate education, including library renovations to improve access and use, laboratories, classrooms, and performing arts studios that support discovery-based learning.

Information Technologies and the University Library are creating a collaborative multimedia center in the lower level of the Morris Library. By harnessing the power of multimedia technology in a collaborative learning environment, the center will serve four distinct—but overlapping—user bases:

- students learning to develop and demonstrate communication skills through recording, playback, and tutoring,
- individuals who gather and present information about their learning outcomes in media formats such as electronic portfolios (e-portfolios) and exhibitions,
- creators of multimedia-enriched course projects, and
- observers and researchers of communication activities.

The center will support a number of the University's General Education Goals, problem-based learning, and interdisciplinary projects as well as the University's expanding commitment to its service-learning initiative. Some specific benefits of the center to the University are as follows.

Students will be able to:

- create multimedia-based learning artifacts
- borrow field camera equipment to shoot videos
- transfer video and record narration
- learn collaboratively in classrooms equipped for teaching multimedia
- work in an attractive general computing area with multimedia capability

Faculty will be able to:

- Teach in re-configurable classrooms equipped with multimedia
- Use observation facilities to study various types of communication
- Use an audience-response theater to observe audience reactions

About \$1 million per year has been spent on library improvements since 2001. In addition to housing the planned multimedia center, the lower level of the Morris Library was renovated and now provides one of the most up-to-date computing sites on campus. The lower level renovation also merged service points to create a new large service area for digital services including digital microform readers and digital copier/scanners.

About \$1.5 million per year has been spent on upgrades of instructional laboratories. Classroom improvements continue across campus including special facilities such as two state-of-the-art computer aided classrooms for engineering education.

New and renovated buildings since 2001 include: Art Studio Building, Center for the Arts, Early Learning Center, Brown Lab, DuPont Hall, McKinly Lab, Wolf Hall, Sig Nu/Sig Ep renovation for Foreign Languages and Literatures, and the new hotel.

UD plans to request funding from the state in 2006 in order to begin planning for construction of a new undergraduate laboratory building.

GRADUATE EDUCATION

1. Strengthen graduate programs in areas of demonstrated comparative advantage and areas that address state, regional, and national needs

- Define explicitly the criteria for success in every graduate program, clarifying the different expectations for research-oriented and professional programs and applying those criteria consistently.

Criteria for success are being established at the college level for each graduate program.

The Office of Graduate Studies has provided to college deans detailed information on graduate student applications, offers and acceptances along with graduation rates, time-to-degree completion, and socio-demographic characteristics of students to assist academic units in establishing benchmarks for success.

- Review the effectiveness of all graduate programs on a regularly scheduled basis through the Academic Program Review and Accreditation Review processes.

A full schedule of academic program reviews and external accreditation reviews is being implemented.

An average of eight to ten academic units is reviewed annually, selected by the provost and deans.

- Invest selectively in interdisciplinary graduate programs in areas of demonstrated comparative advantage and community need.

New graduate programs are in development in such fields as Preservation Studies and Disabilities Studies.

The interdisciplinary graduate program in Energy and Environmental Policy was granted permanent status.

New specializations have been added including MBA specializations in museum management, sports management, and a non-thesis marine studies specialization in natural resource management.

UD is the site for the NSF-supported IGERT – Interdisciplinary Graduate Education, Research, and Training in Biotechnology.

- Explore new graduate program options, including expanded undergraduate/graduate “4 plus 1” options, targeted distance education programs, a 5-year BA/MAT program, coordinated MA/MS-PhD options, and more extensive international collaborations.

CANR has initiated the integrated training option for students in plant biology which enables students to rotate in laboratories in CMS, at DuPont, and at the Institute for Genome Research.

Some nursing concentrations are being targeted for 4+1 distance options.

UD departments of Biology Sciences and Chemistry and Biochemistry and other science units receive NIH support for interdisciplinary programs of graduate training.

Distance education graduate program options have been expanded in Nursing and HRIM.

2. Remain an institution of choice for high quality graduate students.

- Define and meet qualitative and quantitative enrollment targets and student profile objectives for all graduate programs.

Admission, enrollment, and graduation targets are now set for all programs and a planning template has been established that may be updated annually.

- Sustain a stable university-wide graduate admissions profile with 6,000 annual applications, a 30% admit rate, and a yield rate over 50%.

For fall 2004, 5,325 applications were received with a 36% admit rate and a yield rate of 59%. For fall 2005, 5016 applications were received with a 38.1% admit rate and a yield rate of 62.8%.

- Increase the diversity of the graduate student population by implementing program-based plans to enhance diversity.

A graduate council on student diversity and success was appointed. The council will work with programs to develop and implement diversity plans and receive assistance from a new graduate coordinator position in the graduate office.

A majority of UD graduate students are women, about 25% are international students and about 11% are U.S. minority students.

Some colleges and departments have programs to strengthen diversity and support the success of a more diverse graduate student population.

UD is the site for the NSF 'Bridges to the Doctorate' Program.

- Improve graduation rates, time to degree completion, and job placement of graduates, with specific objectives defined by each program.

A template for regular monitoring and review at the program level has been established and is being used by deans in reviews of departmental performance.

A University dissertation writing awards program has been established to facilitate doctoral student completion. CHEP also provides dissertation writing awards.

Parallel to national rates, less than half of UD doctoral students complete their degrees. About 75% of master's students complete their degrees.

3. Improve University, college, and departmental services that support excellence in graduate education.

- Maintain national best practices in electronic graduate admissions procedures.

UD remains a national leader in electronic graduate admissions procedures. The old system, Web GAP Image is being redesigned as part of PeopleSoft SIS conversion and will be part of the graduate admission program called GRADIS.

- Improve graduate student recruitment strategies, including web-based recruitment and the identification of feeder schools, for each graduate program.

A new graduate coordinator position was created in the Office of Graduate Studies to strengthen recruitment. Colleges also have invested in strengthening marketing and recruitment.

- Assist graduate programs in providing improved support for the job placement of graduates.

This responsibility has been taken on by the colleges and graduate programs.

- Increase graduate stipend rates and floors and then incrementally increase graduate stipends at the same rate as salaries, maintaining graduate stipends at nationally competitive levels.

Minimum graduate stipends increased from \$9,000 in 2001 to \$12,200 in 2005 and \$13,000 in 2006, with funding provided from the Provost office for basic budget supported graduate positions. Graduate stipends will increment annually at least at the level of increases in faculty salaries.

Most colleges provide additional funds to increase stipends above the minimum level.

The number and value of university competitive graduate student awards has been increased, as has the number of university graduate scholar awards.

Graduate student health benefits have been increased with no significant additional costs to students.

Graduate student travel awards have been established that enable students to participate in national and international professional meetings.

- Improve recognition for faculty excellence in graduate supervision and instruction.

Faculty mentoring and supervision awards have been established for both masters and doctoral advisement.

- Improve campus-wide coordination of services for graduate students.

Coordination among the Graduate Student Senate, the provost office and graduate coordinators has been improved through regular meetings.

A need remains for a new and visible graduate studies center.

RESEARCH AND SCHOLARSHIP

1. Improve productivity in University's research and scholarly programs.

- Continue to increase the level of externally sponsored research, with a target increase of 50% over the FY01 level by 2007.

Sponsored activity increased by 35% from FY2001 to FY2004, reaching \$135 million.

Targeted federal funding for UD programs increased to about \$18 million in FY2005.

In FY01, the total expenditures from external sources were \$108.3 million; \$65.5 million of these expenditures were spent on research. In FY05, the total expenditures from external sources equaled \$140 million; of these, \$89.2 million were spent on research.

If one assumes a straight line projection to achieve the FY07 target, total expenditures for FY05 should equal \$142 million and of those, research expenditures should equal \$87.5 million. UD is on track to achieve its FY07 target.

The Office of the Vice Provost for Research (OVPR) will offer workshops and expanded services to assist faculty in proposal development and in dealing with appropriate federal and state agencies as well as industry and foundation partners.

- Improve productivity in departmentally sponsored research; strengthen assessment and support higher levels of performance.

New workload policies confirm expected outcomes from investment in departmental research.

Departments are expected to benchmark research and scholarly productivity to peer institutions. This focus must be on quality as well as quantity.

Increased productivity and support for higher levels of performance are evidenced in the increased success UD faculty are having in competing for NSF CAREER and ONR Young Investigator awards, dramatic growth in NIH funding in chemistry, physical therapy, biology, and psychology, and the movement of the Chemistry department into the top 10 for federal funding in the US.

OVPR has instituted a series of workshops to enhance sponsored programs; these include eight workshops on responsible conduct of research, one workshop on proposal writing that attracted over 200 participants, and a series of workshops on sponsored programs management.

Upgrades have been made to the animal care facilities and the process to secure AAALAC accreditation has begun.

- Evaluate and, if necessary, realign currently defined University Research Centers
- Strengthen start-up and pilot support for scholarship and research in selected areas of priority, such as the international research awards program.

Increases in scholarship support, graduate assistantships, and start-up packages for new faculty have contributed to UD's ability to be very selective and successful in recruiting our "first choices".

Investment in new research opportunities has resulted in the funding of major research initiatives like the multi-million dollar, DARPA supported effort to improve the efficiency of solar cells.

The University spends about \$5.5 million each year on faculty start-up support and that amount is increasing. Faculty in all colleges and disciplines are now eligible for matching start-up support from the provost office.

Colleges provide internal start-up and grants programs and provide matching funds for external awards.

The number of UD Research Foundation grants has increased from 13 to 25 through a new matching program with the colleges and the provost office.

The University has established a program of international research awards to support international research by UD faculty and enhance opportunities for students, and to serve as seed money for substantive research undertakings that will lead to applications for larger, externally funded support. Since 2002, faculty members have received awards to support research in Guatemala, China, Morocco, United Kingdom, Japan, Russia, Kazakhstan, New Zealand, France, the Netherlands, and Hong Kong.

2. *Enhance interdisciplinary programs in areas of comparative advantage and state, regional, and national need*

Possible examples include the following:

- Biotechnology and the Life Sciences
- American Art, African American Art, and Material Culture
- Information Technology: Science, Technology and Management
- Early Learning/Early Experience Research

- Nano-science and Nano-technology
- Environmental and Marine Sciences and Policy
- Ocean Observing: Marine Studies, Engineering, Geography
- International and Cross-Cultural Research
- Corporate Governance
- Clean Energy

Increased investment and notable progress has been made in biotechnology and the life sciences, clean energy research, materials research, environmental and marine research, international and cross-cultural research, and corporate governance. New initiatives are underway in the field of gerontology and early learning/early experience research, and ocean observing.

3. *Strengthen the support and recognition for excellence in scholarship and research.*

- Increase the number of endowed named professorships to 90 by 2005 and to 100 by 2007.
UD has 104 named professorships funded by endowments totaling nearly \$65 million.
- Fully implement the research/scholarship semester for assistant professors.
The research/scholarship semester is fully implemented.
- Better recognize and celebrate scholarly achievement through named professor inaugural lectures, University faculty forums, and student research conferences.
All three have been accomplished.
- Continue to implement national best practices in the area of grants and contracts administration at the University, college, and departmental levels.
UD has invested in new grants software and in professional development training for grants administrators. A new assistant provost for research management was appointed to work through PeopleSoft conversion issues and continue improvement in adoption of best practices.
OVPR will support programs on grants preparation.

- Improve policy and procedures to address issues of intellectual property, equity interest ventures, and commercialization of new ideas and procedures.

The University of Delaware Technology Corporation (UDTC) was established. New policies and guidelines on equity interest and intellectual property issues were established.

UDTC and the Delaware Technology Park will help to strengthen the linkage among academic research, the private sector, and commercial adaptations of the products.

- The University has recently developed a new comprehensive Policy for Copyright and Fair Use in Instruction.
- Sustain UD's leadership role in the transition to the "electronic" library.

The University of Delaware Library has assumed a leadership role in the development of the electronic library, providing a large array of electronic services and resources including access to over 235 databases and thousands of electronic journals to support the research needs of students, faculty and staff 24/7. The Library has implemented the development of an Institutional Repository that includes University of Delaware original research in digital form including technical reports, working papers, conference papers and other material, and which will showcase the international prominence of the faculty both individually and collectively to a wider audience.

- Strengthen the development of DBI and improve the mutual support between DBI and participating colleges and departments.

Funding and governance have been stabilized and the linkage to colleges and departments has been strengthened with the exception of a still-weak link to Biological Sciences.

Through DBI, the state of Delaware is participating in the National Science Foundation's EpSCoR, the Experimental Program to Stimulate Competitive Research. This is a joint program of NSF and 27 U.S. states and territories seeking to develop a more equitable distribution of Federal R&D funds across the country by promoting partnerships between state universities, industry, government, and the Federal research and development enterprise.

In addition, UD is a participant in the NIH-INBRE Program, the goal of which is to build a medical research capability in the state of Delaware that will encompass both basic and translational research.

- Create a University Museum to coordinate and expand the development and use of UD art collections and related programs including the Paul Jones Collection, the University Gallery, the Inuit Art Collection, the Museum

Studies Program, the Center for American Material Culture, and the Winterthur Program.

This has been accomplished.

Paul R. Jones Collection now housed at newly renovated Mechanical Hall.

- Better integrate computer and network services into the research and scholarship activities of the University.
New models of collaboration are being explored. For example, a joint hire has been developed to provide CNS support for ENGR cluster computing needs. More progress is needed.
- Continue to improve facilities that support increasing research and scholarly productivity, focusing on areas of University-wide priority such as the life sciences, marine sciences, advanced materials science and engineering, and early experience/translational research.

High priority has been placed on funding for research facilities in state budget requests, federal funding requests, and Unidel requests; examples include Wolf Hall and Brown Lab renovations, DuPont Hall, and Smith Lab (Lewes) additions, the new research vessel, the CANR greenhouses, the Carvel Center, a new animal care facility, and the Early Learning Center.

Headed by the Vice Provost for Research, a committee of deans is reviewing how to support infrastructure and services needed for continued productivity in research and scholarship.

PUBLIC, COMMUNITY, AND PROFESSIONAL SERVICE

1. Strengthen UD leadership as Delaware's land-grant, sea-grant, urban-grant, and space-grant institution.

- Strengthen partnerships in areas of University priority and responsibility such as state and local economic development, pre-K to 16 education, effectiveness of governmental services, delivery of non-profit services, professional development for business, education, and health professionals, and improvement in agricultural and environmental practices.

New or expanded partnerships have been established or are being established in pre-K to 20 education, governmental and non-profit services, health promotion and nursing, business and management, and agricultural practices. Marine Studies is the coordinating office for the mid-Atlantic coastal ocean observing regional association.

- Inventory and better coordinate service programs and partnerships on and off campus; improve inter-college collaboration and cooperation in the design and delivery of service programs.

The Academic Council on Service Learning was created and conducted an inventory of UD service programs. Recommendations were made for improvement in campus collaboration and cooperation.

- Develop new institutional models for service that are responsive to the evolving needs of the constituencies we serve, such as the Early Learning Center, Center for Corporate Governance, new organization for Cooperative Extension, and the Center for Disabilities Studies.

New models are in development through the programs noted. The Early Learning Center has opened and new space is being renovated for the New Castle County (NCC) Cooperative Extension, Early Head Start and the Center for Disabilities Studies. A new professional services center for educators will open in late 2005. A council on UD programs in southern Delaware has been established. Cooperative extension programs have been reorganized and revitalized.

2. Improve the integration of service values in the educational and research missions within and across the colleges.

- More fully incorporate service learning in undergraduate education; improve the use of service learning as an educational method.

An Office of Service Learning has been created and funded. A new service learning summer scholars program has been established and funded.

Some colleges, departments and centers provide service-learning opportunities for undergraduate and graduate students.

- Selectively extend life-long learning and distance-learning programs in areas of comparative advantage and state, regional, and national need.

UD on-line has increased enrollments each year since 2001. A financial incentive has been created to enable departments and colleges offering credit and non-credit courses in the evening and through off-campus and distance education to share in the revenue generated. A new MBA degree program in Bosnia has been initiated in partnership with the University of Sarajevo with funding from USAID.

- Increase the number of service-oriented undergraduate and graduate assistantships and internships.

New service-learning scholarships/assistantships have been created through the Office of Service Learning. Additional support for service-oriented undergraduate and graduate assistantships is being sought from the state. Some colleges, departments and centers provide service learning assistantships and internships for both undergraduate and graduate students.

- Improve the availability and delivery of service-oriented instructional and professional development programs in such areas as education, nursing, human services, business, and agricultural sciences.

A new professional development center for educators will open in 2005. Funding support for advanced nursing programs has been increased. The new Carvel Center will improve services to the agricultural communities in southern Delaware.

3. *Enhance the support and recognition for excellence in public, community, and professional service.*

- Establish endowed professorships that recognize excellence in public, community, and professional service and the integration of service with teaching and research.

Some named professorships recognize service, such as the Phelps Director of the College School and the Hammonds Professor of Education. Some appointments have recognized excellence in service. However, no endowed professorships have been set up specifically for public service.

- Establish University Excellence-in-Service Awards.

The Ratledge Award for Public Service was established. The Faculty Senate has created an award for outstanding faculty senate service. No on-going university-wide award has yet been established.

- Regularly conduct program reviews of the performance and achievements of service programs.

A regular schedule of academic program reviews (APR) for public service centers has been established; APRs have been completed for the Institute for Public Administration, the Center for Applied Demography and Survey Research and other centers.

- Continue to improve facilities that support increased service responsibilities.

New and improved facilities for service programs include a new teacher professional development center, the Carvel Center, the Early Learning

Center, and newly renovated space planned for NCC Cooperative Extension, Center for Disabilities Studies, and Early Head Start.

Appendix 3

University Officers

David P. Roselle, President

Daniel Rich, Provost

David E. Hollowell, Executive Vice President and Treasurer

Conrado M. Gempesaw, Vice Provost Academic and International Programs

Carolyn A. Thoroughgood, Vice Provost for Research

Maxine Colm, Vice President for Administration

Susan J. Foster, Vice President for Information Technologies

Pierre D. Hayward, Vice President and University Secretary

Robert R. Davis, Vice President for Development and Alumni Relations

College Officers

Thomas M. Apple, Dean, Arts and Sciences

Timothy K. Barnekov, Dean, College of Health, Education, and Public Policy

Susan Brynteson, May Morris Director, Morris Library

Michael J. Ginzberg, Dean, Lerner College of Business and Economics

Eric W. Kaler, Dean, College of Engineering

Robin W. Morgan, Dean, College of Agriculture and Natural Resources

Betty J. Paulanka, Dean, College of Health Sciences

Nancy M. Targett, Dean, College of Marine Studies

Periodic Review Report Steering Committee

Conrado (Bobby) Gempesaw, Co-Chair, Vice Provost for Academic and International Programs

Michael F. Middaugh, Co-Chair, Assistant Vice President for Institutional Research and Planning

Avron Abraham, Associate Professor of Health, Nutrition and Exercise Sciences; and President, UD Faculty Senate

Suzanne Austin, Professor of History

Mohsen Badiey, Professor of Marine Studies

John Cordrey, President, Delaware Undergraduate Student Congress

Dallas Hoover, Professor of Animal and Food Sciences

Kathleen Kerr, Director of Residence Life

Paul Laux, Chairperson, Department of Finance, Lerner College of Business and Economics

Leila Lyons, Director, Information Technologies User Services

Therese Rizzo, President, Graduate Student Senate

Gregg Silvis, Assistant Director, Morris Library

Karen Stein, Associate Professor and Director, Leadership Program, School of Urban Affairs and Public Policy; Director, Office of Educational Assessment

Richard Wilkins, Professor, Department of Mechanical Engineering

Richard Zipser, Chairperson of Department of Foreign Languages and Literature

Appendix 4

Selected Faculty Recognition since 2001

2001

Javier Garcia-Frias

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of electrical and computer engineering was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work in reducing errors in the transmission of digital information through wireless communications.

Henry R. Glyde

American Physical Society John Wheatley Award

The professor of physics and astronomy was presented the American Physical Society's John Wheatley Award, which recognizes and honors physicists who have made contributions to the development of the field in Third World countries.

Eric W. Kaler

American Association for the Advancement of Science Fellow

The dean of the College of Engineering and Elizabeth Inez Kelley Professor of Chemical Engineering was elected a fellow of the American Association for the Advancement of Science for distinguished study and applications for the properties of complex fluids, including advances in the understanding of surficant mixtures and in synthesis of new materials.

Krzysztof Szalewicz

American Physical Society Fellow

The professor of physics and astronomy was elected a fellow of the American Physical Society, and was commended for his work in theories and calculations that describe interactions between atomic and molecular systems.

2002

Tsu-Wei Chou

American Society of Mechanical Engineers Worcester-Reed Warner Medal

The Pierre S. du Pont Chair of Engineering was honored with the Worcester-Reed Warner Medal for his outstanding contributions to the literature in analytical modeling, processing science and damage mechanics of fiber composite materials.

Billy Price Glass

American Association for the Advancement of Science Fellow

The professor of geology and marine studies, whose studies of glassy bodies formed during meteoric impact led to his discovery of a material he named “reidite,” was elected a fellow of the American Association for the Advancement of Science by his peers for having “advanced science or fostered applications deemed scientifically or socially distinguished.”

Susan Goodman

Guggenheim Fellowship

The H. Fletcher Brown Chair of Humanities received a Guggenheim Fellowship to enable her to finish a biography of novelist and critic William Dean Howells.

David Mills

Institute of Electrical and Electronics Engineers Fellow

The professor of electrical and computer engineering and computer and information sciences, was named a fellow of the Institute of Electrical and Electronics Engineers for his contributions to network protocols and network timekeeping in the development of the Internet.

Edmund R. Nowak

Research Corporation’s Cottrell Scholar Award

The assistant professor of physics and astronomy was honored with a Cottrell Scholar Award as a teacher-scholar of great promise. His research involves the experimental study of electronic, magnetic and dynamic properties of solid state systems, and he specializes in educational topics that address expanding magneto-electronic and powder-mixing technologies.

Lisa Ann Plowfield

Hartford Institute Geriatric Nursing Research Scholar and American Association of Colleges of Nursing Leadership for Academic Nursing Program Fellow

The associate professor of Nursing received support for her research on caregiving issues for families with frail elders from the John A. Hartford Foundation Inc. The leadership fellows program of the American Association of Colleges of Nursing, for which she was selected, is funded by the Helene Fuld Health Trust.

2003**Sunil K. Agrawal**

Friedrich Wilhelm Bessel Research Award

The associate professor of mechanical engineering was honored by the Alexander von Humboldt Foundation as one of 10 researchers worldwide to receive a Friedrich Wilhelm Bessel Research Award. Agrawal conducts research in robotics, or mechanics and movement science, especially as they relate to the construction of machines that can simulate human-like motion.

Stephen A. Bernhardt

Association of Teachers of Technical Writing Fellow

The Andrew B. Kirkpatrick Jr. Chair of Writing was named a fellow of the Association of Teachers of Technical Writing for his leadership, research, publications and service to the association.

Elizabeth Higginbotham

Robin M. Williams Jr. Lectureship of the Eastern Sociological Society

The professor of sociology and criminal justice was awarded the prestigious Robin M. Williams Jr. Lectureship for 2003-04, which the Eastern Sociological Society gives annually to an outstanding scholar in sociology.

Mary Ann Huntley

National Academy of Education Spencer Postdoctoral Fellowship

The assistant professor of mathematical sciences was named a recipient of the National Academy of Education Spencer Postdoctoral Fellowship, which supports outstanding early career scholars who conduct research on important questions about education. She was among 36 educators selected for the fellowship from a field of 200 nominees.

Kristi L. Kiick

Beckman Young Investigator Award

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of materials science and engineering was the recipient of the prestigious Beckman Young Investigator Award from the Arnold and Mabel Beckman Foundation, which supports the most promising young faculty in the chemical and life sciences. She also was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The NSF award supports her work on novel protein materials.

Christine Kydd

Carnegie Foundation for the Advancement of Teaching - Professor of the Year for Delaware

The professor of business administration was honored for her classroom innovation and ability to reach students. The award, which is recognized as one of the most prestigious honors a professor can receive, is given on both the state and national levels to university faculty who exhibit outstanding undergraduate teaching techniques.

Adam Marsh

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of marine biology and biochemistry was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on marine life in Antarctica.

Shuaib Meacham

National Academy of Education Spencer Postdoctoral Fellowship

The assistant professor of education was named a recipient of the National Academy of Education Spencer Postdoctoral Fellowship, which supports outstanding early career scholars who conduct research on important questions about education. He was among 36 educators selected for the fellowship from a field of 200 nominees.

Harry Shipman

National Science Foundation Director's Award for Distinguished Teaching Scholars

The Annie Jump Cannon Professor of Astronomy received the prestigious National Science Foundation Director's Award for Distinguished Teaching Scholars, the highest award presented to professors who excel at both undergraduate teaching and scholarship. His research on white dwarf stars has received wide acclaim, and he has made notable contributions in undergraduate education and in the training of teachers in grades K-12.

Nancy Targett

National Academies National Associate

The professor of marine biology and biochemistry was named a National Associate of the National Academies, a lifetime appointment in recognition of her service on the National Research Council's Ocean Studies Board. She is now dean of the College of Marine Studies.

2004**H. Perry Chapman**

John Simon Guggenheim Memorial Foundation Fellowship

The professor of art history was awarded a Guggenheim Fellowship to pursue research in Northern Baroque art, with a specialization in 17th-Century Dutch painting.

Charles Elson

Treasury and Risk Management Magazine's 100 Most Influential People in Finance

The Edgar S. Woolard Jr. Chair and director of the John L. Weinberg Center for Corporate Governance was recognized as an influential academic who has taken his teachings to the marketplace.

Ann Eden Gibson

John Simon Guggenheim Memorial Foundation Fellowship

The professor of art history was awarded a Guggenheim Fellowship to pursue research on 20th-Century American and contemporary art. She is conducting research for a book on the diasporic images of African-American painter and muralist Hale Woodruff.

Roberta Michnick Golinkoff

National Multiple Sclerosis Society Books for a Better Life Award

The H. Rodney Sharp Chair in Human Services, Education and Public Policy was honored for her book *Einstein Never Used Flash Cards*, which looks at how children learn and why they need to play more and memorize less.

Eric Jacobson

National Association of Schools of Public Affairs and Administration Leslie A. Whittington Excellence in Teaching Award

The assistant professor of Urban Affairs and Public Policy was presented with the Leslie A. Whittington Award, which is given for demonstrated excellence in teaching and sustained contributions to education for public service. He had received a UD Excellence in Teaching Award in 2001.

Anette Karlsson

U.S. Office of Naval Research Young Investigators Program Award

The assistant professor of mechanical engineering was recognized by the U.S. Office of Naval Research Young Investigators Program for her research on a novel approach to establishing lifetime material performance for coated structures.

Debra Hess Norris

Sheldon and Caroline Keck Award

The Henry Francis du Pont Chair in Fine Arts was presented the Sheldon and Caroline Keck Award for excellence in the education and training of art conservation professionals.

Darrin Pochan

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of materials science and engineering was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on the use of biopolymers to construct advanced materials.

Stanley I. Sandler

Institution of Chemical Engineers (Great Britain) Fellow

American Institute of Chemical Engineers Founder's Award

The Henry Belin du Pont Chair of Chemical Engineering was elected a fellow of the Institution of Chemical Engineers. He is an expert on thermodynamics, the purification and separation of chemicals and pharmaceuticals and the use of computers in chemical engineering. Sandler also was named a recipient of the American Institute of Chemical Engineers Founder's Award, which recognizes outstanding contributions in the field and is presented to an Institute member who has had an important impact on chemical engineering and whose achievements have advanced the profession.

Joel Schneider

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of chemistry and biochemistry was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on new biomaterials.

Chien-Chung Shen

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of computer and information sciences was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on mobile ad hoc communications networks.

Paul Quinn

American Psychological Association Fellow

The professor of psychology was elected a fellow of the American Psychological Association for his outstanding contributions to the field and his diligent work and commitment.

Daniel S. Weile

National Science Foundation Faculty Early Career Development Program Award

U.S. Office of Naval Research Young Investigators Program Award

The assistant professor of electrical and computer engineering was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on a new computational electromagnetics technique that could help in the design of modern communications systems. Weile also received a U.S. Office of Naval Research Young Investigators Program award to predict and correct electromagnetic interference problems using a time domain integral equation technique.

2005

Dominic M. Di Toro

National Academy of Engineering

The Edward C. Davis Professor of Civil and Environmental Engineering was elected to the prestigious National Academy of Engineering, membership in which honors those who have made outstanding contributions to engineering research, practice or education. He was recognized for his leading-edge work in the establishment of water quality standards and the development of water quality models.

James C. “Cole” Galloway

American Physical Therapy Margaret L. Moore Award

The assistant professor of physical therapy and psychology was presented the Margaret L. Moore Award for Outstanding New Faculty Member by the American Physical Therapy Association for his research on neuromotor control and infants.

Thomas Hanson*National Science Foundation Faculty Early Career Development Program Award*

The assistant professor of marine biology and biochemistry was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his research on microbial physiology, in which he seeks to understand how microorganisms are able to survive and compete in the environment.

James Kolodzey*IBM Faculty Award*

The Charles Black Evans Professor of Electrical and Computer Engineering was presented a highly competitive IBM Faculty Award, which recognizes the quality of research and its relevance to industry. He was cited for research on emitters and detectors of signals in the terahertz frequency.

Debra Hess Norris*United States National Commission for UNESCO*

The Henry Francis du Pont Chair in Fine Arts and chairperson of the Department of Art Conservation was appointed to the United States National Commission for UNESCO (United Nations Educational, Scientific and Cultural Organization).

John Rabolt*Pittsburgh Spectroscopy Award*

The Karl W. and Renate Böer Professor and chairperson of the University of Delaware's Department of Materials Science and Engineering, received the prestigious Pittsburgh Spectroscopy Award from the Spectroscopic Society of Pittsburgh. The award was given in recognition of Rabolt's lifelong contributions to the development of novel spectroscopic techniques and their application to the study of structure and morphology in thin organic and polymeric films.

Joel Schneider*DuPont Young Professor Award*

The associate professor of chemistry and biochemistry was named a recipient of the prestigious DuPont Young Professor Award, 12 of which were given by the DuPont Co. to promising young faculty members at universities across the United States and internationally.

Donald L. Sparks*U.S. Department of Agriculture Sterling B. Hendricks Memorial Lecturer*

The S. Hallock du Pont Chair of Plant and Soil Sciences and chairperson of the Department of Plant and Soil Sciences at the University of Delaware was selected as the Sterling B. Hendricks Memorial Lecturer by the U.S. Department of Agriculture's Agricultural Research Service.

Mark Stanton

*American Psychological Association Fellow
Pavlovian Investigator Award*

The associate professor of psychology was named a fellow of the American Psychological Association, honoring work that has had a national impact on the field. Stanton also earned the Pavlovian Society's prestigious Pavlovian Investigator Award.

2006**Margaret Andersen**

2006 Jessie Bernard Award

The professor of sociology and women's studies was chosen to receive the 2005 Jessie Bernard Award by the American Sociology Association in recognition of scholarly work that has enlarged the horizons of sociology to encompass fully the role of women in society.

Mark Barteau

National Academy of Engineering

The Robert L. Pigford Chair of Chemical Engineering was elected to the prestigious National Academy of Engineering, membership in which honors those who have made outstanding contributions to engineering research, practice or education.

Xinyan Deng

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of mechanical engineering was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports her work on microrobotics, and specifically microaerial flying machines.

Joseph Fox

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of chemistry and biochemistry was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on organic synthesis.

Balaji Panchapakesan

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of electrical and computer engineering was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on carbon nanotubes with emphasis on potential uses in deep space travel and in identifying cancers in the human body.

Neal Zondlo

National Science Foundation Faculty Early Career Development Program Award

The assistant professor of chemistry and biochemistry was presented the prestigious National Science Foundation Faculty Early Career Development Program Award, which is given to those teacher-scholars who are most likely to become the academic leaders of the future. The award supports his work on the structure and function of proteins.

Appendix 5

SUMMARY OF 2004-2005 CONSORTIUM FOR STUDENT RETENTION DATA EXCHANGE MEASURES:
UNIVERSITY OF DELAWARE COMPARED WITH NATIONAL NORMS FOR SELECTED RETENTION AND GRADUATION RATES

Fall 1997-2003 Cohorts

Six Year Graduation Rates and Institutional Selectivity

Retention Rate After One Year

Retention Rate After Two Years

	University of Delaware	Highly Selective	Selective	University of Delaware	Highly Selective	Selective	University of Delaware	Highly Selective	Selective
Gender									
- Male	72.1	65.3	49.8	85.8	85.9	76.9	77.5	77.6	65.8
- Female	77.0	71.9	56.7	87.8	87.5	79.5	80.6	79.7	68.8
Ethnicity									
- Black	65.3	56.6	43.8	81.5	85.3	79.1	74.0	75.3	66.1
- White	75.9	69.5	55.2	87.6	86.2	78.1	79.9	78.1	67.4
Control									
- Public	75.0	68.8	53.0	87.0	87.0	78.4	79.3	79.0	67.5
- Private	75.0	68.2	59.3	87.0	84.0	78.8	79.3	75.4	68.0
% Part Time Undergraduate									
- Below 10%	75.0	72.2	58.1						
- 10% to 20%	75.0	64.1	56.0						
- Above 20%	75.0	60.1	46.1						
Institution Size									
- 18,000 or more	75.0	69.5	54.3						
- 5,000 to 17,999	75.0	67.5	52.4						

	University of Delaware	Doctoral/Research Extensive Universities	CSRDE Institutions in Benchmarks:	
				N
			Highly Selective	110
			Selective	89
Carnegie Classification	75.0	65.2	Doctoral/Research Extensive	99



Appendix 6

A Commitment to Delawareans

For the Class Entering in Fall 2009

D-R-A-F-T NOT FOR DISTRIBUTION

What is the *Commitment to Delawareans*?

Think of the *Commitment to Delawareans* as an academic roadmap. Its goal is to show you the courses you must complete and the level of performance you must achieve in them if you want to be confident of gaining admission onto the Newark campus of the University of Delaware. If you follow what we have outlined, you can also be confident that we will meet your demonstrated financial need up to full, in-state tuition with a combination of grants, loans, and/or college work-study.

Is this a guarantee of admission?

It is as close to a “guarantee” as we can make it. While no university can guarantee admission until a student has submitted a complete application, we can lay out what you need to do in grades 9th through 12th if you want to give yourself the best chance of being admitted. Our intention is to help students, parents, teachers, and guidance counselors answer the question, “How can students best prepare themselves for admission into the University of Delaware?”

How does the *Commitment to Delawareans* differ from the University’s published requirements for admission?

Our published requirements spell out only the *minimum* number of college preparatory courses students must complete to be *considered* for admission. For some students, meeting only these minimum requirements will not be enough to assure them of admission. Whether they actually get admitted to UD – and whether that admission is into a four-year degree program or only to a two-year, Associate in Arts program – will still depend on such factors as their grades, their test scores, and the rigor of the courses they have selected.

Following the guidelines set forth in the *Commitment to Delawareans*, however, puts you on track for admission to the Newark campus into a four-year degree program. It also ensures that, once you do enroll, you will be among our best prepared students.

In short, the *Commitment to Delawareans* lays out a balanced curriculum of breadth and challenge in English, mathematics, laboratory science, foreign languages, and history and social studies. It is not only a roadmap for admission into an affordable education at the University of Delaware; it is also a curriculum to set you on the path to excellence as a University of Delaware student.

The UD Commitment to Delawareans DRAFT: January 28, 2006

The residents of our home state have always enjoyed a special relationship with the University of Delaware. That is why we offer admission to every Delawarean applicant who demonstrates the ability to succeed at the University.

The most important predictor of academic success is the rigor of your course selection in high school. Next are the grades that you earn in rigorous, academic classes. Knowing that, we have developed a path that will show Delaware residents how they can best prepare themselves for admission into the University of Delaware.

The requirements that follow are not our minimum requirements for admission. Rather, they are more stringent than the ones we set forth in our admissions publications. Rest assured that, even if you fall short of meeting them, you may still be admitted into the University of Delaware. However, if you want to be confident of being admitted, here is a plan you can follow that will lead to a place in our freshman class. Specifically, we make this commitment:

- if you meet all of the requirements specified below, then you can be confident of being admitted onto the Newark campus of the University of Delaware
- Further, if you file the *Free Application for Federal Student Aid* ("FAFSA"), the University will meet your full, demonstrated financial need up to full, in-state tuition with a combination of grants, loans, and/or college work-study. The University will also attempt to meet your room and board costs as financial aid resources permit.

General Requirements:

Note:
a unit = the equivalent of a full year of coursework

1. You must complete at least 20 academic units of coursework between grades 9 through 12, and at least 5 of those units must be completed during your senior year.
2. The level of these courses must be at least college preparatory or higher. If your school denotes its course levels with "phases" (with 5 as the highest) then these must be phase 3, 4 or 5 level courses.
3. At least 2 of these 20 academic units must be at a level that is higher than college preparatory — for example, "honors," "accelerated," "enriched," "Advanced Placement," "International Baccalaureate," "Academic Challenge." If your school uses course "phases" (with 5 as the highest), then courses denoted as phase 4 or phase 5 would meet this requirement.
4. Among these 20 academic units, no grade may be below a B- (or the equivalent of a B- according to your school's grading scale) and your overall cumulative GPA in these academic units must be at least a B+ or higher.
5. You must have a record of good conduct in your school and in your community. Students who have been expelled from school, have received suspensions for serious infractions, or have been convicted or adjudicated by the courts of crimes are not eligible.
6. You must be a resident of the State of Delaware and qualify for in-state tuition at the University of Delaware. Your application must be complete by our application deadline, and you must enter the University of Delaware as a freshman for the fall or spring semester immediately following your high school graduation.
7. You must graduate with a high school diploma from a regionally accredited high school. (We will gladly consider home-schooled students on a case-by-case basis.)
8. Finally, your 20 academic units must include the following as specified below:

Course Requirements:

Course	Academic Units	Level
English	4 years	At least college preparatory
Mathematics	4 years	At least college preparatory drawn only from Algebra I, Algebra II, Geometry, Trigonometry, Statistics, Probability, PreCalculus, and Calculus.
Science	4 years	At least college preparatory. At least 3 of the 4 units must be drawn only from chemistry, biology, and physics and all 3 must include a laboratory.
Foreign Language	3 years of the same foreign language	At least college preparatory and all 3 years must be completing during 9-12 grades.
History	2 years	At least college preparatory, including one course in world history
Social Studies	2 years	At least college preparatory and drawn from psychology, political science, government, economics, or sociology. A year of college preparatory science may be substituted for one of the social studies courses.

Appendix 7

Major Construction Project since 2001

Since the Middle States Visiting Team was last on campus, the University of Delaware has undertaken a number of capital projects designed to maintain and enhance our grounds and buildings which are currently valued at well in excess of \$1 billion. Major projects recently undertaken and/or completed are described below. In addition to those projects, classroom and laboratory space has been renovated and expanded in DuPont Hall, Memorial Hall, Wolf Hall, and Townsend Hall.

Early Learning Center

The Early Learning Center, which opened in June 2004, provides exemplary infant, toddler, and preschool care to a diverse population of 162 children, specifically targeting children with risk factors including poverty (40 percent Purchase of Care), foster care (10 percent), and disabilities (20 percent). A model before- and after-school program serves an additional 75 children. The curriculum for all ages emphasizes literacy, science, and mathematics. Additionally, an on-site Pediatric Clinic provides physical, occupational, and speech therapy to children in the community, as well as integrated services to special needs children enrolled in the Center. Parent education and family services programs are open to the public. Technical assistance and training programs for care providers throughout Delaware's three counties include telephone consultation, mentoring, and training. The Early Learning Center focuses first on providers that primarily serve families in poverty, and those in danger of losing their license or who have difficulty in meeting State standards.

Foreign Languages and Literatures Building Renovation

In July 2004 the University began renovating the two former fraternity houses east of Recitation Hall to be the home for the Department of Foreign Languages and Literatures. The estimated \$8 million conversion includes a small infill addition to serve as the connecting link between the two facilities, housing an elevator, restrooms, meeting room, lounge and a centralized entryway for the new facility. Completed in January 2006, the newly renovated facility is named Jastak-Burgess Hall and includes space for the department's administrative offices, its Media Language Laboratory, 60 faculty offices, and approximately 18 part-time faculty spaces. Additionally, the facility houses a large conference room usable to the University community. This project is funded through gifts and University resources.

Performing Arts Center

The \$48 million Center for the Arts, currently being constructed off Orchard Road in what was the Amy E. du Pont Music Building parking lot, will provide new performance spaces for music and theatre, plus an indoor practice venue for the University Marching

Band and smaller practice rooms for music students. The 92,000 gross-square-foot performing arts facility also will encompass a 200-seat recital hall, a 300-seat orchestra rehearsal room and a proscenium theatre that will accommodate 450 persons. Architect for the Center for the Arts, which is expected to open in fall 2006, is Ayers Saint Gross of Baltimore. This project is funded through generous donations and University resources.

New Residence Hall Complex

The University has completed the first of three new buildings in a new 1,000-bed residence hall complex between Clayton Hall and Christiana Towers on the University's Laird Campus. These buildings will replace the 12 Pencader dormitories and three commons buildings that housed 750 students. The new buildings, which will replicate the feeling of the central campus, are needed to address several issues associated with the 33-year old Pencader complex. Work on the \$72 million project began in spring 2004, with the construction of a 495-bed residence hall, George Read Hall. Two more buildings – Thomas McKean Hall and James Smith Hall – are now under construction and will house 250 students each when they open in the fall of 2006. An eight-foot-wide pedestrian footbridge will connect the area to Ray Street. This project is funded through University resources.

Brown Laboratory

The University is just beginning a major renovation of Brown Laboratory. Brown Lab was constructed in 1937 and houses the Department of Chemistry and Biochemistry. The south wing of Brown Lab was renovated in 1994-95 at a cost of \$6.5 million. The north and west wings, however, contain out-of-date laboratory, research, and support space, and require extensive renovation at an estimated cost of \$28 million. Given the central role that the Department of Chemistry and Biochemistry plays in supporting a number of sectors in Delaware's economy, modern and functional research facilities are not only an investment in the University, but in the State's fiscal health as well. This project is funded through University and State resources.

Elbert N. and Ann V. Carvel Research and Education Center

The University has just opened the Elbert N. and Ann V. Carvel Research and Education Center in Georgetown which provides the College of Agriculture and Natural Resources with an opportunity to add programs and program enhancements. This \$7.6 million facility offers citizens of southern Delaware the opportunity to gather and learn in a first-class educational facility. Completed in December 2005, the Carvel Center will provide three large meeting rooms with a total seating capacity of approximately 300 and one thirty seat ITV studio with down and uplink capabilities for programs such as the Master Gardener Program, and State and County Extension programs. The Carvel Center also includes 34 staff and graduate student offices. This project is funded through gifts, University and State resources.

Marriott Courtyard Hotel

The Courtyard by Marriott at the University of Delaware, which opened in fall 2004, complements the University's Clayton Hall Conference Center, providing overnight accommodations for those attending conferences and also offering parents and other visitors the amenities of on-campus lodging. The four-story hotel provides a learning laboratory and research facility for students and faculty in the University's Department of Hotel, Restaurant, and Institutional Management. In addition to 126 rooms, the new hotel houses an indoor pool, exercise room, and restaurant.

Mechanical Hall

Mechanical Hall has been converted into an art gallery to house the Paul R. Jones Collection, with research and study space, a collection storage area and office space. The interior of the 1898 structure underwent extensive renovations. Mechanical, electrical and plumbing work was replaced throughout the building, and a new roof has been installed. The exterior appearance of the building, which first housed the mechanical and electrical engineering departments of what was then Delaware College, was not changed. With more than 1,500 pieces, the Paul R. Jones Collection is one of the oldest, largest and most complete holdings of African-American art in the world. This project was funded through University and State resources.

Appendix 8

Audited Financial Statements for Fiscal Years 2004 and 2005



KPMG LLP

1601 Market Street
Philadelphia, PA 19103-2499

Independent Auditors' Report

The Board of Trustees
University of Delaware:

We have audited the accompanying statement of financial position of the University of Delaware as of June 30, 2004, and the related statements of activities, expenses by natural classification, and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the University's 2003 financial statements and, in our report dated October 3, 2003; we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of the University of Delaware at June 30, 2004, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

November 11, 2004

UNIVERSITY OF DELAWARE

Statement of Financial Position

June 30, 2004 with Comparative Amounts for 2003

(Thousands of Dollars)

	2004	2003
Assets		
Cash and cash equivalents	\$ 72,202	54,009
Securities lending collateral	42,386	5,656
Accounts and notes receivable	26,564	19,361
Prepaid expenses and inventories	898	907
Contributions receivable, net	10,103	6,147
Student loan receivables	14,780	14,097
Endowment funds and other investments	1,034,085	861,468
Annuity and life income funds	13,833	13,383
Funds held in trust by others	62,891	58,762
Property, plant and equipment, net of depreciation	666,312	640,109
Total assets	1,944,054	1,673,899
Liabilities		
Accounts payable and accrued liabilities	41,156	26,553
Securities lending collateral payable	42,386	5,656
Deferred revenues and student deposits	5,096	4,562
Obligations under capital leases	10,221	10,913
Notes and bonds payable	158,870	117,002
Annuity and life income funds payable	6,482	6,583
Compensated absences payable	9,761	9,531
Postretirement benefit obligation	96,632	80,472
Advances from federal government for student loans	13,744	13,245
Total liabilities	384,348	274,517
Total net assets	1,559,706	1,399,382
Total liabilities and net assets	\$ 1,944,054	1,673,899

Detail of net assets	Unrestricted	Temporarily Restricted	Permanently Restricted		
				2004	2003
Operating:					
Designated for program purposes	\$ 46,059	8,986	-	55,045	47,485
Designated for plant and equipment	85,297	5,905	-	91,202	38,715
Contributions receivable	-	10,103	-	10,103	6,147
Invested in property, plant and equipment	497,875	-	-	497,875	519,476
Loan funds	-	-	224	224	214
Annuity and life income funds	-	3,536	3,705	7,241	7,192
Funds held in trust by others	-	-	62,891	62,891	58,762
Endowment funds	575,698	72,948	186,479	835,125	721,391
Total net assets	\$ 1,204,929	101,478	253,299	1,559,706	1,399,382

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Activities

Year ended June 30, 2004 with Comparative Totals for 2003

(Thousands of Dollars)

	2004			2003	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating revenue:					
Tuition and fees	\$ 191,853	-	-	191,853	180,531
(less scholarships and fellowships of \$51,513 during 2004, \$47,974 during 2003)					
Contributions	16,555	2,259	-	18,814	16,144
Contracts and other exchange transactions	109,844	-	-	109,844	99,530
State operating appropriations	102,876	-	-	102,876	100,114
Endowment spending payout	36,690	3,653	-	40,343	39,685
Other investments payout	6,884	280	-	7,164	7,571
(includes net realized gain of \$1,913 during 2004 and \$2,319 during 2003)					
Activities of educational departments	5,554	-	-	5,554	6,528
Sales and services of auxiliary enterprises	69,831	-	-	69,831	66,672
(less scholarships and fellowships of \$766 during 2004, \$863 during 2003)					
Other revenue	10,068	-	-	10,068	14,107
Net assets released from restrictions	4,426	(4,426)	-	-	-
Total operating revenue	554,581	1,766	-	556,347	530,882
Operating expenses:					
Educational and general:					
Instruction and departmental research	244,055	-	-	244,055	235,975
Sponsored research	83,817	-	-	83,817	77,642
Extension and public service	30,711	-	-	30,711	28,964
Academic support	43,094	-	-	43,094	38,854
Student services	19,558	-	-	19,558	19,064
General institutional support	50,280	-	-	50,280	47,310
Student aid	4,319	-	-	4,319	4,766
Reclassifications of funds	2,234	236	-	2,470	1,290
Total educational and general expenses	478,068	236	-	478,304	453,865
Auxiliary enterprises	61,743	-	-	61,743	60,239
Total operating expenses	539,811	236	-	540,047	514,104
Change in net assets from operating activities	14,770	1,530	-	16,300	16,778
Nonoperating activities:					
Net realized and unrealized investment gains	112,606	15,772	3,941	132,319	6,756
Endowment income	17,808	3,766	336	21,910	22,611
Endowment spending payout	(36,690)	(3,653)	-	(40,343)	(39,685)
Loan funds interest	-	-	-	-	5
Contributions for endowment	63	4,196	13,582	17,841	6,242
Contributions restricted for buildings	4	8,754	-	8,758	8,645
State capital appropriations	5,000	-	-	5,000	5,000
Other	(1,896)	(599)	(1,436)	(3,931)	848
Reclassifications of funds	3,141	(30)	(641)	2,470	1,290
Net assets released from restrictions	7,498	(7,498)	-	-	-
Change in net assets	122,304	22,238	15,782	160,324	28,490
Net assets at beginning of year	1,082,625	79,240	237,517	1,399,382	1,370,892
Net assets at end of year	\$ 1,204,929	101,478	253,299	1,559,706	1,399,382

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Expenses by Natural Classification
Year ended June 30, 2004 with Comparative Totals for 2003
(Thousands of Dollars)

	2004									2003
	Instruction and Departmental Research	Sponsored Research	Extension and Public Service	Academic Support	Student Services	General Institutional Support	Student Aid	Auxiliary Enterprises	Total	Total
Operating expenses:										
Expenses:										
Salaries and wages	\$ 135,957	38,034	13,925	19,755	8,918	24,358	2,781	5,898	249,626	238,145
Employee fringe benefits	35,621	7,041	3,742	6,549	2,298	8,478	-	1,685	65,414	62,254
Employee postretirement benefits	9,773	1,814	903	1,224	348	1,441	-	322	15,825	11,733
Supplies and general	27,956	22,398	7,814	6,280	4,982	20,630	351	44,575	134,986	130,276
Travel	9,146	2,176	895	478	293	384	38	58	13,468	11,678
Operation and maintenance of plant	16,181	5,793	2,684	3,917	611	4,033	-	-	33,219 (a)	33,803 (b)
Information processing	1,552	-	1	(15)	1,820	4,984	-	-	8,342	8,297
Interest expense	39	604	-	-	146	4	-	4,764	5,557	5,494
Scholarships, fellowships and awards	-	-	-	-	-	-	52,687	-	52,687	49,440
Depreciation	10,479	5,784	1,185	7,420	307	4,285	-	5,731	35,191	33,496
Loss on disposals	327	227	31	46	4	770	-	11	1,416	2,419
Amortization of bond discount	2	26	-	-	24	-	-	56	108	105
Internal service credits	(2,551)	21	(449)	(2,373)	(193)	(19,085)	-	(1,353)	(25,983)	(25,489)
Expense before scholarship allowance	244,482	83,918	30,731	43,281	19,558	50,282	55,857	61,747	589,856	561,651
Reconciliation to statement of activities:										
Scholarship allowance	(427)	(101)	(20)	(187)	-	(2)	(51,538)	(4)	(52,279)	(48,837)
Total expenses	\$ 244,055	83,817	30,711	43,094	19,558	50,280	4,319	61,743	537,577	512,814
Reclassifications of funds									2,470	1,290
Total operating expenses								\$ 540,047		514,104

Note:

(a) Includes salaries and wages of \$18,145, fringe benefits of \$7,648, employee postretirement benefits of \$335 and depreciation expense for plant facilities of \$414 during 2004.

(b) Includes salaries and wages of \$17,562, fringe benefits of \$6,751, employee postretirement benefits of \$210 and depreciation expense for plant facilities of \$405 during 2003.

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Cash Flows
Year ended June 30, 2004 with Comparative Amounts for 2003
(Thousands of Dollars)

	2004	2003
Cash flows from program activities:		
Change in net assets	\$ 160,324	28,490
Adjustments to reconcile change in net assets to net cash provided by (used by) program activities:		
Depreciation	35,605	33,901
Loss on disposals	1,416	2,419
Amortization of discounts and premiums on notes and bonds payable and under capital lease obligations	108	105
Net realized and unrealized investment gains	(134,232)	(9,075)
Gifts of land, building and equipment	(871)	(1,290)
State capital appropriations	(5,000)	(5,000)
Contributions for endowment	(17,841)	(6,242)
Contributions for buildings, gross	(4,802)	(8,908)
Contributions receivable	(3,956)	263
Endowment income restricted for reinvestment	(336)	(224)
Changes in assets and liabilities:		
Accounts and notes receivable	(7,203)	(339)
Prepaid expenses and inventories	9	(102)
Accounts payable, accrued liabilities and annuity and life income funds payable	14,502	(8,880)
Deferred revenues and student deposits	534	(35)
Compensated absences payable and postretirement benefit obligation	16,390	10,634
Net cash provided by program activities	54,647	35,717
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	1,901,146	2,501,981
Purchases of investments	(1,944,110)	(2,480,550)
Acquisitions of property, plant and equipment	(62,353)	(56,368)
Disbursements of loans to students	(4,031)	(2,940)
Repayments of loans	3,348	3,085
Net cash used for investing activities	(106,000)	(34,792)
Cash flows from financing activities:		
Repayments of principal of notes and bonds payable	(3,080)	(4,450)
Net proceeds from issuance of notes and bonds payable	44,864	-
Payments of principal of capital leases	(716)	(996)
State capital appropriations	5,000	5,000
Endowment income restricted for reinvestment	336	224
Contributions for endowment	17,841	6,242
Contributions for buildings, gross	4,802	8,908
Advances from federal government for student loans	499	105
Net cash provided by financing activities	69,546	15,033
Net increase (decrease) in cash and cash equivalents	18,193	15,958
Cash and cash equivalents, beginning of year	54,009	38,051
Cash and cash equivalents, end of year	\$ 72,202	54,009
Supplemental data: Interest paid		
Noncash capital leases for fixed assets	\$ 5,687	5,566
	-	78

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

Description of Operations

The University of Delaware, a privately chartered university with public support, is a Doctoral/Research Institution-Extensive, land-grant, sea-grant, space-grant, and urban-grant institution. The University, with origins in 1743, was chartered by the State of Delaware in 1833. A Women's College was opened in 1914, and in 1945 the University became permanently coeducational. The main campus is located in Newark, Delaware, a suburban community of 30,000 situated midway between Philadelphia and Baltimore. Also, courses are offered at the Wilmington campus and at other locations throughout the State, including Dover, Milford, Georgetown, and Lewes.

The significant accounting principles and practices followed by the University are presented below to assist the reader in analyzing the financial statements and accompanying notes.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Restricted gifts, which may be expended only for the purpose indicated by the donor/grantor, are maintained in separate accounts in the University's system. Accordingly, net assets of the University and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all of, or part of, the total investment return on related investments for general or specific purposes.

There are three financial statements presented under generally accepted accounting principles for not-for-profit organizations:

Statement of Financial Position

- is a listing of the total assets, total liabilities and net assets as of the end of a fiscal year.

Statement of Activities

- is a summary of the financial activity during a fiscal year and reports the amounts of the changes in unrestricted net assets, temporarily restricted net assets, permanently restricted net assets, and total net assets.

Statement of Cash Flows

- is a summary of the cash receipts and cash payments during a fiscal year.

(1) Summary of Significant Accounting Policies, Continued

Basis of Presentation (Continued)

As a supplement to the financial statements, The Statement of Expenses by Natural Classification presents expenses by natural classification within functional categories. Operation and maintenance of plant, depreciation expense and disposals are allocated based on square footage. Postretirement benefit obligation expense and fringe benefit expense are allocated based on salaries and wages. Interest expense and amortization of bond discount

are allocated to the functional classification that benefited from the use of the proceeds of the debt.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from restrictions between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate risk free discount rate of 3.81% for the year ended June 30, 2004 and 2.46% for the year ended June 30, 2003.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class. Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift or the University's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- as increases in unrestricted net assets in all other cases.

Explanation of Reclassifications of Funds

The reclassification of funds between operating and nonoperating includes transfers made in accordance with contractual agreements relative to Federal loan programs, operating funds designated by the University for investment in endowment, and financial transactions between net asset classes.

Auxiliary Operations

The operation of auxiliaries is supplementary to the primary educational function of the University. Accordingly, the University annually provides from auxiliary enterprises revenues, provisions for debt service and renewal and replacement of equipment. Auxiliary operations primarily include the residence and dining halls, the bookstore, and student health service.

(1) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash equivalents include all highly liquid interest-bearing deposits and short-term investments with maturities of three months or less at time of purchase.

Investments

Investments in stocks, bonds, notes, mortgages and other investment vehicles are stated at fair market value.

Endowment Funds

The endowment funds are subdivided into appropriate net asset classifications. The permanently restricted endowment funds, primarily consisting of funds whose income is unrestricted, represent gifts received under circumstances indicating a stipulation of the donor that principal is not to be expended. Temporarily restricted and unrestricted endowment funds

represent funds received under circumstances where there is no requirement to maintain the principal and which the University has designated for long-term investment purposes.

Compensated Absences Payable

Compensated absences payable represents vacation time earned by full-time professional and salaried staff employees, but not yet taken as of fiscal year end. An employee is entitled to receive pay in lieu of vacation upon termination. Employees may accrue a maximum of 25 days to 40 days based upon years of service. Compensated absences payable amounted to \$9,761,000 and \$9,531,000 as of June 30, 2004 and 2003, respectively.

Operating Versus Nonoperating

The nonoperating section of the Statement of Activities represents the activities of the University's endowment, gains/losses on other investments, capital contributions restricted for plant, and funds set aside for loans to faculty, staff and students. All other University activities are accounted for in the operating section of the Statement of Activities.

Taxes

The Internal Revenue Service has ruled that the University is a tax-exempt institution under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for taxes has been made in the financial statements on activities related to its exempt function.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

(2) Blue Hen Hotel LLC

Effective May 4, 2001, the University entered into a Limited Liability Company Agreement (Agreement) with the Shaner Hotel Group Limited Partnership (Shaner) to form the Blue Hen Hotel LLC (the Company). The Company was established to develop, finance, construct, manage, and operate a hotel on the main campus of the University. In connection with the Agreement, the University contributed land and guaranteed \$11,500,000 of variable rate Demand Bonds issued by the Company in September 2001. Shaner is contributing its expertise and resources in developing the site for the hotel. As a result of their respective capital contributions, the Blue Hen Hotel LLC, is owned 75% by the University and 25% by Shaner. Accordingly, the Company's financial statements have been consolidated into the University's financial statements. The impact on the operating revenues and expenses in the statement of activities is not material and the Company does not expect to begin operations of the hotel until fiscal year 2005. See note 9 for impact of interest rate swap.

(3) Contributions Receivable and Conditional Promises

Contributions receivable, net, at June 30, 2004 and 2003 are summarized as follows:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 2,408	3,034
One year to five years	<u>7,695</u>	<u>3,113</u>
	\$ <u>10,103</u>	<u>6,147</u>

The unamortized discount for contributions to be received after one year amounted to \$682,000 in 2004 and \$77,000 in 2003. As of June 30, 2004, the University has two outstanding pledges for \$20,000,000 that are conditional upon the University filling conditions. Such pledges will be recorded in the financial statements when the conditions are met.

(4) Student Loan Programs

The student loan programs consist primarily of the National Direct Student Loan/Perkins and Nursing Student Loan Programs. The United States Government provides 75% of the funds for the Perkins loans, and 90% for Nursing Student loans. The University provides 25% and 10% of the funds, respectively, to support these programs.

An estimate of the fair value of loans receivable from students under government loan programs cannot be made because the notes are not marketable and can only be assigned to the U.S. government or its designees.

(5) Investments

Investments are recorded at fair market value. Included in investments are endowment funds and other investments, annuity and life income funds, and funds held in trust by others. The cost and market value at June 30, 2004 and 2003 were as follows:

	<u>2004 (000's)</u>		<u>2003 (000's)</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
US government obligations	\$ 118,637	119,620	103,770	106,661
Corporate obligations	107,846	109,301	122,115	127,315
Stock and convertible securities	273,385	342,540	260,354	287,592
University mortgages	11,085	11,085	15,428	15,428
International investments	109,473	162,665	123,546	139,257
Other	263,329	268,005	253,843	227,607
Money market and other liquid funds	<u>97,571</u>	<u>97,593</u>	<u>30,863</u>	<u>29,753</u>
Total	\$ <u>981,326</u>	<u>1,110,809</u>	<u>909,919</u>	<u>933,613</u>

Included in investments is \$41,421,000 and \$5,494,000 of securities pledged to creditors, which represent the University's participation in securities lending transactions as of June 30, 2004 and 2003, respectively. The University's policy is to require collateral of 102 percent of the then-current market value of transferred securities as of the close of trading of the preceding business day. Acceptable collateral includes cash or money market securities. The collateral held at June 30, 2004 and 2003 amounted to \$42,386,000 and \$5,656,000, respectively. The University has recognized the market value of the collateral and related payable for such transactions on the Statement of Financial Position.

University mortgages of approximately \$11,085,000 and \$15,428,000 as of June 30, 2004 and 2003, respectively, represent mortgages extended to University employees at favorable interest rates.

Included in investments are unexpended bond proceeds of approximately \$41,530,000 and \$7,085,000 as of June 30, 2004 and 2003, respectively. These amounts will be used for the renovation, construction, and capital improvement of University facilities and primarily relate to the 2004 Bonds (see note 9).

Included in the Other category of investments are pooled funds that use stock index futures and options in combination with short-term and other liquid debt instruments to approximate the total return of the Standard & Poor's 500 Index. The derivatives are not used to leverage the underlying cash position of this investment, but rather to meet the endowment asset allocation and spending policy targets. The futures contracts and options are stated at fair market value based on their quoted daily settlement prices.

(5) Investments, Continued

Dividends and interest from investments during the periods were as follows:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Operating (a)	\$ 5,533	5,657
Loan Funds interest	-	5
Endowment (b)	<u>21,910</u>	<u>22,611</u>
	<u>\$ 27,443</u>	<u>28,273</u>

(a) Includes interest from Auxiliary Operations, Activities of Educational Departments and Continuing Education of \$282,000 in 2004 and \$405,000 in 2003.

(b) Includes earnings of funds held in trust by others distributed to the University of \$1,794,857 in 2004 and \$2,105,000 in 2003.

(6) Annuity and Life-Income Funds

The University held \$13,833,000 and \$13,383,000 in investments related to annuity and life-income funds as of June 30, 2004 and 2003, respectively. A related liability of \$6,482,000 and \$6,583,000 as of June 30, 2004 and 2003, respectively, represents the present value of future annuity payments due under these agreements, and was calculated for each annuity using discount rates and actuarial assumptions consistent with American Council of Gift Annuities standards.

The University's annuity and life income funds include charitable gift annuities, charitable remainder annuity trusts, and charitable remainder unitrusts.

The University is required by the laws of certain states to maintain reserves against charitable gift annuities. Such reserves amounted to \$2,115,000 and \$2,055,000 as of June 30, 2004 and 2003, respectively.

(7) Property, Plant and Equipment

Land is recorded at cost or appraised value at time of receipt if contributed, including land deeded by the Board of Trustees of Delaware College to the State of Delaware in the early 1900's and thereafter used by the University, as successor, for the purposes of the University.

Buildings are recorded at cost of initial construction, including buildings on land deeded to the State and thereafter used for the purposes of the University. Costs of major renovations to buildings are capitalized. Costs of equipment in excess of \$5,000 with a useful life expectancy of two or more years are also capitalized.

(7) Property, Plant and Equipment, Continued

The University uses the straight-line method of depreciation for its plant assets based on the following estimated useful lives:

	Estimated lives <u>(years)</u>
Land improvements	15
Buildings	40
Equipment and furnishings	5 - 20

Property, plant and equipment as of June 30, 2004 and 2003 consisted of the following:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Land and improvements	\$ 37,404	36,597
Buildings	751,011	736,400
Equipment and furnishings	257,450	241,445
Collections and works of art	6,522	6,435
Capital Leasehold	14,460	14,460
Construction in progress	<u>46,463</u>	<u>19,122</u>
Total property, plant and equipment	1,113,310	1,054,459
Less accumulated depreciation	<u>(446,998)</u>	<u>(414,350)</u>
Total property, plant and equipment, net	\$ <u>666,312</u>	<u>640,109</u>

(8) Obligations Under Capital Leases

The University has obligations under capital leases that amounted to \$10,221,000 and \$10,913,000 as of June 30, 2004 and 2003, respectively. The majority of the University's obligation at June 30, 2004 (\$10,193,000) was a building lease with Delaware Technology Park for the Delaware Biotechnology Institute, a unit of the University. The lease consists of annual lease payments ranging from \$345,000 to \$935,000 to be paid over a 20-year term. Other leases are related to computer hardware and software.

(8) Obligations Under Capital Leases, Continued

The aggregate amount of principal and interest payments on the University's obligations under capital leases are due as follows:

	Principal <u>(000's)</u>	Interest <u>(000's)</u>	Total <u>(000's)</u>
2005	403	572	975
2006	399	550	949
2007	417	529	946
2008	437	507	944
2009	462	483	945
Thereafter	<u>8,103</u>	<u>3,137</u>	<u>11,240</u>
	\$ <u>10,221</u>	<u>5,778</u>	<u>15,999</u>

(9) Notes and Bonds Payable

Indebtedness at June 30, 2004 and 2003 consisted of the following:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Series 1993 Revenue Bonds (a)	\$ -	13,295
Series 1997 Revenue Bonds (b)	15,500	15,500
Series 1998 Revenue Bonds (c)	31,300	31,300
Series 2001A Revenue Bonds (d)	25,220	25,295
Series 2001B Revenue Bonds (e)	20,600	21,100
Series 2004A Revenue Bonds (f)	12,070	-
Series 2004B Revenue Bonds (g)	40,835	-
Blue Hen Hotel LLC Bonds (h)	11,500	11,500
University Learning Center Line of Credit (l)	2,081	-
Note payable (j)	<u>534</u>	<u>564</u>
	159,640	118,554
Less discounts on notes and bonds payable	<u>(770)</u>	<u>(1,552)</u>
Notes and bonds payable	<u>\$ 158,870</u>	<u>117,002</u>

(a) Series 1993 Revenue Bonds

In August 1993, the University issued \$53,500,000 of Series 1993 Revenue Bonds. A portion of the Series 1993 Revenue Bonds was placed in an irrevocable trust and used to purchase government securities to provide for the principal and interest on a portion of the Series 1989 Revenue Bonds.

(9) Notes and Bonds Payable, Continued

The remaining portion of the Series 1993 Revenue Bonds was used to renovate, construct and equip certain of the University's facilities. The 1993 Revenue Bonds bear interest rates ranging from 2.75% to 5.5%, mature at various dates through November, 2018 and are secured by a pledge of gross revenues received by the University from the operation of all project facilities including the Student Center fee, and certain parking and bookstore revenues. The Series 1993 Revenue Bonds were refunded by the Series 2001A and 2004A Revenue Bonds.

(b) Series 1997 Revenue Bonds

In May 1997, the University issued \$15,500,000 of Series 1997 Revenue Bonds to fund a portion of the costs to renovate and equip certain housing facilities for students. The 1997 Bonds bear interest rates ranging from 5% to 5.375%, mature at various dates through November 1, 2022 and are secured by a pledge of gross revenues received by the University for operation of its existing facilities located on the University's main campus which provide housing, dining or health care services for students; the Student Center fees; and certain parking and bookstore revenues.

(c) Series 1998 Revenue Bonds

In July 1998, the University issued \$31,300,000 of Series 1998 Revenue Bonds. A portion of the 1998 Revenue Bonds was placed in an irrevocable trust and used to purchase government securities to provide for principal and interest on a portion of the remaining unrefunded 1989 Revenue Bonds.

The purpose of the remaining portion of the Series 1998 Revenue Bonds was to fund a portion of the costs to renovate, construct and equip certain housing facilities for students. The 1998 Revenue Bonds bear interest at flexible rates for interest periods determined by the remarketing agent. A 5% interest cost through 2008 is anticipated based on an existing interest rate exchange agreement.

The 1998 Revenue Bonds mature at various dates through November 1, 2023 and are secured by a pledge of gross revenues received by all project facilities as noted in (a) above.

(d) Series 2001A Revenue Bonds

In June 2001, the University issued \$25,610,000 of Series 2001A Revenue Bonds. The proceeds of these Series 2001A Revenue Bonds were placed in an irrevocable trust and used to purchase government securities to provide for the principal and interest on a portion of the Series 1993 Revenue Bonds.

The Series 2001A Revenue Bonds will initially bear interest at a Weekly Rate and will continue to bear interest at a Weekly Rate until converted to bear interest at a Daily, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be set by the Remarketing Agent and will never exceed 12% per annum. Interest cost was approximately 4.15% through at least fiscal 2004 based on an existing interest rate exchange agreement. The series 2001A Bonds mature on November 1, 2018, but are subject to redemption and mandatory tender for purchase prior to maturity.

(9) Notes and Bonds Payable, Continued

(e) Series 2001B Revenue Bonds

In September 2001, the University issued \$21,200,000 of Series 2001B Revenue Bonds. A portion of these Series 2001B Revenue Bonds were used to retire the Series 2000 Revenue Notes. The remaining portion of the Series 2001B Revenue Bonds were used to renovate, construct and equip: sprinkler systems, a parking deck and office building and other capital improvements.

The Series 2001B Revenue Bonds will initially bear interest at a Daily Rate and will continue to bear interest at a Daily Rate until converted to bear interest at a Weekly, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 12% per annum. A 4.05% interest cost through at least fiscal year 2007 is anticipated based on an existing interest rate exchange agreement. The Bonds are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities. The Series 2001B Revenue Bonds mature on November 1, 2026, but are subject to redemption and mandatory tender for purchase prior to maturity.

(f) Series 2004A Revenue Bonds

In April 2004, the University issued \$12,070,000 of Series 2004A Revenue Bonds. Approximately \$8,041,000 of these Series 2004A Revenue Bonds were used to retire the Series 1993 Revenue Notes. The retirement of the Series 1993 Revenue Notes resulted in a loss on extinguishment of debt of approximately \$313,000, which is included in other nonoperating activities on the statement of activities. The remaining portion of the Series 2004A Revenue Bonds are being used to construct a parking garage, demolish existing University dormitories, construct three new dormitory buildings, and other capital improvements.

The Series 2004A Revenue Bonds will bear interest rates ranging from 2.0% to 5.0%, maturing over various dates through November, 2010 and are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities.

(g) Series 2004B Revenue Bonds

In April 2004, the University issued \$40,835,000 of Series 2004B Variable Rate Demand Revenue Bonds. The Series 2004B Revenue Bonds are being used to construct a parking garage, demolish existing University dormitories, construct three new dormitory buildings, and other capital improvements.

The Series 2004B Revenue Bonds will initially bear interest at a Daily Rate and will continue to bear interest at a Daily Rate until converted to bear interest at a Weekly, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 12% per annum. A 3.25% interest cost through at least fiscal year 2008 is anticipated based on an existing interest rate exchange agreement. The Bonds are secured by a pledge of gross revenues received by the University from the

(9) Notes and Bonds Payable, Continued

(g) Series 2004B Revenue Bonds, Continued

operations of all project facilities including housing, dining, parking and other revenue-producing facilities. The Bonds are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities. The Series 2004B Revenue Bonds mature on November 1, 2034, but are subject to redemption and mandatory tender for purchase prior to maturity.

(h) Blue Hen Hotel LLC Bonds

In September 2001, the Blue Hen Hotel LLC, a Company owned 75% by the University and consolidated into the University's financial statements, issued \$11,500,000 of Blue Hen Hotel LLC Variable Rate Demand Bonds, Series 2001 (Series 2001), which were also guaranteed by the University. The Series 2001 Bonds will fund the design, construction and startup operating costs of a hotel.

The Series 2001 Bonds will initially bear interest at a Weekly Rate and will continue to bear interest at a Weekly Rate until converted to bear interest at a Daily, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 18% per annum. A 5.70% interest cost through at least fiscal year 2007 is anticipated based on an existing interest rate exchange agreement. The Series 2001 Bonds mature on September 1, 2027, but are subject to redemption and mandatory tender for purchase prior to maturity.

(i) Early Learning Center Line of Credit

On December 1, 2003, the University obtained a \$5,000,000 line of credit to renovate the University Early Learning Center facility. The interest rate is a variable rate of 65% of the Bank's National Commercial Rate (2.6% at June 30, 2004) and there is an outstanding balance of \$2,081,000 at June 30, 2004. The line of credit expires in December 2009.

(j) Note Payable

The University's note payable bears an interest rate of 3.0%. The note payable at June 30, 2004 and 2003 consisted of \$534,000 and \$564,000 respectively, for the United States Department of Housing and Urban Development Loan.

The carrying amount of variable rate long-term debt approximates fair value because these financial instruments bear interest at rates which approximate current market rates for loans with similar maturities and credit quality. The fair value of fixed and variable rate Revenue Bonds (par amount of \$145,525,000) approximates \$146,303,000. Such amount has been estimated by discounting the future cash outflows associated with such debt by current market rates for loans with similar maturities and credit quality.

Certain long-term debt obligations expose the University to cash flow risk related to changes in interest rates. Management believes it is prudent and cost effective to hedge some of its

(9) Notes and Bonds Payable, Continued

exposure to interest rate risk. To achieve this objective, management has interest rate swap agreements for approximately \$129,455,000 (including \$11,500,000 related to the Blue Hen Hotel LLC, see note 2) of long-term debt obligations as of June 30, 2004 and 2003. In accordance with Statement of Financial Accounting Standard (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, not-for profit organizations shall recognize the gain or loss on a hedging instrument as a change in net assets in the period of change. Accordingly for the year ended June 30, 2004, the University has recognized an unrealized gain of \$2,360,000 (including a loss of \$1,505,000 related to the Blue Hen Hotel LLC) in the statement of activities for the increase in fair value of its interest rate swaps and a corresponding increase in the fair value of its other investments in the statement of financial position.

The aggregate amount of principal payments on the University's note and bonds payable are due as follows (000's):

2005	\$	3,872
2006		4,097
2007		4,192
2008		5,092
2009		5,322
Thereafter		<u>136,295</u>
	\$	<u>158,870</u>

(10) Employee Benefit Plans

Substantially all faculty and professional employees are provided pension benefits under the University's Retirement Annuity Program administered principally by the Teachers Insurance and Annuity Association and Fidelity Investments. The policy of the University is to pay its share of the annual premium accrued in connection with the University Retirement Annuity Program; there are no unfunded benefits. Pension plan expense for the University Retirement Annuity Program was \$17,519,000 in 2004 and \$17,022,000 in 2003. Expenses under the State of Delaware Pension Plan, which covers all other employees, were \$4,028,000 in 2004 and \$4,069,000 in 2003.

In addition to retirement benefits, the University also provides postretirement benefits primarily for medical insurance to retired employees who are not eligible under the State of Delaware Pension Plan. As of June 30, 2004 the University has not funded these benefits.

Net periodic postretirement benefit cost for 2004 and 2003 includes the following components:

	2004	2003
	<u>(000's)</u>	<u>(000's)</u>
Service Cost	\$ 5,630	3,849
Interest Cost	8,090	6,703
Amortization of Unrecognized Loss	<u>4,182</u>	<u>1,391</u>
Net Periodic Postretirement Benefit Cost	\$ <u>17,902</u>	<u>11,943</u>

(10) Employee Benefit Plans, Continued

The accumulated postretirement benefit obligation at June 30, 2004 and 2003 is as follows:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Benefit obligation at June 30	\$ 141,260	137,444
Unrecognized Net Loss	<u>(44,628)</u>	<u>(56,972)</u>
Accrued postretirement benefit obligation	\$ <u>96,632</u>	<u>80,472</u>

Change in plan assets for 2004 and 2003 includes the following:

	2004 <u>(000's)</u>	2003 <u>(000's)</u>
Employer contributions	\$ 1,742	1,547
Benefits paid	\$ (1,742)	(1,547)

The accumulated postretirement benefit obligation was determined using a discount rate of 6.25% in 2004 and 6.0% in 2003 and a health care cost trend rate of 10.25% in 2004 and 11.0% in 2003. This rate gradually decreases to 5% by the year 2011 and remains constant thereafter. Increasing the assumed health care cost trend rate by 1% in each year and holding all other assumptions constant would increase the accumulated postretirement benefit obligation by approximately \$28,139,000 and \$28,688,000 at June 30, 2004 and 2003, respectively, and increase the aggregate of the service and interest cost components of the net periodic postretirement benefit cost by approximately \$3,225,000 and \$3,144,000 for the years ended June 30, 2004 and 2003, respectively.

The University's expected contributions to the plan are as follows for the year ended June 30, 2005:

	<u>(000's)</u>
Expected Employer Contributions	\$ 2,045
Expected Employee Contributions	<u>-</u>
	\$ <u><u>2,045</u></u>

At June 30, 2004, the University's expected future benefit payments for future service are as follows:

Year ended June 30:	<u>(000's)</u>
2005	\$ 2,045
2006	2,450
2007	2,880
2008	3,345
2009	3,875
2010 through 2014	<u>27,544</u>
	\$ <u><u>42,139</u></u>

The Medicare Prescription Drug, Improvement and Modernization Act of 2003 was signed into law on December 8, 2003. In accordance with the FASB Staff Position FAS 106-2, effective July 1, 2004, the University has made an election to defer recognition of the effects of the law in the accounting for its plan under FAS 106 and in providing disclosures related to the plan until authoritative guidance on the accounting for the federal prescription drug subsidy is issued. Any measures of the Accumulated Postretirement Benefit Obligation or Net Periodic Postretirement Benefit Cost in these financial statements do not reflect the effects of the Act on the plan. Authoritative guidance is pending and, when issued, could require the University to change previously reported information.

(11) Scholarship Allowance

The University provides financial assistance to eligible students to partially offset the direct costs of tuition, on-campus housing, and meal contracts. These scholarship allowances are presented as a reduction of tuition and sales of auxiliary enterprises.

Scholarships are funded from unrestricted resources, as well as funds from donors, sponsors and endowment income restricted to use for student financial assistance.

The table below identifies this financial assistance by source and by student classification for the year ended June 30, 2004.

	Undergraduate <u>(000's)</u>	Graduate <u>(000's)</u>	Total <u>(000's)</u>
Unrestricted	\$ 14,092	25,659	39,751
Federal	786	309	1,095
State	7,483	78	7,561
Private gifts	1,756	174	1,930
Endowment	<u>1,923</u>	<u>19</u>	<u>1,942</u>
Total	\$ <u>26,040</u>	<u>26,239</u>	<u>52,279</u>

An additional \$4,319,000 of University-provided financial assistance was utilized by students for books, supplies and off-campus living expenses.

(12) Fundraising Costs

Fundraising costs were \$4,130,000 and \$3,816,000 for the years ended June 30, 2004 and 2003, respectively.

(13) Contingencies

The University is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the University's financial position, statement of activities or cash flows.



KPMG LLP

1601 Market Street
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2499

Independent Auditors' Report

The Board of
Trustees University
of Delaware:

We have audited the accompanying statements of financial position of the University of Delaware (the University) as of June 30, 2005, and the related statements of activities, expenses by natural classification, and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized financial information has been derived from the University's 2004 financial statements and, in our report dated November 11, 2004, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Delaware as of June 30, 2005, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

October 10, 2005

UNIVERSITY OF DELAWARE

Statement of Financial Position

June 30, 2005 with Comparative Amounts for 2004
(Thousands of Dollars)

	2005	2004
Assets		
Cash and cash equivalents	\$ 35,481	72,202
Securities lending collateral	64,271	42,386
Accounts and notes receivable	40,517	26,564
Prepaid expenses and inventories	1,416	898
Contributions receivable, net	8,419	10,103
Student loan receivables	14,961	14,780
Endowment funds and other investments	1,133,185	1,039,742
Annuity and life income funds	12,495	13,833
Funds held in trust by others	63,502	62,891
Property, plant and equipment, net of depreciation	742,639	666,312
Total assets	2,116,886	1,949,711
Liabilities		
Accounts payable and accrued liabilities	56,167	41,156
Securities lending collateral payable	64,271	42,386
Deferred revenues and student deposits	7,279	5,096
Obligations under capital leases	9,818	10,221
Notes and bonds payable	157,450	158,870
Interest rate swap liability	13,794	5,657
Annuity and life income funds payable	5,954	6,482
Compensated absences payable	10,644	9,761
Postretirement benefit obligation	112,100	96,632
Advances from federal government for student loans	13,993	13,744
Total liabilities	451,470	390,005
Total net assets	1,665,416	1,559,706
Total liabilities and net assets	\$ 2,116,886	1,949,711

Detail of net assets	Unrestricted	Temporarily		2005	2004
		Restricted	Permanently Restricted		
Operating:					
Designated for program purposes	\$ 27,066	11,688	-	38,754	55,045
Designated for plant and equipment	57,025	10,620	-	67,645	91,202
Contributions receivable	-	8,419	-	8,419	10,103
Invested in property, plant and equipment	566,025	-	-	566,025	497,875
Loan funds	-	-	234	234	224
Annuity and life income funds	-	2,668	3,772	6,440	7,241
Funds held in trust by others	-	-	63,502	63,502	62,891
Endowment funds	633,825	83,132	197,440	914,397	835,125
Total net assets	\$ 1,283,941	116,527	264,948	1,665,416	1,559,706

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Activities
Year ended June 30, 2005 with Comparative Totals for 2004
(Thousands of Dollars)

	2005			2004	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Operating revenue:					
Tuition and fees (less scholarships and fellowships of \$55,066 during 2005, \$51,513 during 2004)	\$ 204,064	-	-	204,064	191,853
Contributions	16,397	2,359	-	18,756	18,814
Contracts and other exchange transactions	116,087	-	-	116,087	109,844
State operating appropriations	109,140	-	-	109,140	102,876
Endowment spending payout	34,115	5,319	-	39,434	40,343
Other investments payout (includes net realized gain of \$2,068 during 2005 and \$1,913 during 2004)	7,751	396	-	8,147	7,164
Activities of educational departments	5,938	-	-	5,938	5,554
Sales and services of auxiliary enterprises (less scholarships and fellowships of \$729 during 2005, \$766 during 2004)	73,128	-	-	73,128	69,831
Other revenue	10,556	-	-	10,556	10,068
Net assets released from restrictions	5,654	(5,654)	-	-	-
Total operating revenue	582,830	2,420	-	585,250	556,347
Operating expenses:					
Educational and general:					
Instruction and departmental research	260,781	-	-	260,781	244,055
Sponsored research	86,798	-	-	86,798	83,817
Extension and public service	35,080	-	-	35,080	30,711
Academic support	46,690	-	-	46,690	43,094
Student services	19,244	-	-	19,244	19,558
General institutional support	57,927	-	-	57,927	50,280
Student aid	4,851	-	-	4,851	4,319
Reclassifications of funds	2,898	(419)	-	2,479	2,470
Total educational and general expenses	514,269	(419)	-	513,850	478,304
Auxiliary enterprises	65,062	-	-	65,062	61,743
Total operating expenses	579,331	(419)	-	578,912	540,047
Change in net assets from operating activities	3,499	2,839	-	6,338	16,300
Nonoperating activities:					
Net realized and unrealized investment gains	65,530	17,084	2,233	84,847	132,319
Endowment income	14,501	5,332	597	20,430	21,910
Endowment spending payout	(34,115)	(5,319)	-	(39,434)	(40,343)
Contributions for endowment and life income funds	2	696	9,336	10,034	17,841
Contributions restricted for buildings	2,894	10,456	-	13,350	8,758
State capital appropriations	8,500	-	-	8,500	5,000
Hotel operations- net	(748)	-	-	(748)	-
Technology corporation operations - net	561	-	-	561	-
Other	881	(356)	(1,172)	(647)	(3,931)
Reclassifications of funds	1,843	(19)	655	2,479	2,470
Net assets released from restrictions	15,664	(15,664)	-	-	-
Change in net assets	79,012	15,049	11,649	105,710	160,324
Net assets at beginning of year	1,204,929	101,478	253,299	1,559,706	1,399,382
Net assets at end of year	\$ 1,283,941	116,527	264,948	1,665,416	1,559,706

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Expenses by Natural Classification
Year ended June 30, 2005 with Comparative Totals for 2004
(Thousands of Dollars)

	2005									2004	
	Total	Instruction and Departmental Research	Sponsored Research	Extension and Public Service	Academic Support	Student Services	General Institutional Support	Student Aid	Auxiliary Enterprises	Total	Total
Operating expenses:											
Expenses:											
Salaries and wages	\$ 263,664	141,946	40,241	16,373	20,536	9,247	26,115	2,943	6,263	263,664	249,626
Employee fringe benefits	74,825	40,336	8,227	4,774	7,492	2,557	9,603	-	1,836	74,825	65,414
Employee postretirement benefits	15,145	9,221	1,762	977	1,168	330	1,375	-	312	15,145	15,825
Supplies and general	144,361	32,183	21,353	7,915	7,437	4,969	24,365	607	45,532	144,361	134,986
Travel	14,723	10,310	2,275	914	599	234	257	57	77	14,723	13,468
Operation and maintenance of plant	34,939	17,019	6,094	2,823	4,119	643	4,241	-	-	34,939	33,219
Information processing	8,893	1,519	-	-	66	1,463	5,845	-	-	8,893	8,342
Interest expense	7,203	18	585	-	-	179	12	-	6,409	7,203	5,557
Scholarships, fellowships and awards	56,066	-	-	-	-	-	-	56,066	-	56,066	52,687
Depreciation	36,650	10,789	6,121	1,297	7,765	313	4,400	-	5,965	36,650	35,191
Loss on disposals	2,338	266	184	25	37	3	1,815	-	8	2,338	1,416
Amortization of bond discount	34	-	22	-	-	5	-	-	7	34	108
Internal service credits	(26,613)	(2,109)	(11)	(1)	(2,352)	(696)	(20,097)	-	(1,347)	(26,613)	(25,983)
Expense before scholarship allowance	632,228	261,498	86,853	35,097	46,867	19,247	57,931	59,673	65,062	632,228	589,856
Reconciliation to statement of activities:											
Scholarship allowance	(55,795)	(717)	(55)	(17)	(177)	(3)	(4)	(54,822)	-	(55,795)	(52,279)
Total expenses	\$ 576,433	260,781	86,798	35,080	46,690	19,244	57,927	4,851	65,062	576,433	537,577
Reclassifications of funds	118	-	-	-	-	-	-	-	-	118	2,470
Total operating expenses	<u>576,551</u>									<u>\$ 578,912</u>	<u>540,047</u>

Note:

(a) Includes salaries and wages of \$18,706, fringe benefits of \$8,592, employee postretirement benefits of \$323 and depreciation expense for plant facilities of \$482 during 2005.

(b) Includes salaries and wages of \$18,145, fringe benefits of \$7,648, employee postretirement benefits of \$335 and depreciation expense for plant facilities of \$414 during 2004.

See accompanying notes to financial statements.

UNIVERSITY OF DELAWARE

Statement of Cash Flows

Year ended June 30, 2005 with Comparative Amounts for 2004

(Thousands of Dollars)

	2005	2004
Cash flows from program activities:		
Change in net assets	\$ 105,710	160,324
Adjustments to reconcile change in net assets to net cash provided by (used by) program activities:		
Depreciation	37,131	35,605
Loss on disposals	2,338	1,416
Amortization of discounts and premiums on notes and bonds payable and under capital lease obligations	31	108
Net realized and unrealized investment gains	(86,915)	(134,232)
Gifts of land, building and equipment	(2,951)	(871)
State capital appropriations	(8,500)	(5,000)
Contributions for endowment	(10,034)	(17,841)
Contributions for buildings, gross	(15,034)	(4,802)
Contributions receivable	1,684	(3,956)
Endowment income restricted for reinvestment	(597)	(336)
Changes in assets and liabilities:		
Accounts and notes receivable	(13,953)	(7,203)
Prepaid expenses and inventories	(518)	9
Accounts payable, accrued liabilities and annuity and life income funds payable	14,483	14,502
Deferred revenues and student deposits	2,183	534
Interest rate swap liability	8,137	(2,360)
Compensated absences payable and postretirement benefit obligation	16,351	16,390
Net cash provided by program activities	49,546	52,287
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	2,664,137	1,903,506
Purchases of investments	(2,669,938)	(1,944,110)
Acquisitions of property, plant and equipment	(112,845)	(62,353)
Disbursements of loans to students	(3,601)	(4,031)
Repayments of loans	3,420	3,348
Net cash used for investing activities	(118,827)	(103,640)
Cash flows from financing activities:		
Repayments of principal of notes and bonds payable	(4,253)	(3,080)
Net proceeds from issuance of notes and bonds payable	2,825	44,864
Payments of principal of capital leases	(426)	(716)
State capital appropriations	8,500	5,000
Endowment income restricted for reinvestment	597	336
Contributions for endowment	10,034	17,841
Contributions for buildings, gross	15,034	4,802
Advances from federal government for student loans	249	499
Net cash provided by financing activities	32,560	69,546
Net increase (decrease) in cash and cash equivalents	(36,721)	18,193
Cash and cash equivalents, beginning of year	72,202	54,009
Cash and cash equivalents, end of year	\$ 35,481	72,202
Supplemental data: Interest paid	\$ 6,867	5,687
Noncash capital leases for fixed assets	-	-

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

Description of Operations

The University of Delaware, a privately chartered university with public support, is a Doctoral/Research Institution-Extensive, land-grant, sea-grant, space-grant, and urban-grant institution. The University, with origins in 1743, was chartered by the State of Delaware in 1833. A Women's College was opened in 1914, and in 1945 the University became permanently coeducational. The main campus is located in Newark, Delaware, a suburban community of 30,000, situated midway between Philadelphia and Baltimore. Also, courses are offered at the Wilmington campus and at other locations throughout the State, including Dover, Milford, Georgetown, and Lewes.

The significant accounting principles and practices followed by the University are presented below to assist the reader in analyzing the financial statements and accompanying notes.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Restricted gifts, which may be expended only for the purpose indicated by the donor/grantor, are maintained in separate accounts in the University's system. Accordingly, net assets of the University and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the University and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all of, or part of, the total investment return on related investments for general or specific purposes.

There are three financial statements presented under generally accepted accounting principles for not-for-profit organizations:

Statement of Financial Position

- is a listing of the total assets, total liabilities and net assets as of the end of a fiscal year.

Statement of Activities

- is a summary of the financial activity during a fiscal year and reports the amounts of the changes in unrestricted net assets, temporarily restricted net assets, permanently restricted net assets, and total net assets.

Statement of Cash Flows

- is a summary of the cash receipts and cash payments during a fiscal year.

(1) Summary of Significant Accounting Policies, Continued

Basis of Presentation (Continued)

As a supplement to the financial statements, The Statement of Expenses by Natural Classification presents expenses by natural classification within functional categories. Operation and maintenance of plant, depreciation expense and disposals are allocated based on square footage. Postretirement benefit obligation expense and fringe benefit expense are allocated based on salaries and wages. Interest expense and amortization of bond discount

are allocated to the functional classification that benefited from the use of the proceeds of the debt.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released from restrictions between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate risk free discount rate of 3.72% for the year ended June 30, 2005 and 3.81% for the year ended June 30, 2004.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the unrestricted net asset class. Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift or the University's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- as increases in unrestricted net assets in all other cases.

Explanation of Reclassifications of Funds

The reclassification of funds between operating and nonoperating includes transfers made in accordance with contractual agreements relative to Federal loan programs, operating funds designated by the University for investment in endowment, and financial transactions between net asset classes.

Auxiliary Operations

The operation of auxiliaries is supplementary to the primary educational function of the University. Accordingly, the University annually provides from auxiliary enterprises revenues, provisions for debt service and renewal and replacement of equipment. Auxiliary operations primarily include the residence and dining halls, the bookstore, and student health service.

(1) Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash equivalents include all highly liquid interest-bearing deposits and short-term investments with maturities of three months or less at time of purchase. Excluding amounts held for long-term investments as disclosed in note 10.

Investments

Investments in stocks, bonds, and notes are stated at fair market value based on the markets in which they are traded. Other investment vehicles for which prices are not readily available are carried at estimated fair value as provided by the external investment managers or dealers. Certain of the University's investments use derivative instruments to hedge against market risk and to enhance investment returns. Because of the inherent uncertainty of valuation of the underlying investments, the estimated values may differ significantly from the values that would have been used had a ready market for the underlying funds existed, and those differences could be material.

Endowment Funds

The endowment funds are subdivided into appropriate net asset classifications. The permanently restricted endowment funds, primarily consisting of funds whose income is unrestricted, represent gifts received under circumstances indicating a stipulation of the donor that principal is not to be expended. Temporarily restricted and unrestricted endowment funds represent funds received under circumstances where there is no requirement to maintain the principal and which the University has designated for long-term investment purposes. The University's endowment spending policy guidelines target an annual distribution in the range of 4.5 - 5% of the endowment pooled portfolio average market value over the twelve trailing quarters through December 31st of the year prior to the new fiscal year. The actual rate is set annually by the Board of Trustees.

Compensated Absences Payable

Compensated absences payable represents vacation time earned by full-time professional and salaried staff employees, but not yet taken as of fiscal year end. An employee is entitled to receive pay in lieu of vacation upon termination. Employees may accrue a maximum of 25 days to 40 days based upon years of service. Compensated absences payable amounted to \$10,644,000 and \$9,761,000 as of June 30, 2005 and 2004, respectively.

Operating Versus Nonoperating

The nonoperating section of the Statement of Activities represents the activities of the University's endowment, gains/losses on other investments, capital contributions restricted for plant, and funds set aside for loans to faculty, staff and students. All other University activities are accounted for in the operating section of the Statement of Activities.

Taxes

The Internal Revenue Service has ruled that the University is a tax-exempt institution under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for taxes has been made in the financial statements on activities related to its exempt function.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amount of revenue and expenses during the reporting period. Actual results could differ from these estimates.

(1) Summary of Significant Accounting Policies, Continued

Reclassification

Certain prior year amounts have been reclassified to conform to current year presentation.

(2) Blue Hen Hotel LLC

Effective May 4, 2001, the University entered into a Limited Liability Company Agreement (Agreement) with the Shaner Hotel Group Limited Partnership (Shaner) to form the Blue Hen Hotel LLC (the Company). The Company was established to develop, finance, construct, manage, and operate a hotel on the main campus of the University. In connection with the Agreement, the University contributed land and guaranteed \$11,500,000 of variable rate Demand Bonds issued by the Company in September 2001. Shaner is contributing its expertise and resources in developing the site for the hotel. As a result of their respective capital contributions, the Blue Hen Hotel LLC, is owned 75% by the University and 25% by Shaner. Accordingly, the Company's financial statements have been consolidated into the University's financial statements. The Company began operations in November 2004. The first eight months of operations resulted in total revenues for the year ended June 30, 2005 of \$1,645,000 and an operating loss of \$1,153,000. See note 9 for impact of interest rate swap.

(6) Contributions Receivable and Conditional Promises

Contributions receivable, net, at June 30, 2005 and 2004 are summarized as follows:

	2005 (000's)	2004 (000's)
Unconditional promises expected to be collected in:		
Less than one year	\$ 2,162	2,408
One year to five years	<u>6,257</u>	<u>7,695</u>
	\$ <u>8,419</u>	<u>10,103</u>

The unamortized discount for contributions to be received after one year amounted to \$543,000 in 2005 and \$682,000 in 2004. As of June 30, 2005, the University has two outstanding pledges totaling \$19,000,000 that are conditional upon certain specified criteria being filed. Such pledges will be recorded in the financial statements when the conditions are met.

(7) Student Loan Programs

The student loan programs consist primarily of the National Direct Student Loan/Perkins and Nursing Student Loan Programs. The United States Government provides 75% of the funds for the Perkins loans, and 90% for Nursing Student loans. The University provides 25% and 10% of the funds, respectively, to support these programs.

An estimate of the fair value of loans receivable from students under government loan programs cannot be made because the notes are not marketable and can only be assigned to the U.S. government or its designees.

(8) Investments

Investments in stocks, bonds and notes are recorded at fair market value based on the markets in which they are traded. Investments in limited partnerships do not have readily available markets and are carried at estimated fair value. Included in investments are endowment funds and other investments, annuity and life income funds, and funds held in trust by others. The cost and market value at June 30, 2005 and 2004 were as follows:

	<u>2005 (000's)</u>		<u>2004 (000's)</u>	
	Cost	Market	Cost	Market
US government obligations	\$ 151,720	153,484	118,637	119,620
Corporate obligations	69,052	72,962	107,846	109,301
Stock and convertible securities	274,138	362,780	278,385	347,979
University mortgages	9,584	9,584	11,085	11,085
International investments	134,554	206,032	109,473	162,665
Money market and other				
liquid funds	73,206	73,209	97,571	97,593
Limited partnerships	157,823	194,543	138,980	163,889
Stock futures fund	100,210	89,344	114,248	98,139
Other	<u>47,146</u>	<u>47,244</u>	<u>5,101</u>	<u>6,195</u>
Total	\$ <u>1,017,433</u>	<u>1,209,182</u>	<u>981,326</u>	<u>1,116,466</u>

Included in the investments table above is \$12,495,000 of annuity and life income funds and \$63,502,000 of funds held in trust by others which are shown separately on the statement of financial position.

Included in investments is \$62,554,000 and \$41,421,000 of securities pledged to creditors, which represent the University's participation in securities lending transactions as of June 30, 2005 and 2004, respectively. The University's policy is to require collateral of 102 percent of the then-current market value of transferred securities as of the close of trading of the preceding business day. Acceptable collateral includes cash or money market securities. The collateral held at June 30, 2005 and 2004 amounted to \$64,271,000 and \$42,386,000, respectively. The University has recognized the market value of the collateral and related payable for such transactions on the Statement of Financial Position.

University mortgages of approximately \$9,584,000 and \$11,085,000 as of June 30, 2005 and 2004, respectively, represent mortgages extended to University employees at favorable interest rates.

Included in investments are unexpended bond proceeds of approximately \$8,141,000 and \$41,530,000 as of June 30, 2005 and 2004, respectively. These amounts will be used for the renovation, construction, and capital improvement of University facilities and primarily relate to the 2004 Bonds (see note 9).

The stock futures fund is a pooled fund that uses stock index futures and options in combination with short-term and other liquid debt instruments to approximate the total return of the Standard & Poor's 500 Index. The derivatives are not used to leverage the underlying cash position of this investment, but rather to meet the endowment asset allocation and spending policy targets. The futures contracts and options are stated at fair market value based on their quoted daily settlement prices.

(5) Investments, Continued

The limited partnerships are primarily invested in privately held corporations, real estate and marketable assets in various industries. The University is obligated, under certain limited partnership agreements, to make additional capital contributions up to contractual levels. The timing and amounts of the contributions will be determined by the general partner of the respective limited partnership. As of June 30, 2005, the University has unfunded capital commitments of \$84,000,000.

Dividends and interest from investments during the periods were as follows:

	2005 <u>(000's)</u>	2004 <u>(000's)</u>
Operating (a)	\$ 6,367	5,533
Endowment (b)	<u>20,430</u>	<u>21,910</u>
	\$ <u>26,797</u>	<u>27,443</u>

(a) Includes interest from Auxiliary Operations, Activities of Educational Departments and Continuing Education of \$288,000 in 2005 and \$282,000 in 2004.

(b) Includes earnings of funds held in trust by others distributed to the University of \$1,922,000 in 2005 and \$1,795,000 in 2004.

(6) Annuity and Life-Income Funds

The University held \$12,495,000 and \$13,833,000 in investments related to annuity and life-income funds as of June 30, 2005 and 2004, respectively. A related liability of \$5,954,000 and \$6,482,000 as of June 30, 2005 and 2004, respectively, represents the present value of future annuity payments due under these agreements, and was calculated for each annuity using discount rates and actuarial assumptions consistent with American Council of Gift Annuities standards.

The University's annuity and life income funds include charitable gift annuities, charitable remainder annuity trusts, and charitable remainder unitrusts.

The University is required by the laws of certain states to maintain reserves against charitable gift annuities. Such reserves amounted to \$2,353,000 and \$2,115,000 as of June 30, 2005 and 2004, respectively.

(8) Property, Plant and Equipment

Land is recorded at cost or appraised value at time of receipt if contributed, including land deeded by the Board of Trustees of Delaware College to the State of Delaware in the early 1900's and thereafter used by the University, as successor, for the purposes of the University.

Buildings are recorded at cost of initial construction, including buildings on land deeded to the State and thereafter used for the purposes of the University. Costs of major renovations to buildings are capitalized. Costs of equipment in excess of \$5,000 with a useful life expectancy of two or more years are also capitalized.

(7) Property, Plant and Equipment, Continued

The University uses the straight-line method of depreciation for its plant assets based on the following estimated useful lives:

	Estimated lives (years)
Land improvements	15
Buildings	40
Equipment and furnishings	5 - 20

Property, plant and equipment as of June 30, 2005 and 2004 consisted of the following:

	2005 (000's)	2004 (000's)
Land and improvements	\$ 38,881	37,404
Buildings	796,755	751,011
Equipment and furnishings	276,991	257,450
Collections and works of art	7,176	6,522
Capital Leasehold	14,460	14,460
Construction in progress	<u>85,204</u>	<u>46,463</u>
Total property, plant and equipment	1,219,467	1,113,310
Less accumulated depreciation	<u>(476,828)</u>	<u>(446,998)</u>
Total property, plant and equipment, net	\$ <u><u>742,639</u></u>	<u><u>666,312</u></u>

The University has six major building and renovation projects as of June 30, 2005 budgeted to cost \$164,000,000. At year end, \$56,000,000 has been disbursed with \$108,000,000 committed to complete these projects.

(8) Obligations Under Capital Leases

The University has obligations under capital leases that amounted to \$9,818,000 and \$10,221,000 as of June 30, 2005 and 2004, respectively. The majority of the University's obligation at June 30, 2005 (\$9,816,000) was a building lease with Delaware Technology Park for the Delaware Biotechnology Institute, a unit of the University. The lease consists of annual lease payments ranging from \$345,000 to \$935,000 to be paid over a 20-year term. Other leases are related to computer hardware and software.

(8) Obligations Under Capital Leases, Continued

The aggregate amount of principal and interest payments on the University's obligations under capital leases are due as follows:

	Principal <u>(000's)</u>	Interest <u>(000's)</u>	Total <u>(000's)</u>
2006	399	574	973
2007	417	552	969
2008	437	530	967
2009	462	506	968
2010	487	481	968
Thereafter	<u>7,616</u>	<u>3,023</u>	<u>10,639</u>
	\$ <u>9,818</u>	<u>5,666</u>	<u>15,484</u>

(9) Notes and Bonds Payable

Indebtedness at June 30, 2005 and 2004 consisted of the following:

	2005 <u>(000's)</u>	2004 <u>(000's)</u>
Series 1997 Revenue Bonds (a)	15,000	15,500
Series 1998 Revenue Bonds (b)	30,600	31,300
Series 2001A Revenue Bonds (c)	23,985	25,220
Series 2001B Revenue Bonds (d)	20,055	20,600
Series 2004A Revenue Bonds (e)	10,885	12,070
Series 2004B Revenue Bonds (f)	40,835	40,835
Blue Hen Hotel LLC Bonds (g)	11,500	11,500
University Learning Center Line of Credit (h)	4,848	2,081
Note payable (i)	<u>504</u>	<u>534</u>
	158,212	159,640
Less discounts on notes and bonds payable	<u>(762)</u>	<u>(770)</u>
Notes and bonds payable	\$ <u>157,450</u>	<u>158,870</u>

(a) Series 1997 Revenue Bonds

In May 1997, the University issued \$15,500,000 of Series 1997 Revenue Bonds to fund a portion of the costs to renovate and equip certain housing facilities for students. The 1997 Bonds bear interest rates ranging from 5% to 5.375%, mature at various dates through November 1, 2022 and are secured by a pledge of gross revenues received by the University for operation of its existing facilities located on the University's main campus which provide housing, dining or health care services for students; the Student Center fees; and certain parking and bookstore revenues.

(b) Series 1998 Revenue Bonds

In July 1998, the University issued \$31,300,000 of Series 1998 Revenue Bonds. A portion of the 1998 Revenue Bonds was placed in an irrevocable trust and used to purchase government securities to provide for principal and interest on a portion of the remaining unrefunded 1989 Revenue Bonds.

(9) Notes and Bonds Payable, Continued

(b) Series 1998 Revenue Bonds, Continued

The purpose of the remaining portion of the Series 1998 Revenue Bonds was to fund a portion of the costs to renovate, construct and equip certain housing facilities for students. The 1998 Revenue Bonds bear interest at flexible rates for interest periods determined by the remarketing agent. A 5% interest cost through 2008 is anticipated based on an existing interest rate exchange agreement.

The 1998 Revenue Bonds mature at various dates through November 1, 2023 and are secured by a pledge of gross revenues received by all project facilities as noted in (a) above.

(c) Series 2001A Revenue Bonds

In June 2001, the University issued \$25,610,000 of Series 2001A Revenue Bonds. The proceeds of these Series 2001A Revenue Bonds were placed in an irrevocable trust and used to purchase government securities to provide for the principal and interest on a portion of the Series 1993 Revenue Bonds.

The Series 2001A Revenue Bonds will initially bear interest at a Weekly Rate and will continue to bear interest at a Weekly Rate until converted to bear interest at a Daily, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be set by the Remarketing Agent and will never exceed 12% per annum. Interest cost was approximately 4.15% through at least fiscal 2004 based on an existing interest rate exchange agreement. The series 2001A Bonds mature on November 1, 2018, but are subject to redemption and mandatory tender for purchase prior to maturity.

(d) Series 2001B Revenue Bonds

In September 2001, the University issued \$21,200,000 of Series 2001B Revenue Bonds. A portion of these Series 2001B Revenue Bonds were used to retire the Series 2000 Revenue Notes. The remaining portion of the Series 2001B Revenue Bonds were used to renovate, construct and equip: sprinkler systems, a parking deck and office building and other capital improvements.

The Series 2001B Revenue Bonds will initially bear interest at a Daily Rate and will continue to bear interest at a Daily Rate until converted to bear interest at a Weekly, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 12% per annum. A 4.05% interest cost through at least fiscal year 2007 is anticipated based on an existing interest rate exchange agreement. The Bonds are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities. The Series 2001B Revenue Bonds mature on November 1, 2026, but are subject to redemption and mandatory tender for purchase prior to maturity.

(9) Notes and Bonds Payable, Continued

(e) Series 2004A Revenue Bonds

In April 2004, the University issued \$12,070,000 of Series 2004A Revenue Bonds. Approximately \$8,041,000 of these Series 2004A Revenue Bonds were used to retire the Series 1993 Revenue Notes. The retirement of the Series 1993 Revenue Notes resulted in a loss on extinguishment of debt of approximately \$313,000, which is included in other nonoperating activities on the statement of activities. The remaining portion of the Series 2004A Revenue Bonds are being used to construct a parking garage, demolish existing University dormitories, construct three new dormitory buildings, and other capital improvements.

The Series 2004A Revenue Bonds will bear interest rates ranging from 2.0% to 5.0%, maturing over various dates through November, 2010 and are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities.

(i) Series 2004B Revenue Bonds

In April 2004, the University issued \$40,835,000 of Series 2004B Variable Rate Demand Revenue Bonds. The Series 2004B Revenue Bonds are being used to construct a parking garage, demolish existing University dormitories, construct three new dormitory buildings, and other capital improvements.

The Series 2004B Revenue Bonds will initially bear interest at a Daily Rate and will continue to bear interest at a Daily Rate until converted to bear interest at a Weekly, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 12% per annum. A 3.25% interest cost through at least fiscal year 2008 is anticipated based on an existing interest rate exchange agreement. The Bonds are secured by a pledge of gross revenues received by the University from the operations of all project facilities including housing, dining, parking and other revenue-producing facilities. The Series 2004B Revenue Bonds mature on November 1, 2034, but are subject to redemption and mandatory tender for purchase prior to maturity.

(j) Blue Hen Hotel LLC Bonds

In September 2001, the Blue Hen Hotel LLC, a Company owned 75% by the University and consolidated into the University's financial statements, issued \$11,500,000 of Blue Hen Hotel LLC Variable Rate Demand Bonds, Series 2001 (Series 2001), which were also guaranteed by the University. The Series 2001 Bonds will fund the design, construction and startup operating costs of a hotel.

The Series 2001 Bonds will initially bear interest at a Weekly Rate and will continue to bear interest at a Weekly Rate until converted to bear interest at a Daily, Flexible, Term or Fixed Rate to maturity. The interest rate to be in effect for a particular period of time will be reset by the Remarketing Agent and will never exceed 18% per annum. A 5.70% interest cost through at least fiscal year 2007 is anticipated based on an existing interest rate exchange agreement. The Series 2001 Bonds mature on September 1, 2027, but are subject to redemption and mandatory tender for purchase prior to maturity.

(9) Notes and Bonds Payable, Continued

(h) Early Learning Center Line of Credit

On December 1, 2003, the University obtained a \$5,000,000 line of credit to renovate the University Early Learning Center facility. The interest rate is a variable rate of 65% of the Bank's National Commercial Rate (3.74% at June 30, 2005) and there is an outstanding balance of \$2,825,000 at June 30, 2005. The line of credit expires in December 2009.

(i) Note Payable

The University's note payable bears an interest rate of 3.0%. The note payable at June 30, 2005 and 2004 consisted of \$504,000 and \$534,000 respectively, for the United States Department of Housing and Urban Development Loan.

(j) Bond Issuance Subsequent to Year-End, Series 2005 Variable Rate Demand Revenue Bonds

The University sold \$49,945,000 of Series 2005 Variable Rate Demand Revenue Bonds on July 14, 2005. From the bond proceeds, \$37,000,000 is to be used to complete the construction replacing the Pencader dormitories, while \$12,945,000 was used to refund \$12,065,000 of the Series 1997 bonds. The interest cost of these two transactions is 4.21% and 4.11% respectively. The final maturity date of the new money portion of the bonds is November 1, 2035. The refunding bonds mature on November 1, 2022.

The variable rate bonds had the interest rates synthetically fixed with forward interest rate exchange agreements (swaps) based on 67% of the one month LIBOR index. Morgan Stanley pays 67% of the one month LIBOR rate to the University while the University pays a fixed 3.867% to Morgan Stanley on the new money portion of the bond issue, based on the notional amount of bonds outstanding. The swap on the refinancing bonds is the same terms except that the University payment to Morgan Stanley is 3.75%.

The carrying amount of variable rate long-term debt approximates fair value because these financial instruments bear interest at rates which approximate current market rates for loans with similar maturities and credit quality. The fair value of fixed and variable rate Revenue Bonds (par amount of \$141,120,000) approximates \$142,734,000. Such amount has been estimated by discounting the future cash outflows associated with such debt by current market rates for loans with similar maturities and credit quality.

Certain long-term debt obligations expose the University to cash flow risk related to changes in interest rates. Management believes it is prudent and cost effective to hedge some of its exposure to interest rate risk. To achieve this objective, management has interest rate swap agreements for approximately \$176,920,000 (including \$11,500,000 related to the Blue Hen Hotel LLC, see note 2) of long-term debt obligations as of June 30, 2005 and 2004. In accordance with Statement of Financial Accounting Standard (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, not-for profit organizations shall recognize the gain or loss on a hedging instrument as a change in net assets in the period of change. Accordingly for the year ended June 30, 2005, the University has recognized an unrealized loss of \$8,137,000 (including a loss of \$468,000 related to the Blue Hen Hotel LLC) in the

(9) Notes and Bonds Payable, Continued

statement of activities for the decrease in fair value of its interest rate swaps and a corresponding decrease in the fair value of its other investments in the statement of financial position.

The aggregate amount of principal payments on the University's note and bonds payable are due as follows (000's):

2006	\$	4,349
2007		4,444
2008		5,403
2009		5,633
2010		5,793
Thereafter		<u>131,828</u>
	\$	<u>157,450</u>

(10) Employee Benefit Plans

Substantially all faculty and professional employees are provided pension benefits under the University's Retirement Annuity Program administered principally by the Teachers Insurance and Annuity Association and Fidelity Investments. The policy of the University is to pay its share of the annual premium accrued in connection with the University Retirement Annuity Program; there are no unfunded benefits. Pension plan expense for the University Retirement Annuity Program was \$18,649,000 in 2005 and \$17,519,000 in 2004. Expenses under the State of Delaware Pension Plan, which covers all other employees, were \$7,263,000 in 2005 and \$4,028,000 in 2004.

In addition to retirement benefits, the University also provides postretirement benefits primarily for medical insurance to retired employees who are not eligible under the State of Delaware Pension Plan. As of June 30, 2005 the University has not funded these benefits.

Net periodic postretirement benefit cost for 2005 and 2004 includes the following components:

	2005 <u>(000's)</u>	2004 <u>(000's)</u>
Service Cost	\$ 5,498	5,630
Interest Cost	8,903	8,090
Amortization of Unrecognized Loss	<u>3,280</u>	<u>4,182</u>
Net Periodic Postretirement Benefit Cost	\$ <u>17,681</u>	<u>17,902</u>

(10) Employee Benefit Plans, Continued

The accumulated postretirement benefit obligation at June 30, 2005 and 2004 is as follows:

	2005 <u>(000's)</u>	2004 <u>(000's)</u>
Benefit obligation at June 30	\$ 184,584	141,260
Unrecognized Net Loss	<u>(72,484)</u>	<u>(44,628)</u>
Accrued postretirement benefit obligation	\$ <u>112,100</u>	<u>96,632</u>

Change in plan assets for 2005 and 2004 includes the following:

	2005 <u>(000's)</u>	2004 <u>(000's)</u>
Employer contributions	\$ 2,213	1,742
Benefits paid	\$ (2,213)	(1,742)

The accumulated postretirement benefit obligation was determined using a discount rate of 5.25% in 2005 and 6.25% in 2004 and a health care cost trend rate of 9.5% in 2005 and 10.25% in 2004. This rate gradually decreases to 5% by the year 2011 and remains constant thereafter. Increasing the assumed health care cost trend rate by 1% in each year and holding all other assumptions constant would increase the accumulated postretirement benefit obligation by approximately \$37,893,000 and \$28,139,000 at June 30, 2005 and 2004, respectively, and increase the aggregate of the service and interest cost components of the net periodic postretirement benefit cost by approximately \$3,196,000 and \$3,225,000 for the years ended June 30, 2005 and 2004, respectively.

The University's expected contributions to the plan are as follows for the year ended June 30, 2006:

	<u>(000's)</u>
Expected Employer Contributions	\$ 3,358
Expected Employee Contributions	<u>-</u>
	\$ <u>3,358</u>

At June 30, 2005, the University's expected future benefit payments for future service are as follows:

Year ended June 30:	<u>(000's)</u>
2006	\$ 3,358
2007	3,946
2008	4,584
2009	5,311
2010	6,017
2011 through 2015	<u>41,679</u>
	\$ <u>64,895</u>

(10) Employee Benefit Plans, Continued

The effect of Federal subsidies enacted by the Medicare Prescription Drug Improvement and Modernization Act of 2003 have not been reflected in the measurement of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost. Final determinations on implementing the Act could change the postretirement benefits plan and could reduce previously reported liabilities and expenses.

(11) Scholarship Allowance

The University provides financial assistance to eligible students to partially offset the direct costs of tuition, on-campus housing, and meal contracts. These scholarship allowances are presented as a reduction of tuition and sales of auxiliary enterprises.

Scholarships are funded from unrestricted resources, as well as funds from donors, Federal and State Government and endowment income restricted to use for student financial assistance.

The table below identifies this financial assistance by source and by student classification for the year ended June 30, 2005.

	Undergraduate <u>(000's)</u>	Graduate <u>(000's)</u>	Total <u>(000's)</u>
Unrestricted	\$ 15,379	27,217	42,596
Federal	691	438	1,129
State	8,109	99	8,208
Private gifts	1,708	93	1,801
Endowment	<u>2,046</u>	<u>15</u>	<u>2,061</u>
Total	\$ <u>27,933</u>	<u>27,862</u>	<u>55,795</u>

An additional \$4,851,000 of University-provided financial assistance was utilized by students for books, supplies and off-campus living expenses.

(12) Fundraising Costs

Fundraising costs were \$4,386,000 and \$4,130,000 for the years ended June 30, 2005 and 2004, respectively.

(13) Contingencies

The University is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the University's financial position, statement of activities or cash flows.

Appendix 9

**BUDGET SUPPORT DATA
2002-03 through 2004-04**

**College of Arts and Science
Philosophy**

A. TEACHING WORKLOAD DATA

	FALL 2002	FALL 2003	FALL 2004	SPRING 2003	SPRING 2004	SPRING 2005
<u>FTE MAJORS</u>						
Undergraduate	51	49	59	51	45	55
Graduate	0	0	0	0	0	0
Total	51	41	59	51	45	55
<u>DEGREES GRANTED</u>						
Bachelor's	----	----	----	19	15	16
Master's	----	----	----	0	0	0
Doctorate	----	----	----	0	0	0
TOTAL	----	----	----	19	15	16
<u>STUDENT CREDIT HOURS</u>						
Lower Division	5,136	4,935	5,970	4,828	4,446	4,770
Upper Division	1,152	1,245	1,133	1,020	1,053	1,086
Graduate	117	144	78	189	165	105
Total	6,405	6,324	7,181	6,037	5,664	5,961
% Credit Hours Taught by Faculty on Appointment	91%	83%	85%	96%	87%	86%
% Credit Hours Taught by Supplemental Faculty	9%	17%	15%	4%	13%	14%
<u>FTE STUDENTS TAUGHT</u>						
Lower Division	342	329	398	322	296	318
Upper Division	77	83	76	68	70	72
Graduate	13	16	9	21	18	12
Total	432	428	482	411	385	402
<u>FTE FACULTY</u>						
Department Chair	1.0	1.0	1.0	1.0	1.0	1.0
Faculty on Appointment	13.0	14.0	15.0	14.0	14.5	15.0
Supplemental Faculty	1.0	1.3	1.5	0.5	1.3	1.0
Total	15.0	16.3	17.5	15.5	16.8	17.0
<u>WORKLOAD RATIOS</u>						
Student Credit Hrs./FTE Faculty	427.0	389.2	410.3	389.5	338.1	350.6
FTE Students Taught/FTE Faculty	28.8	26.3	27.6	26.5	23.0	23.7

BUDGET SUPPORT DATA
2002-03 through 2004-05

College of Arts and Science
Philosophy

B. FISCAL DATA

	FY 2003	FY 2004	FY 2005
	(\$)	(\$)	(\$)
<u>RESEARCH AND SERVICE</u>			
Research Expenditures	3,445	0	0
Public Service Expenditures	0	0	0
Total Sponsored Research/Service	3,445	0	0
Sponsored Funds/FTE Fac. On Appointment	238	0	0
<u>COST OF INSTRUCTION</u>			
Direct Instructional Expenditures	1,134,320	1,273,682	1,248,595
Direct Expense/Student Credit Hour	91	106	95
Direct Expense/FTE Student Taught	1,345	1,567	1,412
<u>REVENUE MEASURES</u>			
Earned Income from Instruction	5,063,894	5,118,876	5,848,190
Earned Income/Direct Instructional Expense	4.46	4.02	4.68

Appendix 10

BUDGET SUPPORT DATA
2002-03 Through 2004-05

College of Marine Studies

A. TEACHING WORKLOAD DATA

	FALL 2002	FALL 2003	FALL 2004	SPRING 2003	SPRING 2004	SPRING 2005
<u>FTE MAJORS</u>						
Undergraduate	0	0	0	0	0	0
Graduate	93	102	96	94	95	91
Total	93	102	96	94	95	91
<u>DEGREES GRANTED</u>						
Bachelor's	----	----	----	0	0	0
Master's	----	----	----	18	13	17
Doctorate	----	----	----	10	7	11
TOTAL	----	----	----	28	20	28
<u>STUDENT CREDIT HOURS</u>						
Lower Division	447	453	459	0	0	0
Upper Division	4	3	6	18	9	20
Graduate	665	819	863	672	717	749
Total	1,116	1,275	1,328	690	726	769
% Credit Hours Taught by Faculty on Appointment	98%	97%	63%	90%	89%	94%
% Credit Hours Taught by Supplemental Faculty	2%	3%	37%	10%	11%	6%
<u>FTE STUDENTS TAUGHT</u>						
Lower Division	30	30	31	0	0	0
Upper Division	0	0	0	1	1	1
Graduate	74	91	96	75	80	83
Total	104	121	127	76	80	85
<u>FTE FACULTY</u>						
Department Chair	0.0	0.0	0.0	0.0	0.0	0.0
Faculty on Appointment	33.8	35.0	33.0	34.8	34.0	32.0
Supplemental Faculty	0.3	0.3	0.5	0.5	0.5	0.5
Total	34.0	35.3	33.5	35.3	34.5	32.5
<u>WORKLOAD RATIOS</u>						
Student Credit Hrs./FTE Faculty	32.8	36.2	39.6	19.6	21.0	23.7
FTE Students Taught/FTE Faculty	3.1	3.4	3.8	2.2	2.3	2.6

**BUDGET SUPPORT DATA
2002-03 through 2004-05**

College of Marine Studies

B. FISCAL DATA

	FY 2003 (\$)	FY 2004 (\$)	FY2005 (\$)
<u>RESEARCH AND SERVICE</u>			
Research Expenditures	9,399,816	9,469,812	9,536,673
Public Service Expenditures	1,346,482	1,533,237	1,837,414
Total Sponsored Research/Service	10,746,298	11,003,085	11,374,087
Sponsored Funds/FTE Fac. On Appointment	313,761	318,930	349,972
<u>COST OF INSTRUCTION</u>			
Direct Instructional Expenditures	1,595,377	1,416,090	2,469,554
Direct Expense/Student Credit Hour	883	708	1,178
Direct Expense/FTE Student Taught	8,872	7,022	11,679
<u>REVENUE MEASURES</u>			
Earned Income from Instruction	735,042	854,427	933,165
Earned Income/Direct Instructional Expense	0.46	0.60	0.38

Appendix 11

Middle States Commission on Higher Education

PRR Certification Statement

The University of Delaware is seeking reaffirmation of accreditation.

The undersigned hereby certify that the institution meets all established eligibility requirements of the Middle States Commission on Higher Education and the accreditation standards detailed in *Characteristics of Excellence*.

David P. Roselle, President

Date

Howard Cosgrove, Chair, Board of Trustees

Date