OVERVIEW OF ACADEMIC UNITS

This section summarizes programmatic and financial activity for each academic unit. It also describes the relationship between the unit’s capital plan and its programmatic plans. This format is a change from past years, and we hope it will provide a useful summary overview.

ACADEMIC UNITS CONSOLIDATED BUDGET FOR OPERATIONS, 2007/08

[IN MILLIONS OF DOLLARS]

<table>
<thead>
<tr>
<th>Academic Unit</th>
<th>Total Revenues and Transfers</th>
<th>Total Expenses</th>
<th>Result of Current Operations</th>
<th>Transfers (to)/from Assets</th>
<th>Change in Expendable Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate School of Business</td>
<td>137.0</td>
<td>139.9</td>
<td>(2.9)</td>
<td>1.3</td>
<td>(1.6)</td>
</tr>
<tr>
<td>School of Earth Sciences</td>
<td>47.5</td>
<td>45.4</td>
<td>2.1</td>
<td>(2.9)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>School of Education</td>
<td>35.9</td>
<td>34.9</td>
<td>1.0</td>
<td>(0.5)</td>
<td>0.5</td>
</tr>
<tr>
<td>School of Engineering</td>
<td>265.6</td>
<td>257.2</td>
<td>8.4</td>
<td>(5.0)</td>
<td>3.4</td>
</tr>
<tr>
<td>Hoover Institution</td>
<td>43.3</td>
<td>39.7</td>
<td>3.6</td>
<td></td>
<td>3.6</td>
</tr>
<tr>
<td>School of Humanities and Sciences</td>
<td>356.4</td>
<td>338.1</td>
<td>18.3</td>
<td>(6.6)</td>
<td>11.7</td>
</tr>
<tr>
<td>School of Law</td>
<td>56.5</td>
<td>52.7</td>
<td>3.8</td>
<td>(4.2)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>School of Medicine</td>
<td>1,137.2</td>
<td>1,096.9</td>
<td>40.3</td>
<td>(47.0)</td>
<td>(6.7)</td>
</tr>
<tr>
<td>Dean of Research</td>
<td>157.7</td>
<td>160.3</td>
<td>(2.6)</td>
<td>0.8</td>
<td>(1.8)</td>
</tr>
<tr>
<td>Vice Provost for Undergraduate Education</td>
<td>37.2</td>
<td>38.4</td>
<td>(1.2)</td>
<td></td>
<td>(1.2)</td>
</tr>
<tr>
<td>Vice Provost for Graduate Education</td>
<td>1.7</td>
<td>4.3</td>
<td>(2.6)</td>
<td></td>
<td>(2.6)</td>
</tr>
<tr>
<td>SLAC</td>
<td>338.1</td>
<td>338.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stanford University Libraries</td>
<td>92.6</td>
<td>95.7</td>
<td>(3.1)</td>
<td>0.5</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Total Academic Units</td>
<td>2,706.7</td>
<td>2,641.6</td>
<td>65.1</td>
<td>(63.6)</td>
<td>1.5</td>
</tr>
</tbody>
</table>

2007/08 CONSOLIDATED EXPENSES BY ACADEMIC UNIT

1 Other is Hoover, VP Undergraduate Education and VP Graduate Education.
GRADUATE SCHOOL OF BUSINESS

INITIATIVES AND PRIORITIES

The Graduate School of Business (GSB) has three strategic priorities that influence its budget for 2007/08. The school refers to them as the “three Cs”: new curriculum, new collaborations, and new campus. The first two provide strong rationales for the third. All three are well under way. In 2006, the faculty adopted its new MBA curriculum, it made progress in its cross-campus collaborations, and the Board approved the concept and site of its new campus. In 2007/08, the school expects to reach significant milestones for all three priorities.

New Curriculum

The new MBA curriculum, adopted by the faculty in May 2006 and to be put in place for the autumn 2007 entering class, was proposed by an 11-member task force of faculty, students, and alumni. The curriculum will ensure that all students are engaged in a more effective way than in the past. A critical analytical thinking course of 20 or fewer students per section will allow students to work closely with a faculty member who will help them plot the rest of their academic program. The course also will help students understand issues that cut across general management and how their other courses fit together. A strategic leadership course will encourage students to begin thinking early about their own leadership style and skills.

Expanded global content and a global context course will be a hallmark of the new curriculum. MBA students will be required to participate in an international experience during their two years—an internship, study trip, student exchange, or service learning trip. This requirement is a result of our successful collaboration on the new program; the task force listened carefully to alumni who are operating in an intensely competitive and interconnected global environment.

The GSB works hard every year to recruit a student body that is as diverse as possible in background and experience. Some students have spent years on Wall Street; others have spent years in AmeriCorps. Some are military officers, marketing specialists, or operations managers. Following the general management perspectives courses, students will take 11 general management foundation courses. In each required subject, there will be base-level offerings, but students with more experience and preparation in a particular area will take a more challenging version of the class.

New Collaborations

The GSB agrees with John Hennessy’s vision of the Business School’s role as “combining academic rigor and practical application” by focusing on “how to get things done through the management of people and resources” and across different fields. The university’s graduate-level course called Biodesign Innovation is an example of this approach. Faculty and students
from engineering, medicine, and business work together to develop devices for unmet medical needs. Both the university and the school envision more collaboration.

In this spirit of interdisciplinary cooperation, the GSB piloted a Summer Institute for Entrepreneurship for non-business graduate students in summer 2006. Seventy students, including 7 from Earth Sciences, 14 from Medicine, 37 from Engineering, and 9 from Humanities & Sciences, attended the four-week program. A typical day had three or four one-hour classes. Subjects covered were economics, finance, accounting, operations, teams, negotiations, strategy, marketing, entrepreneurship, growth, and design. There were also sessions on presentation skills and venture formation. The aim is to give non-business graduate students an understanding of general management and entrepreneurship to help them envision how their work might be transferred to the market, where it can meet crucial needs. The school hopes to double the number of students participating this upcoming summer, based on this success.

New Campus
Our goal with the design of the new campus is to create an environment that accommodates curricular changes and increased cross-campus interaction. The new campus—to be known as the Knight Management Center—is expected to include eight buildings around three quadrangles that will provide flexible space for varied class sizes. The campus is a key element in the success of the new curriculum, the new collaborations, and the continued excellence of existing teaching and research programs in the school. It will be built across the street from the Schwab Residential Center. Plans call for a 600-seat auditorium, spaces for dining and socializing, faculty and staff offices, and a parking facility. The school secured Board approval for the concept and site in June 2006 and chose an architect (Bohlin Cywinski Jackson) in December 2007. While a final design is not yet ready, the facilities will be equipped with state-of-the-art instructional technology and are expected to be approximately 85,000 square feet larger than the existing campus.

Consolidated Budget Overview
The GSB expects a decrease in its expendable funds in 2007/08 by $1.5M. GSB expenses are projected to grow 9% versus the 2006/07 budget plan to $139.9 million. Costs related to the new curriculum are expected to be $2 million in operational costs in 2007/08 plus the cost of increased faculty. The new curriculum plans include increasing faculty to 110 tenure-line positions as quickly as possible; this represents a 10% increase. The school hopes to add net five faculty in 2007/08. Continuing pressure on faculty salaries is expected as the hiring market for faculty remains competitive.

The 2007/08 Graduate School of Business revenues are expected to grow 7% over the budget plan for 2006/07. The school expects tuition revenue to increase 3%. While tuition rates have increased, the school will be admitting 3% fewer students than in prior years. This decreased number of students is only for Fall 2007 and is to accommodate the first year of the new curriculum. The tuition for first year MBA students will increase by 6%, second year students’ tuition will be flat and Sloan students’ tuition will increase by 6%. The school forecasts Executive Education revenues to increase 7% year-over-year which is in line with prior years’ growth. Endowment income and interest is expected to grow 17% while the school expects a decrease of 8% in gifts as the school focuses on gifts for the new campus.

Infrastructure/Capital Plan
Completion of the Knight Management Center is an integral part of the school’s plans for continued leadership. In addition to its central role in supporting the initiatives described above, the new campus will enhance the school’s ability to continue attracting the best students, staff, and faculty and foster future innovation. Design of the campus is well under way. Groundbreaking is expected in 2008 and completion in 2010/11. The school expects the project to cost $275 million. The GSB will also make limited improvements to its existing campus over the next three years, some of them are required to support the new curriculum. Capital spending on these is expected to be less than $5 million.
### Initiatives and Priorities

In 2007/08 the School of Earth Sciences will focus on completing the implementation of goals set forth in its 2005 strategic plan, and on furthering its mission and connection to the Stanford Challenge Initiative on the Environment and Sustainability.

**Earth Systems Science**

Earth Sciences has significant emerging strengths in Earth and environmental systems dynamics (the broad interdisciplinary field that studies interactions among biological, chemical, and physical processes in the Earth system, especially in interaction with human systems, with a focus on global change in the atmosphere, ocean, land, and climate systems). The school hopes to add several critical faculty positions in this area in conjunction with the Stanford Challenge's environmental initiative.

**Hazards, Energy, and Water**

Earth Sciences will play a role in research and education in three areas: Earth hazards, energy resources, and water resources. These are established as schoolwide initiatives. The last two are closely related to foci of the university's environmental initiative, and work has begun on them in interdisciplinary efforts across campus. In 2007/08 the school will also invest in the hazards initiative, perhaps in collaboration with the Freeman Spogli Institute for International Studies and the Stanford Challenge's international initiative.

### Faculty Recruitment and Retention

Earth Sciences anticipates the retirement of at least 10% of its faculty over the next several years, so investment in faculty retention and recruitment is a priority. A competitive salary program is critical for retaining current faculty, whose salaries lag many competing universities, and for recruiting new faculty, who may have multiple offers from other universities. Therefore, developing competitive recruitment packages (salary, start-up, and laboratory renovations) will be a focus of school resources.

### Undergraduate Programs

- **Renewal of Undergraduate Programs**—Earth Sciences has ambitious plans for renewal of its undergraduate programs. This activity comes in conjunction with recent changes within the school, such as the re-visioning of the Petroleum Engineering Department to now be the Department of Energy Resources Engineering.

- **Hiring a schoolwide undergraduate coordinator**—This position will allow for more effective student recruitment; better integration of course offerings, field experiences, and research opportunities; and tighter linkages with other undergraduate programs.

- **Building the Comprehensive Earth Sciences Field Program**—A vibrant field program is the key to vibrant teaching and research programs in Earth and environmental sciences. This program will develop a framework for all field opportunities, develop and

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### 2007/08 Consolidated Revenues

**$47.5 Million**

<table>
<thead>
<tr>
<th>Source</th>
<th>2007/08</th>
<th>2006/07</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Funds</strong></td>
<td>10%</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Gifts</strong></td>
<td>2%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Affiliates</strong></td>
<td>11%</td>
<td>12%</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Sponsored Research</strong></td>
<td>29%</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Endowment Payout</strong></td>
<td>43%</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### [In Millions of Dollars]

<table>
<thead>
<tr>
<th></th>
<th>2005/06 Actuals</th>
<th>2006/07 Projection</th>
<th>2007/08 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenues</strong></td>
<td>57.0</td>
<td>48.2</td>
<td>47.5</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>22.2</td>
<td>23.0</td>
<td>25.1</td>
</tr>
<tr>
<td>Non-Salary</td>
<td>31.9</td>
<td>22.2</td>
<td>20.3</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>54.0</td>
<td>45.2</td>
<td>45.4</td>
</tr>
<tr>
<td><strong>Operating Results</strong></td>
<td>3.0</td>
<td>3.0</td>
<td>2.1</td>
</tr>
<tr>
<td>Transfers From (to) Endowment &amp; Other Assets</td>
<td>(4.7)</td>
<td>(2.2)</td>
<td>(2.1)</td>
</tr>
<tr>
<td>Transfers to Plant</td>
<td>(0.2)</td>
<td></td>
<td>(0.8)</td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>(1.9)</td>
<td>0.8</td>
<td>(0.7)</td>
</tr>
<tr>
<td><strong>Beginning Fund Balances</strong></td>
<td>26.0</td>
<td>24.1</td>
<td>24.9</td>
</tr>
<tr>
<td><strong>Ending Fund Balances</strong></td>
<td>24.1</td>
<td>24.9</td>
<td>24.2</td>
</tr>
</tbody>
</table>
support field courses, and coordinate and oversee resources used in the field.

- Starting I-Earth—This innovative Earth Sciences–initiated, campus-wide effort seeks to integrate an understanding of planet Earth, particularly the intersections between natural and human systems, into more of the undergraduate and graduate curriculum, bringing exposure to Earth sciences to all Stanford students.

Graduate Programs
In 2006/07 Earth Sciences began a new interdisciplinary graduate program called Earth, Energy, and Environmental Sciences that reflects its emerging expertise in Earth and environmental systems dynamics. While the program will bring in a few incremental students, its primary impact is anticipated to be a rebalancing of graduate student enrollment across the school. The school is also exploring adding a master’s program in Energy and the Environment, geared towards professionals in the energy industry who seek additional education.

Communications and Outreach
Earth Sciences will continue to develop communication and outreach programs and strategies aimed at increasing its influence and reach. To educate a wide community about issues confronting the planet and the environment, the school plans to continue its successful public lecture series (which in 2006/07 focused on growth in China) and to explore other innovative communication opportunities.

Consolidated Budget Overview
The School of Earth Sciences projects a 2006/07 year-end surplus of $760,000 for a total expendable fund balance of $24.9 million across all fund types. This increase is due principally to income earned through the Petroleum Investments Funds. Very modest growth in designated funds is due primarily to the infrastructure charge on restricted transfers, expenses, and affiliate income. The school is also projecting a decrease in gift balances, attributed to the spending down of particular faculty-held funds.

In 2007/08, Earth Sciences is projecting a year-end fund balance of $24.2 million across all expendable fund types. This represents a decrease of $735,000. In 2007/08 the school anticipates a $2 million decrease in endowment income fund balances due to the projected investments in capital improvements and faculty start-up costs. This decrease will be offset in overall school balances by an expected increase in funds from interdisciplinary activities, fund-raising and gift revenue, and a lower-than-anticipated ramp-up in staffing for shared analytical facilities.

In 2007/08, Earth Sciences is projecting growth in operating expenses of approximately $1.9 million over 2006/07, with gifts keeping pace. This growth can be attributed primarily to several new positions, including faculty positions, in support of the programmatic priorities described above. Other drivers are investments in new research directions, undergraduate programs, diversity programs, outreach activities, and networking. The school has carefully analyzed how opportunities identified through the Stanford Challenge dovetail with its own plans and is investing school funds and partnering with interdisciplinary research programs where possible.

Infrastructure/Capital Plan
New and enhanced capital facilities are vital for the success of the initiatives mentioned above and for the continued effective leadership of the school. The Environment and Energy Building, scheduled for completion at the end of 2007, will increase the school’s role in pioneering interdisciplinary research to solve critical problems. The School of Earth Sciences also expects to invest heavily in lab renovations and infrastructure over the next several years. The drivers for these investments are multiple, but the primary one is new faculty recruitment. Additionally, the school needs improved computing infrastructure to respond to scientific and research demand for high-performance computing. While the school’s Center for Computational Earth and Environmental Science provides the ability to solve computationally complex problems, the networking infrastructure is inadequate to manage the movement and storage of large data sets.

Earth Sciences is continuing efforts to improve space utilization schoolwide. In 2007/08, it will complete improvements in Geology Corner and begin to bring office sizes in the Mitchell and Green buildings closer to new university guidelines. Earth Sciences is also exploring ways to recapture some courtyard spaces to create gathering and meeting places that encourage interaction among faculty, students, and staff across the school.
SCHOOL OF EDUCATION

INITIATIVES AND PRIORITIES

The School of Education has multiple but integrated missions: to generate new knowledge; to train educational researchers and leaders; to improve educational practice; and to influence policy. Being directly involved in practical and policy issues helps the school contribute to improvements in pre-K–12 education and the community contexts in which children grow and learn. Because policies and practices are interconnected, the school needs to address issues of practice and research at multiple levels: classrooms; schools and organizations designed to support schools, such as districts and charter school management organizations; the community context surrounding schools; and the larger state and federal policy environment.

The school is involved in a number of initiatives that focus on improving schools and community contexts for youth. In addition to the charter elementary and high schools in East Palo Alto, major programs include the School Redesign Network, the Stanford Education Leadership Institute, the Institute for Research in Education Policy and Practice (IREPP), and the John W. Gardner Center for Youth and Their Communities. Although the primary purpose of such initiatives is to promote more effective practice, they all involve faculty research and graduate training, and are thus at the core of the mission of the school.

Last year the school’s most ambitious initiative, the management of two charter schools in East Palo Alto, focused on reform at the classroom and school levels. The goals are to provide high-quality education for students living in a disadvantaged community, to serve as a resource for other schools in similar communities, and to supply models of successful strategies. To these ends the schools serve as resources for education R&D and for training and professional development for local school leaders and teachers. They also serve as training sites for many Stanford Teacher Education Program (STEP) students. The expectation is that this training will help draw STEP graduates into schools in underserved communities, including the Ravenswood school system.

There is another School of Education initiative to watch in the future. The School Redesign Network provides support for districts and schools endeavoring to create small, personalized high schools that meet the education needs of underserved students.

The rapidly expanding Institute for Research on Education Policy and Practice (IREPP), launched in 2006/07, addresses educational problems at a broader level. IREPP involves faculty from the Schools of Education and Humanities & Sciences, as well as the Hoover Institution, in studies of education policy issues such as efficiency and adequacy in educational finance, teacher preparation and retention, testing and accountability, access to quality preschool, and the transition from high school to college. IREPP also plans to collaborate with states, districts, and
charter school management organizations to develop longitudinal data sets that include information on teachers, schools, student characteristics, and student learning.

By far the most ambitious initiative going forward is “Improving K–12 Education.” This interdisciplinary Stanford Challenge initiative will focus on three sets of education issues. The first involves how best to develop highly effective teachers who remain committed to a career in education, as well as curricula that support effective teaching. The second part of this initiative concerns school leadership and governance, and the third concerns educational policies that affect educational practice and student learning. In all of these domains the goal is to strengthen connections between research and practice.

A $20 million loan forgiveness program for STEP students goes into effect for the class of 2007/08. The program will significantly reduce debt for these students and hopefully will give new teachers an incentive to stay in the profession. After a student teaches for two years, half of his or her loan will be forgiven; after four years, the remainder will be forgiven.

Recruiting faculty is an ongoing priority. Retirements and continuing searches will result in another heavy recruitment year in 2007/08. The school strives to hire excellent scholars who have genuine interests and experience in education practice. Current searches include positions in secondary math education, environmental science, technology and instruction, higher education, science education, school reform, and teaching and teacher education.

**Consolidated Budget Overview**

The School expects to end 2006/07 with a $1.8 million increase in current funds. Revenues and transfers are projected to be $1 million over budget, largely due to an increase in the payout amount in endowment funds and new gifts and endowments received in support of the charter schools and the loan forgiveness program. Expenses are expected to be lower than projected, resulting from unfilled positions in research centers, faculty recruiting costs which will carry over to 2007/08, a decrease in workshop expenses related to professional development programs, and lower than projected expenses related to restricted endowment funds.

In 2007/08 the school anticipates a modest surplus of $600,000. Revenue is expected to grow by 3.5% whereas expenses are expected to grow by 7.9%. The discrepancy between growth in revenues and expenses results from large gifts received in the past two years which will support program expenses for the next several years. Gift revenue and expenses are expected to relate primarily to research centers in the school: the John W. Gardner Center for Youth and Their Communities, the Center for Adolescence, the Stanford Education Leadership Institute, and the Institute for Education Policy and Practice. A new $20 million endowment in support of the new Avery Loan Forgiveness Program for students entering the teaching profession will contribute to endowment income growth. The combined growth in revenues and expenses is a projected year end increase of approximately $600,000 in current funds.

The school’s goal is to raise a total of $71 million in 2007/08. Of this, $38 million represents sustaining current levels of funds raised from individuals, foundations, and corporations. Fundraising efforts will focus on new endowed chairs, student aid funds, support for the teacher education programs, and unrestricted funding for faculty research. The school expects to raise a minimum of two endowed chairs, one to provide support for the John W. Gardner Center and one to support the academic program. The goal is to become less dependent on the base budget. In addition, the university aims to raise $54 million in association with the K–12 initiative. These funds will enhance the work of the School of Education.

**Infrastructure/Capital Plan**

The recently completed Barnum Family Center provides critically needed space to support the initiatives described above. However, continued leadership in existing programs and success in recruiting the best students, staff, and faculty will require upgrading and improved utilization of the school’s existing space. The new space guidelines will also require modification of space configurations in CERAS and the School of Education.

Structural engineers have identified the School of Education building as needing seismic upgrades. The 96,000-square-foot, four-story, unreinforced masonry building was built in 1937. A seismic feasibility study was completed in December 2006, but decisions regarding the scope of work have not been finalized.
The school has defined a number of key strategic goals as part of the Stanford Challenge, and the School of Engineering’s strategic plan matches up well with these.

Information technology has been the school’s strength for decades, and its contributions to Silicon Valley are well known. The school has very strong programs in optics, semiconductors, integrated circuits, computers, software, and Internet-based systems. It continues to hire new faculty in emerging areas, to refresh research and teaching laboratories to address rapidly changing fields, and to take on highly visible “grand challenge” problems, which bring students’ problem-solving skills to bear on a grand scale.

The Materials Science and Engineering Department is reinventing itself around a focus on nanoscience. It has redirected billets to hire new faculty in this area, as have Electrical Engineering and Mechanical Engineering. Nanoscience remains a largely experimental area and requires very expensive laboratories and equipment. The school has taken the lead for the university in defining, building, and equipping a series of highly flexible, fully shared laboratories to enable all Stanford faculty and students to work in these areas. Two are in operation: the Stanford Nanofabrication Laboratory and the new Stanford Nanocharacterization Laboratory. The new Science and Engineering Quad II (SEQ II) will house at least two more such shared facilities: the Stanford Advanced Materials Synthesis Laboratory and the Stanford Soft and Hybrid Materials Laboratory.

In line with the university’s environmental initiative, the Civil and Environmental Engineering (CEE) Department is well along in the process of reinventing itself around a focus on sustainable engineering. The department is reallocating faculty billets, reorganizing, and developing deep connections with university initiatives such as the Woods Institute. The Environment and Energy Building is a key element for the success of this initiative. The CEE Department provided the initial vision for the university’s Green Dorm and will manage this undergraduate dorm once it is built.

Biology has transitioned recently into a quantitative science that engineers can use to synthesize, model, and create new systems, just as they have done for a century with physics, chemistry, and mathematics. There is probably no more important opportunity for engineering in this century than to become intimately connected with biology as a new science base. The school’s response has been to become deeply involved in the Clark Center, to create the new Bioengineering Department jointly with the School of Medicine, and to infuse biology into its other departments through new classes and research programs. Many departments have reallocated faculty billets into areas touching biology. The school has built state-of-the-art labs for these new hires and is committed to a new building for the Bioengineering Department in SEQ II.
Engineering is engaged in fundamentally changing how students are educated. The school has built the leading university program in entrepreneurship over the past 10 years, offering courses, seminars, summer internships, and even assistance in starting companies. Two years ago, the school established the Hasso Plattner Institute of Design, which provides project-based learning experiences to interdisciplinary student teams. Many faculty from other schools teach in these programs.

The Institute for Computational and Mathematical Engineering (ICME) is another relatively new interdisciplinary program. Its research mission is to develop sophisticated algorithmic and mathematical tools relevant to applied disciplines in engineering, earth sciences, medicine, and applied science. The institute awards graduate degrees, and its core service courses attract a large number of students in the past two years, many from outside Engineering.

**Consolidated Budget Overview**

The School of Engineering projects a consolidated operating surplus of $5.2 million in 2006/07, leading to a $6.7 million consolidated budget deficit after $11.9 million in transfers to assets. In 2006/07, the school began serious expenditures from reserves to support the capital plan described below, projecting $8.6 million in transfers to plant from current funds and an additional $10.5 million in transfers from its Venture Capital II Fund (functioning as endowment).

For 2007/08, the school forecasts a consolidated operating surplus of $8.4 million before transfers to plant of $5 million from current funds for a net surplus of $3.4 million. Revenues are forecast to increase 5.3% over projected 2006/07 results to $265.6 million, led by strong growth in income on the school’s funds invested in the Merged Endowment Pool (13.5%) and continued steady growth in research (3.3%) and gifts (3%). Research continues to be a major contributor to the school’s budget, representing approximately 44% of revenues in 2007/08.

Expenditures are budgeted to rise 4.2%, driven substantially by compensation expense (up 6%). In particular, academic salaries are budgeted to rise 5% as a result of the university’s salary program for 2007/08 and the addition of 11 faculty during 2006/07 whose full-year salaries are now captured in the 2007/08 budget. The school also plans a significant expansion of the tuition assistant program, raising TA salaries 7% and the tuition allowance 13% over previous-year levels. Noncompensation expenditures are budgeted to rise only 1.7%.

The school expects to transfer about $36 million to plant accounts in 2007/08 from school current fund reserves ($5 million), the Venture Capital II Fund ($13 million), and new gifts explicitly raised for capital projects ($18 million).

**Infrastructure/Capital Plan**

The School of Engineering has an ambitious strategic objective of housing all of its departments in “21st-century” facilities within the next five years. This is a critical element in the success of the initiatives described above and the continued leadership of Stanford Engineering. Four of the new buildings in the Science, Engineering, and Medicine campus are major elements in meeting this objective. The school is helping to construct these new buildings with the specific intent of promoting collaborations across traditional boundaries and encouraging interdisciplinary innovation.

Further essential actions to provide 21st-century facilities include renovating and building space along Panama Mall to create a home for the Hasso Plattner Institute of Design. Another major initiative is the construction of a Green Dorm, intended to pilot a new model for residential education in which students’ living quarters also serve as a “living laboratory” for learning about sustainable building technologies. The newest project is an Advanced Vehicle Research Facility to accommodate the expanding program in this area. Stanford’s winning entry in the 2005 DARPA Grand Challenge for autonomously operated vehicles is the most visible evidence of the school’s excellence in this field. Finally, having added 11 assistant professors in 2006/07, the school is undergoing substantial renovation and renewal to outfit appropriate laboratory space. The school plans to contribute over $100 million from reserves over the next several years to accomplish these capital plan objectives.
SCHOOL OF HUMANITIES & SCIENCES

INITIATIVES AND PRIORITIES

Strategic Directions
The School of Humanities & Sciences (H&S) has entered a period of leadership transition, with Dean Richard Saller arriving from the University of Chicago in April. Under his leadership, H&S plans to conduct a detailed update of its academic and strategic plan over the summer and the remainder of the calendar year, incorporating multiyear departmental plans into school priorities.

The school will continue to focus on achieving financial equilibrium during 2007/08. Significant progress has been made through base and one-time funding additions from the president and provost, and the dean’s office has instituted policies and processes to stabilize the budget and increase rigor in resource management and decision making. During the past two years, H&S has reestablished an annual faculty search authorization process restricting rates for newly hired employees and emphasizing junior-level hiring. Last year’s reformulation of the graduate aid program successfully moved incentives and management of resources back to department control. This year’s faculty salary-setting process has begun to educate departments about the trade-offs between faculty raises and increased hiring and retention expenditures.

H&S continues to experience major financial challenges due to increased costs, especially for faculty retention. Newly tenured faculty are attractive targets for top-tier institutions with large endowment growth, as well as second-tier institutions focusing resources on a few key academic areas. Faculty recruitment costs also continue to grow as the school contends with the Bay Area’s cost of living. To deal with these problems over the long term, H&S has begun to align high-growth resource streams with fast-growing costs (primarily for recruitment and retention). As a first step, the school will create the Hewlett Endowment for Faculty Recruitment, using $25 million of accumulated market growth from the 2001 Hewlett gift to H&S. This endowment will provide a long-term hedge against continued cost growth in these areas.

Programmatic Plans and Interdisciplinary Activities
H&S continues to focus on growing key programmatic areas to enhance its core strengths, increase interdisciplinary work, and support Stanford’s four major initiatives: human health areas, environmental topics, international areas, and the arts. The school has committed significant resources to the start-up and growth of these initiatives. The Division of International, Comparative, and Area Studies (ICA) will strengthen the school’s depth in Asian studies, Eastern European studies, and Islamic studies. The Institute for Research in the Social Sciences (IRiSS) has begun to provide support for emerging quantitative research across social science disciplines. The new Film Studies major will grant diplomas to 15 undergraduate students in 2007. Significant school resources continue to be committed to the Institute for Research in the Social Sciences (IRiSS).
for Theoretical Physics and the Mathematics Research Center. Each of these supports university initiatives at a foundational level, providing basic science and core scholarship strength, while also expanding knowledge and exploring connections between disciplines.

**Impact of the Stanford Challenge**

Initial planning for the Stanford Challenge within the School of Humanities & Sciences was completed during 2006/07. H&S will focus on raising $174 million of programmatic support (primarily for the growth initiatives mentioned above), $121 million in capital funding for the new biology and art buildings, $84 million for 21 new endowed chairs, and $133 million for other commitments and priorities to be set by Dean Saller. This year’s fund-raising projections have been reduced to reflect transitions in academic leadership and the development team. Projections are $1.3 million less for 2008/09 and will be $3.5 million less in 2009/10.

**Consolidated Budget Overview**

H&S projects an $11.6 million consolidated budget surplus for 2007/08 after transferring $7.4 million to plant. Some $3 million of plant expenditures will be used to build out space for new faculty hires and $3 million to fund building fit-ups for large capital projects.

For 2007/08, H&S projects a year-end consolidated fund balance of $160 million. Designated fund balances are projected to grow by $5 million as faculty funding packages are transferred in advance of spending. Expendable unspent and endowment income fund balances are projected to increase by $6 million as balances accumulate in highly restricted funds and spending plans lag endowment growth. The use of $3 million of dean’s office reserves to support academic initiatives and cost growth in retention and recruitment will leave this reserve balance at $7 million at year-end.

Endowment revenues are projected to grow 18% over 2006/07 levels as pledge payments are made on gifts related to the $400 million Hewlett gift and as Stanford Challenge fund-raising activity increases. This new income will provide support for new academic initiatives, additional school infrastructure, and existing base operations. Partial support for new academic initiatives will continue to come from general funds and one-time sources until endowment fund-raising is complete.

H&S will use $5.3 million of incremental base and one-time funding from the Provost to stabilize its finances and fund small key growth areas. It will use $2 million to provide a competitive salary raise pool, boost salaries of early-career faculty, and provide special increases in departments lagging significantly behind market. An additional $2 million will provide base support for growing recruitment and retention costs. Finally, $1.2 million will provide broader support for undergraduate education and increase the number of graduate students in key departments.

Following an 8% decrease in federal grant volume in 2005/06, H&S projects a 5% decrease in 2006/07 and an additional 6% decrease in 2007/08. On a consolidated basis, growth in nonfederal grants offsets federal decreases somewhat, resulting in an overall decrease of 4%. Grant volume changes are increasing the need for bridging funds to support students and faculty research when grants are discontinued.

**Infrastructure/Capital Plan**

The new biology and art buildings mentioned above are key elements of continued leadership in these fields. The location and design of both buildings will enhance interdisciplinary collaboration and excellence, and the art building will also raise the visibility of arts programs at Stanford. Major facilities planning is under way for the biology building, which will replace the Herren Labs building, and for relocating Art, Film, and Media Studies to the site of the old anatomy building adjacent to the Cantor Arts Center. Planning for a new concert hall that will be part of a performing arts center is in early stages and will continue through 2008/09.

H&S completed a comprehensive survey of space utilization during 2006/07. The resulting information will guide reconfiguration efforts as the school begins projects to deal with pressing facilities goals and meet university space guidelines. The formation of the Department of Anthropology, combining the Departments of Cultural and Social Anthropology and Anthropological Sciences, has created the need for a new, contiguous space on the Main Quad. As part of the ensuing sequence of moves, several ICA programs will be relocated to Encina West, creating a more unified campus presence for this division. Additional moves on the Main Quad will provide additional space for IRiSS and resolve other long-standing space issues.
The Law School’s rapid growth of the past three years will begin to slow in 2007/08. Its building efforts will continue, but at a more modest pace. The school will divert a substantial share of new resources to design, preparation, and debt service of a new academic building to support the school’s initiatives, as further described in the capital plan section.

Four areas of the school’s budget will continue to show strong growth. The first and most important is faculty salaries. The race for faculty has not slowed, and the school must continue raising salaries to remain competitive. Harvard and Yale, as well as Chicago, Columbia, and NYU, have matched or exceeded past increases and continue to offer significantly greater compensation packages.

Secondly, it is crucial to continue expanding clinical programs. While peer law schools were building such programs in the 1980s and 1990s, Stanford focused on other topics of legal education. One result was that some of the best students chose to attend rival schools with better developed clinical curricula. More important, by ignoring clinical education, the Law School was failing to fulfill its responsibilities to students. It is now well on the way to correcting this deficiency and will soon be in a position of having one of the best clinical programs in the country. The school will add two more clinics in 2007/08, one in international human rights and development and one in transactional law. The school will have grown from 2 clinical offerings in 1999 to 11 in 2008.

The third area of continued growth is academic programs and centers. The school is continuing to build its empirical research. One of the most interesting and significant developments in recent legal scholarship has been the emergence of empirical legal studies, including analysis of complex databases, using sophisticated statistical and econometric models. The Rock Center for Corporate Governance has an exciting and far-reaching project to establish an Open Source Corporate Governance Reporting System (OSCGRS). Designed by a committee of experts drawn from business, the academy, and government, OSCGRS would select variables in governance structure perceived as legally significant, and make the resulting data available for research and analysis.

The school is continuing to grow an Intellectual Property (IP) Clearinghouse, started in 2006/07, which will address the critical need for a comprehensive, online resource for scholars, policymakers, industry, and lawyers. The goal of the IP Clearinghouse is to collect detailed information about every IP case filed in the federal courts. The clearinghouse will then track the lawsuits and add information about court opinions, judgments, and settlements where available.

The school will also expand its new Fair Use program, which seeks to clarify and extend certain boundaries in order to enhance creative freedom. The program had
Academic Units

a great success in its first case, representing Stanford lecturer Carol Schloss in her action against the estate of James Joyce, the results of which now allow the sharing of certain documents.

The Law School has been successful in fund-raising for its academic programs and continues to grow the programs in Law, Economics, and Business; Law, Science, and Technology; International Law; Environmental Law; and Constitutional Law.

The fourth area of growth is financial aid. The school’s financial aid is almost entirely supported by endowment funds. The success of the endowment over the past few years will enable the school to significantly increase financial aid to students by reducing reliance on home equity when packaging aid offers. This increase is critical to compete with Harvard and Yale, which have also enjoyed strong endowment returns and have significantly increased their financial aid packages.

**Consolidated Budget Overview**

In 2007/08, the school projects a $400,000 deficit. It projects a steady increase of about 4% in both gifts and external income, the latter generated mostly from the executive education program. In addition to the standard expenditures, the Law School has an annual commitment to its Loan Repayment Assistance Program of $1.5 million. The school will transfer $1.5 million to capital as it embarks on the design and construction of a new academic building. The school has made a conservative estimate of $500,000 for faculty housing loans. This amount could increase significantly, depending on the success of its hiring. It also hopes to continue raising gifts that can be moved to FFE for future needs, and plans on moving $1 million for this purpose.

Although 2007/08 will be a year of slower growth, estimated expenditures represent a 10% increase over 2006/07, with growth led by the categories listed above. The high percentage increase is a bit misleading, as the revenue for many of the programs, particularly the revenue generated by endowment, was received in 2006/07.

The school is projecting expendable reserves to remain constant at about $19 million during 2007/08. However, it plans on working with faculty who oversee funds restricted to various academic centers to look for ways to spend the more highly restricted funds, possibly allowing the school to free up unrestricted funds for use on its new academic building.

**Infrastructure/Capital Plan**

The school’s capital plan, begun in 2001, continues to evolve. It has three essential components. The first is building a student residence in proximity to the Law School. The Munger Residence will house 600 students and include a dining hall that seats 250 people, a full kitchen to support the dining hall, a café, a store, and several meeting rooms for both student use and executive education programs. Planned to open in fall 2009, the Munger Residence will foster a law student community that supports recruiting the best students and enhances their academic, service, and social experiences at Stanford. It will also contribute to meeting Stanford’s commitments regarding housing under the General Use Permit.

Second, the school is continuing to renovate Crown Quadrangle to upgrade the facilities and make maximally efficient use of the space. It is remodeling the second floor of the Law Library, removing the stacks that presently fill much of the space and placing the books along the walls or shifting them to long-term storage and compact shelving. The space can then be transformed into a modern, light-filled study environment resembling the Law Library’s current first-floor reading room. This will increase seating capacity on the second floor by 77%, from 79 to 140 seats, and increase the options available to students and student groups for productive learning space.

Third, the Law School seeks to construct an academic building capable of accommodating its growing faculty and academic programs. Continued success and expansion of the clinical and academic programs described above depends on development of highly functional space that facilitates effective use of advanced information technology. The school’s faculty count, including clinical faculty and senior lecturers, has risen from 45 in 2005 to 55 this academic year; the total body count at the Law School (faculty, staff, and other teaching personnel) has grown from 249 as of December 2005 to 272 as of September 2006. When Crown Quadrangle opened in 1975, that count was 143. It is projected to exceed 300 by 2010. At this rate the school’s space needs will shortly reach critical proportions, and it is therefore moving forward as quickly as possible with the new building.
Initiatives and Priorities

Educating and training future leaders is an essential and defining aspect of the School of Medicine’s capacity to translate discovery and foster innovation, thus improving health through research and its application to patient care. Changes in education and training programs also affect the disciplinary alignments and workforce supply needed to assure the continued success of the school and the biomedical research enterprise.

A new curriculum, the first phase of which was introduced in fall 2003, will educate future leaders in innovation, discovery, and scholarship. Other educational initiatives take advantage of the broad opportunities available at Stanford for interdisciplinary education to offer enhanced joint degree programs, including expanded MD/PhD programs in science and other disciplines. The recently created Master’s of Science in Medicine program will enable PhD students to become more knowledgeable about clinical medicine and the opportunities for translating discoveries. This program, entering its second-year class, is supported by the school and the Howard Hughes Medical Institute. The school has also launched the new Advanced Residency Training at Stanford (ARTS) program, the goal of which is to foster development of physicians with comprehensive scientific training. ARTS will enroll its first two students in 2007/08. ARTS students are clinical residents or fellows who will pursue their PhDs in science while completing their residency or fellowship training.

Promoting translational and interdisciplinary research and pursuing translational medicine continue to be central to the school’s overarching mission. In 2006/07, two major gifts helped to solidify the development of the infrastructure for translational research. The first gift, from the Ludwig Foundation, will support development of the Ludwig Cancer Center. The second gift, from Jill and John Freidenrich, will support development of a new Center for Translational Medicine.

The California Institute for Regenerative Medicine (CIRM) will provide $3.0 billion of funding for stem cell research over 10 years. In early 2007, the CIRM announced its second and third rounds of awards. To date, Stanford has received 20 of the 119 awards for a total of $28.9 million, the highest amount received by any school or university in California. This achievement—made more remarkable by Stanford’s small faculty size in comparison to its peers—is a terrific success and signifies the high quality of the school’s faculty. But it is also a beginning, a recognition that the hard work of advancing knowledge in stem cell research and regenerative medicine is truly under way.

Consolidated Budget Overview

In 2007/08, the School of Medicine projects a surplus from operations of $40.3 million and a transfer to plant and endowment of $47.1 million, netting a $6.7 million deficit. Expenses are projected to increase 6.4% and revenues 5.8% over projected 2006/07 results. Of the school’s total revenue and transfers, sponsored

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research accounts for 36.3%; healthcare services and tuition contribute 30.5% and 2.7%, respectively; and expendable gifts, endowment income, and other designated income, such as patent and investment income, generate the majority of the remainder.

Revenue Growth

Revenues are projected to increase 5.8% for 2007/08. Key drivers of this growth are:

- Endowment income, which is projected to increase 11.6%, reflecting the University Budget Office’s projections for growth.
- Expendable gift revenue, which is expected to increase 2.9% as a result of development efforts focused on interdisciplinary initiatives.
- Investment income, including income from the expendable and endowment income funds pools, which is projected to decline about 2.0% because of lower average fund balances for the year.
- Sponsored research revenue, which is expected to grow 4.9% based on current-year trends as well as the expectation of new awards from the CIRM.
- Clinical professional service agreement and service payment revenues, which are projected to grow 8.5%, primarily as a result of growth in clinical faculty and expansion of clinical programs. However, net departmental income from clinical operations is projected to decrease 22.5% as compensation expenditures for new and existing faculty and clinician educators grow faster than clinical revenues.

Expense Growth

The school’s 2007/08 budget plan includes recruitment of approximately 34 incremental faculty and related expenses, including program support and staff. These faculty will be recruited for the interdisciplinary institutes and the growing clinical practices.

Overall expenses are projected to increase 6.4%, or $65.8 million, in 2007/08. The major components of this increase are:

- A $24.8 million increase in academic salaries. This includes a projected average merit increase of 4.5%, plus the increases in compensation related to recruitment of incremental faculty.
- An $18.7 million increase in benefits for academic and staff employees.
- A $12.7 million increase in noncompensation expenditures, primarily associated with the increase in sponsored projects.

Transfers to Plant, Endowment, and Other Entities

The projected transfers to plant of $25.4 million include $9.4 million for the commencement of Learning and Knowledge Center (LKC) Connective Elements construction, $10.0 million for tenant improvements to leased laboratory space, $1.5 million for strategic capital projects, and $4.5 million for department capital projects. The projected transfers to endowment include $10.0 million from the dean’s office, $4.7 million from the Blood Center, and $7.0 million from departments.

Infrastructure/Capital Plan

The new facilities identified above are critical for the success of the initiatives and programs and for continued leadership of the school in medical research and education. In 2007/08, the major construction projects will be launched, namely, the Learning and Knowledge Center (LKC) building and the LKC Connective Elements utilities and below-grade loading dock and extended tunnels. Concurrently, programming and schematic design for the Stanford Institutes of Medicine (SIM) #1 building will begin. December 2008 will see the completion of Stanford Hospitals and Clinics’ Redwood City Outpatient Center.

Expanded off-campus space at 1050 Arastradero Road, the temporary home of Stem Cell Biology and Regenerative Medicine and the Neuroscience Institute, will be ready for occupancy by faculty members in September 2007. Additionally, the School of Medicine will move approximately 200 administrative staff to leased space in Menlo Park by the beginning of 2007/08.

In March 2007, the School of Medicine, as part of the $4.3 billion Stanford Challenge campaign launched in October 2006, received a $5.0 million contribution from Akiko Yamazaki and Jerry Yang for the LKC. One of Stanford’s most esteemed faculty members, Dr. Paul Berg, contributed $4 million to the LKC. Also, the school received a $33.0 million gift from Lorry Lokey for SIM #1, which will focus on stem cell biology and regenerative medicine. These contributions are critical to helping Stanford School of Medicine become the transformational leader of the 21st century that we believe it is destined to become.
VICE PROVOST FOR UNDERGRADUATE EDUCATION

INITIATIVES AND PRIORITIES

In 2007/08, the Vice Provost for Undergraduate Education (VPUE) will continue evolving into a unified central resource for undergraduates that both promotes student-faculty partnerships and provides informed and individualized educational guidance.

The budget plan for 2007/08 builds on the efforts made to date as VPUE continues to adjust and refine the structure and quality of academic advising and enhance opportunities for students’ intellectual engagement both in and outside the classroom. VPUE is moving forward in two distinct but interrelated directions:

- Creating a compelling presence on the undergraduate landscape for programs and resources.
- Building a system of comprehensive advising that meets the needs of all undergraduate students and complements the efforts of other offices across campus.

Part of the mission is to counter the possibility that undergraduates are not fully availing themselves of professional advising at the right moments or in adequate numbers, or taking full advantage of the resources available. VPUE is therefore working to provide one place—via the Internet and on campus—where students can discover the wealth of opportunities available at Stanford, and have their questions and concerns addressed. A new communications manager will lead efforts to improve print and online communications, and a complete reorganization of the space in Sweet Hall will transform the building into the nexus of resources and support for undergraduate academic lives.

The system of advising that VPUE has been building provides students with a broad understanding of the curriculum across schools, academic policies and regulations, resources for academic support, and extracurricular academic and intellectual opportunities. VPUE continues to believe that the combination of faculty advisors and Academic Directors (ADs) in residences gives students that broad understanding, providing the complementary resources of advising and intellectual mentoring. VPUE will therefore augment university presidential funding to continue the three existing AD positions for at least another two years.

Other efforts to improve advising in 2007/08 include:

- increasing the number of faculty advisors,
- increasing programming funds available to ADs,
- providing funds to faculty advisors to host Faculty Club meals with their students,
- focusing on the advising needs of sophomores by assessing these needs and designating an existing professional advisor as “AD for the Row” at 50 percent time, and

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<th>2007/08 CONSOLIDATED REVENUES</th>
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redefining and upgrading an existing position in the Freshman Dean’s Office to include more academic advising and outreach functions.

To complement its advising efforts, VPUE plans to increase interrelationships with departments and schools throughout the university. A new senior associate vice provost will be added in 2007/08 to work closely with such VPUE curricular programs as Introduction to the Humanities, the Program in Writing and Rhetoric, the Introductory Seminars, and the Bing Overseas Studies Program. This position will communicate with academic units throughout the university on matters related to undergraduate education.

VPUE will begin managing the academic standing process in 2007/08. To smoothly guide students through the administrative processes related to academic standing and petitions for academic exceptions, VPUE will create a new Student Services Officer position. To address data management needs related to academic standing—and unmet needs across many VPUE organizations—a new data analyst will also be hired. A smooth process will benefit students, but more important will be an improved undergraduate advising system, which can help students choose their best path when faced with issues concerning their academic standing.

VPUE continues to be extremely enthusiastic about the renaissance of undergraduate education at Stanford. For a number of years, that renaissance focused on expanding opportunities for students. While VPUE continues this expansion, the renaissance demands a corresponding expansion of assistance to students in making sense of the various options available to them.

**Consolidated Budget Overview**

VPUE’s recent history of consolidated deficits will continue in 20007/08; fund balances will decline by $1.2 million. Revenues will be $2.7 million over budget due to higher than expected endowment payout returns from accelerated pledge payments from the Campaign for Undergraduate Education (CUE) campaign. Net transfers, though, will decrease, as anticipated one-time funding to support the Bing Overseas Studies program has expired and VPUE support given to other budget units has increased. The consolidated deficit in the 2007/08 budget plan will be $400,000 more than the 2006/07 year end projection.

The unit’s consolidated deficit would improve in 2007/08, except that $1 million of local reserves (captured as a non-salary expense for the short term as planning is refined) will be used to renovate Sweet Hall to unite all VPUE staff under one roof. Including this $1 million change, fund balances will decline by $1.2 million. Revenues will continue to grow significantly—by nearly $3 million, or 13%—including nearly $2.6 million of endowment payout growth. Expenses and transfers to other budget units will also grow, though, by $2.5 million, or 6%, as VPUE continues to use accumulated reserves to fund programmatic growth.

To the extent possible, VPUE will reallocate existing resources to pay for that programmatic growth. This is especially true of several of the new positions that will be added for 2007/08. Additional improvements, such as those to be made in the advising area, are so important that VPUE is willing to deficit-spend to implement them. These include VPUE’s contribution to the Academic Directors (AD) program, increasing programming funds for ADs, and increasing faculty advisors. Further, the Bing Overseas Studies Program hopes to aggressively increase opportunities available to students, spending up to $1.2 million of reserves to do so. Unfortunately, those plans may need to be tempered as the increasingly weak U.S. dollar makes it increasingly difficult to pay for even existing overseas programs.

Assuming the university’s endowment achieves the excellent returns projected by the University Budget Office and donors continue to fulfill their pledges from the CUE campaign, VPUE’s finances will be near equilibrium in 2008/09.

**Infrastructure/Capital Plan**

The university’s tightening space situation is the impetus for the Sweet Hall space reorganization mentioned above. Not only will the building and its exterior spaces be renovated to provide a more inviting and engaging physical presence for students, but more than 60 VPUE employees currently occupying space in the Main Quad and in Meyer Library will move to the building. With these additional staff and increased student traffic due to the transfer of the academic standing function, Sweet Hall will be a vivacious center where undergraduate students can discover all that Stanford has to offer.
VICE PROVOST AND DEAN OF RESEARCH

Initiatives and Priorities

The Office of the Vice Provost and Dean of Research (DoR) is responsible for the development and oversight of research policy; oversight of the independent laboratories, institutes, and centers; and management of the Offices of Technology Licensing, Science Outreach, Environmental Health and Safety, Research Compliance, and the Sexual Harassment Policy Office.

The intellectual excitement associated with Stanford’s independent laboratories, institutes, and centers continues to influence research and scholarship at Stanford. Remarkable research opportunities for faculty are emerging from new partnerships with SLAC. Taking advantage of these opportunities for large-scale, federally funded research in physics, applied physics, chemistry, biological sciences, and materials sciences requires investment in the Stanford-based operations of the Kavli Institute for Particle Astrophysics and Cosmology, Photon Ultrafast Laser Science and Engineering (PULSE), and the newest independent lab, X-Ray Laboratory for Advanced Materials (XLAM). PULSE and XLAM were created at the behest of the Department of Energy.

Historically, the independent labs, institutes, and centers have played a central role in enhancing multidisciplinary research at Stanford. For example, several of them provide valuable seed grants for collaborations among faculty from different disciplines and schools. The importance of their contributions is increasingly apparent as the university implements the international, environmental, and human health initiatives of the Stanford Challenge. Three of the independent labs, the Freeman Spogli Institute, the Woods Institute, and Bio-X, are foci of many activities related to these initiatives and are involved in recruiting faculty whose interests bridge disciplines, in keeping with the goals of the Stanford Challenge.

The full impact of the Stanford Challenge on the infrastructure of the DoR and its constituent units is not yet known. However, the infrastructure will need to be organized to support multidisciplinary research. The DoR is looking at ways to share facilities, administrative, and other resources to support all the activities related to the initiatives. The infrastructure of the administrative units that support faculty research and scholarship will remain lean even as research expands with the initiatives, new facilities, and new faculty.

The most active teams in the upcoming year include the Research Compliance Office, which has achieved full accreditation by the Association for the Accreditation of Human Research Protection Programs. It received high marks for institutional commitment, a university-wide culture of concern about human subjects in research, effective procedures for managing conflict of interest, and the quality of undergraduate research protocols. In addition, Stanford University received high marks in the American Association for Accreditation of Laboratory Animal Care review earlier this year; the program for routine inspections

![Pie chart showing 2007/08 consolidated revenues and distribution by source](image)

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<td>Salaries and Benefits</td>
<td>66.8</td>
<td>72.7</td>
<td>81.0</td>
</tr>
<tr>
<td>Non-Salary</td>
<td>94.1</td>
<td>91.9</td>
<td>79.4</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>160.8</td>
<td>164.6</td>
<td>160.3</td>
</tr>
<tr>
<td>Operating Results</td>
<td>18.5</td>
<td>3.2</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Transfers From (to) Endowment &amp; Other Assets</td>
<td>2.4 (25.3)</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>Transfers to Plant</td>
<td>(1.1)</td>
<td>(4.9)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Surplus / (Deficit)</td>
<td>19.8</td>
<td>(27.0)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Beginning Fund Balances</td>
<td>402.6</td>
<td>422.4</td>
<td>377.7</td>
</tr>
<tr>
<td>Ending Fund Balances</td>
<td>422.4</td>
<td>395.4</td>
<td>375.8</td>
</tr>
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</table>
of research labs where animals are studied was praised in particular.

Also, the Research Compliance Office is adding a Stem Cell Research Oversight Panel to review protocols for human embryonic stem cell (hESC) and adult stem cell research consistent with the requirements of the National Academies of Science and the California Institute of Regenerative Medicine (CIRM). Stanford has received approximately $28.9 million from CIRM for hESC research, more than any other institution in California.

Next, the Environmental Health and Safety (EH&S) office is responsible for risk reduction and compliance related to laboratory biosafety, health physics, and hazardous materials. In addition, EH&S has broader responsibilities for fire and life safety protection, occupational health, and emergency management and preparedness. EH&S is preparing to address new guidelines on biosecurity, which are expected to be released in summer 2007.

And finally, since its inception in May 2003, the Office of Science Outreach (OSO) has assisted Stanford faculty in obtaining approximately $25 million in NSF research grants and contracts. OSO services have provided the “science outreach” components of these proposals. Two new NSF Centers have been funded, and 90% of faculty who used OSO services to develop their NSF Career Award proposals, received awards. OSO has been able to offer ideas, partnerships, and programs in which faculty could participate.

**Consolidated Budget Overview**

The Office of the Vice Provost and Dean of Research (DoR) expects to have a $1.9 million planned deficit in fiscal year 2007/08. The deficit is due to the continued investment in growth of the independent laboratories, institutes and centers using prior year funds to support the programs.

2007/08 revenues are projected to decrease by 6.4% or $10.1 million as compared to 2006/07. This is primarily due to a projected decrease in research volume and the transition of the Stanford Graduate Fellowship Program from the DoR to the Office of the Vice Provost for Graduate Education (VPGE).

Research volume within the DoR is expected to decrease 13% or $12 million in 2007/08 primarily due to the phase down or completion of several large NASA mission projects with significant subcontracts and SLAC participation. These projects are administered through the Hansen Experimental Physics Laboratory (HEPL). Gravity Probe-B is expected to come to a close in 2007/08, the Gamma Large Area Space Telescope is expected to launch in late 2007, and the Helioseismic and Magnetic Imager for Solar Dynamics Observatory has a target launch date in 2008. It is not expected that these projects will be replaced with sponsored project activity on a similar scale in fiscal year 2007/08, which is due in part to changes of research priorities and budget constraints at NASA and other federal sponsors. It is important to note that while this represents a significant decrease in overall research volume, nearly all of this decrease will occur in the off-campus subcontracts components of these projects. The on-campus impact is expected to be minimal.

Several of the newer independent laboratories, institutes and centers are ramping up and establishing core staff and programs. This growth can be seen in the projected 11% increase in compensation expenses. Non-compensation expenses are projected to decrease by 13% primarily due to the phase down of HEPL’s large subcontracts. Excluding HEPL, compensation expenses are projected to increase by 14% and non-compensation expenses are projected to increase by 15%.

**Infrastructure/Capital Plan**

Capital facilities play a key role in the DoR’s support of Stanford’s research goals. The office is currently responsible for the facilities operation of 15 independent laboratories and six administrative offices covering more than 778,000 square feet. This responsibility will increase substantially over the next several years with the construction within SEQ II of four new buildings, which are expected to add approximately 360,000 square feet. The DoR has spent $4.3 million in 2005/06 and 2006/07 on facilities, which includes work on renovations, moves, build-outs, and fittings), and has additional facilities commitments of about $2 million in 2007/08.

In response to the space charge, the DoR will work with the units to find ways to utilize space more efficiently. Since a number of the independent labs, centers, programs, and administrative units have recently moved or will soon move into new locations and/or buildings (e.g., SEQ II), the DoR will work to optimize space utilization over the next few years.
The Hoover Institution is a center for scholarship, public policy research, and archival activities. It is committed to examining, generating, and disseminating ideas that define a free society. Hoover fellows focus on how society approaches collective concerns while balancing the demands of freedom and order. The library and archives strive to create an accessible historical record of this balance.

The institution’s research program is organized around seven initiatives that are consistent with its missions to improve the human condition, secure and safeguard peace, and seek representative yet limited government. They are:

- Economic Prosperity and Fiscal Responsibility
- American Educational Institutions and Academic Performance
- Individual Freedom and the Rule of Law
- The Growth of Government and Accountability to Society
- American Individualism and Societal Values
- Diminishing Collectivism and Evolving Democratic Capitalism
- National Priorities, International Rivalries, and Global Cooperation

As part of the Challenge, the Hoover Institution is seeking funds to launch various task forces that support the above seven initiatives. These task forces allow collaboration by fellows across the disciplines of economics, history, law, and political science. These multiyear efforts create an environment of deep analysis and vigorous dialogue. They strive to generate, publish, and disseminate ideas that encourage the formation of policies that support our vision.

The new task forces will follow the successful model of Hoover’s Koret Task Force on K–12 Education, now entering its ninth year. The Koret Task Force deepens research in the American Educational Institutions and Academic Performance initiative. Recently, it has begun to prepare analyses of educational systems at a state level.

The task forces made possible by the Stanford Challenge will similarly be aligned with the institution’s initiatives. To date, the institution has secured seed funding and identified scholars for the following five task forces:

- Middle East Ideologies, Fundamentalism, and Terrorism
- National Security and the Rule of Law
- Health Care Reform
- Individualism, Collective Interests, and Common Values
- Property Rights, Freedom, and Prosperity

Challenge funds will also be used to endow new chairs, attracting scholars who will help expand the institution’s research capabilities.

Hoover fellows and scholars are encouraged to base their research and publications on material found in
the library and archives. Hoover’s Radio Free Europe / Radio Liberty archives have sparked extraordinary interest, leading scholars to research effective means of cross-cultural cross-boundary communication. Indeed, research in these archives has led to a project on communicating with the Islamic world and underlies the plans for the Middle East Ideologies, Fundamentalism, and Terrorism Task Force. Additionally, the growing archive of materials from post–World War II China and Taiwan is the basis for the formative Modern China research project.

The institution’s communications and outreach functions look to promote the ideas and scholarship of Hoover fellows within the increasingly competitive landscape of audiences seeking easy access to information. Communications activities focus on the Internet, periodical publications, radio, and engagements with print and broadcast journalists. They include:

- Books, essays, and articles written by Hoover scholars appearing in the popular press, newspapers, and scholarly journals, and on the Hoover website
- Opinion articles (and supporting documents) by Hoover fellows appearing on the op-ed pages of major newspapers, magazines, periodicals, and on the Internet
- Television and radio appearances by fellows on national and local news, public information forums, and call-in radio programs
- Media Fellows program, which enables working media to interact with resident Hoover fellows on site at the Hoover Institution
- News releases and daily reports detailing the intellectual product of the institution via Hoover’s quarterly newsletter and its website

The institution plans to augment its communication efforts in the future by reengineering its website, developing new Web-based programs, and producing a radio program.

**Consolidated Budget Overview**

The Hoover Institution expects to end 2006/07 in solid financial position. Expenses are projected to be under budget by greater than $1 million, largely due to unanticipated delays in hiring new scholar and staff positions. Revenues are forecast to be more than $2 million above budget because of an increase in the payout amount in the Hoover endowment funds, and expected Challenge and special project gifts to be received by year-end. The net result is a projected year-end increase in current funds of approximately $2.5 million.

The budget outlook for the institution is similarly very strong, with a balanced budget projected for 2007/08 and beyond. This positive outlook results from budgeted revenue growth of 9% over the 2006/07 year-end projection. The increase is driven by a 13.5% growth in endowment payout. That growth reflects the recent strong performance of the institution’s endowment, which is managed by the Stanford Management Company. The expendable gift target has been increased by 8% over the prior year’s base budget. Special project gifts have also been budgeted to grow at rates consistent with historical averages. This growth includes anticipated gifts associated with Hoover’s participation in the Stanford Challenge.

On the expense side, the institution’s budget for 2007/08 calls for growth of 7% over the 2006/07 year-end projection. The growth includes new programmatic expenses in the communications arena, new preservation staff in the library and archives, and preliminary expenses of several of the task forces planned around the Stanford Challenge. To accommodate the Challenge, development expenses are scheduled to increase, including new staff positions and a modified event schedule. Targeted recruitment of new scholars and staff will continue in 2007/08, allowing the institution to pursue its programmatic objectives. The net result of the revenue and expense growth is a projected year-end increase in current funds of approximately $3.5 million.

**Infrastructure/Capital Plan**

Hoover has expanded and improved the archives’ preservation capabilities by building a state-of-the-art preservation lab. Construction of the lab and purchases of capital equipment have been completed.

The final component of the Hoover Institution’s participation in the Stanford Challenge includes raising funds for capital projects, specifically, a new building. Fund-raising plans are still in their preliminary phases on this project, and no significant capital expenses are expected in 2007/08.
Initiatives and Priorities

SULAIR’s 2007/08 budget includes a significant, and much needed, investment in the library materials budget, meaningfully improving SULAIR’s ability to provide both traditional and electronic versions of the books, journals, and other materials Stanford students and faculty require for teaching, learning, and research. Two main factors drive this need. First, prices for commercially published journals have risen dramatically over the past 20 years, and price increases in the publishing industry overall have significantly exceeded inflation during this period. Thus, the library materials budget has been losing purchasing power over the past few years. Also, recent expansions in the research interests of Stanford faculty have necessitated unexpected collection building, as well as ongoing acquisitions. Examples include Korean Studies and Byzantine Art Studies. Support from the Provost’s budget process, along with modest additions for topics new to Stanford, has helped bolster the library materials budget.

Strategic Directions

For many years, SULAIR has been a leader in the exploitation of digital information resources and network-based information services. SULAIR’s diverse projects include HighWire Press, CourseWork (Stanford’s primary course management and research collaboration system), numerous digitization projects (including the Google Book Search program), and a host of necessary infrastructure developments. Nevertheless, trends toward digital modes of scholarly communication indicate that SULAIR must accelerate its move to a digital environment. With incremental support in this year’s budget, SULAIR is extending its digital library infrastructure and will continue to build out the Stanford Digital Repository.

SULAIR is increasing the flow of e-books, e-articles, e-maps, and other digital formats, which will affect planning for new SULAIR facilities. For scientific disciplines, SULAIR is engaged in defining and developing “bookless” libraries, redefining the roles and methods of librarians and academic computing professionals, and supporting the rapid conversion to digital means and methods in teaching and research. For other disciplines, SULAIR must exploit the possibilities of increased digital publishing and mass digitization, and tune its academic computing services and facilities to the increasingly digital expectations of students and faculty.

Programmatic Plans

SULAIR has strengthened its organization by establishing an Associate University Librarian for Science and Engineering Libraries and hiring a new head of the Engineering Library. These appointments coincide with planning for a new Engineering Library. Working closely with the School of Engineering’s executive committee and other faculty, SULAIR staff developed the program statement and specifications
now being developed by the architects. SULAIR is also adding two professional staff in the Engineering Library, meeting the redefined roles of staff in this new, digitized world.

**Interdisciplinary Activities**

A university-based research library is interdisciplinary at its core, and SULAIR excels in this environment, in part because it has over time incorporated Academic Computing, HighWire Press, and the Stanford University Press. SULAIR supports a wide breadth of subject, language, and regional coverage in collecting and reference programs, as well as a productive mix of functional specialties that collaborate on opportunities and challenges, driven by faculty interests and needs.

**Impact of the Stanford Challenge**

New research programs arising from the Stanford Challenge will inevitably mean new requirements for information services from SULAIR, which has an important role in the planning for such programs. SULAIR must ensure that fund-raising plans incorporate a holistic view of resource needs.

The Provost has approved fund-raising for several curatorial endowments under the Stanford Challenge. If SULAIR finds donors for those chairs, it will be able to reallocate base budget salaries to other areas of need and develop specialists internally. For example, should endowment funding support the University Archivist position, SULAIR will appoint an Assistant University Archivist as apprentice and successor to incumbent Maggie Kimball, to assure continuity and deep knowledge transfer.

**Consolidated Budget Overview**

SULAIR projects an operating deficit of $2.6 million across all funds in 2007/08 and will cover that deficit with existing fund balances. SULAIR’s operating budget will be balanced at $57.4 million; HighWire Press, SU Press, and SULAIR’s auxiliaries, project a combined deficit of $2.0 million; expenses in restricted and university research funds are expected to exceed revenue by $1.1 million.

SULAIR’s consolidated revenue of $92.6 million include $46.5 million in general funds, $10.9 million in restricted funds, and Endowment income of $10.9 million. Designated revenue is expected to decrease by $400,000 to a level of $2.3 million, gifts are expected to remain stable at $300,000, and SULAIR projects $600,000 in grant funding. SULAIR’s auxiliaries project combined revenues of $29.8 million, a 7% increase over 2006/07.

SULAIR’s operating budget includes $33.9 million for compensation expenses, $15.8 million for library materials, and $7.7 million in other operating expenses. The auxiliaries project combined expenses of $31.8 million, which includes the cost of four major HighWire Press initiatives. Restricted funds expenses include $4.5 million for library materials and $400,000 in other expenses. University research expenses are estimated to be $700,000 and serve as matching funds for the projected grant funding.

**Infrastructure/Capital Plan**

The new Engineering Library, currently in design as a major component of SEQ II, is SULAIR’s single approved project in the 2008 three-year capital plan. Decisions on a number of proposed projects await the outcomes of Meyer and Cubberley seismic retrofit studies. At present, demolition of Meyer Library appears likely, with numerous consequences:

- The transfer rate of materials to Stanford Auxiliary Library 3 (SAL3) must double or triple to handle loss of underground stacks. This increase will accelerate the need for SAL3 expansion.
- The East Asia Library will need accommodation elsewhere, likely Green, with numerous displacement effects, including on SAL3.
- Processing staff must be accommodated at North Campus or elsewhere, with major operational impacts.
- Academic Computing will need new space, presumably a building just south of Meyer.

SAL3 expansion remains a very high SULAIR priority, particularly as SULAIR develops plans to reverse growth of on-campus stacks, even as new acquisitions continue. Meyer’s closure, the potential Cubberley Library surge, and off-campus relocation of the bulk of the Engineering Library print collections will all accelerate the rate at which SAL3 will reach saturation, currently projected within the next three years.
STANFORD LINEAR ACCELERATOR CENTER

INITIATIVES AND PRIORITIES

As a National User Facility of the Department of Energy (DOE), Stanford Linear Accelerator (SLAC) each year continues to provide world-class experimental facilities to about 3,000 scientists from all over the world. We have two main research programs, Photon Science and Particle Astrophysics. The accelerator facilities at SLAC deliver electron and positron beam characteristics unmatched anywhere in the world.

The construction of Linac Coherent Light Source (LCLS) will add another unique facility: the world’s first x-ray free electron laser, delivering x-ray beams of unprecedented brightness in femtosecond pulses with full transverse coherence. These extraordinary beams will explore previously inaccessible realms of structural dynamics in the chemical, biological, and materials sciences as well as find new applications in nanoscale phenomenology and atomic and plasma physics. A suite of four instruments specifically designed for LCLS ultrafast science research will be built. The initial LCLS scientific experiments are expected to begin in 2009.

Also, the ultra-high intensity x-ray synchrotron radiation at SPEAR3 of the Stanford Synchrotron Radiation Laboratory serves many areas of science, including materials sciences, structural biology, and chemistry. Completion of new beam lines will provide access to more users at the state-of-the-art facility. In 2008, a new beam line for nanoscale research will begin operation at midyear, and one for macromolecular crystallography will begin installation in the summer.

Photon Science will see growth in the interdisciplinary research areas driven by the capabilities of SPEAR3 and LCLS. Several interdisciplinary research areas, including PULSE, XLAM, and the environmental molecular sciences and structural biology, are growing at SLAC.

Currently SLAC’s main experimental particle physics program is the PEP-II/BaBar B Factory, which examines a cosmological mystery: the crucial matter-antimatter asymmetry that led to the existence of the visible universe. The research is being carried out by 600 physicists from 11 countries. The focus for the year will be on maximizing data collection prior to the planned conclusion of experimental operations in September 2008. The future accelerator-based particle physics initiative is called the International Linear Collider (ILC). In 2007/08, the coordinated international R&D program of the ILC will continue and a detailed design study will proceed on the critical elements necessary to build a linear collider at minimum cost.

The Kavli Institute for Particle Astrophysics and Cosmology, which is a department within the Dean of Research, is involved with the telescope for the Gamma Ray Large Area Telescope (GLAST) mission. It also helps with R&D for a proposed Dark Energy experiment, the ground-based Large Synoptic Survey Telescope. GLAST is a space-based gamma ray telescope, built at SLAC by an international collaboration led by the Stanford team (SLAC, Physics Department, and HEPL), to be launched in early 2008. GLAST research will explore how cosmic accelerators work, including active galactic nuclei and gamma ray bursters, as well as search for dark matter in our galaxy. SLAC is the Instrument Science Operations Center for the GLAST mission.

SLAC sees significant opportunities to leverage the considerable federal investment through third-party gifts or donations. Such resources will enable sufficient funding for endowed faculty chairs to attract prominent scientists and for fellowships to attract the most talented graduate students and post-doctoral students. In the infrastructure area, new buildings, optimally configured to support the expanding Photon Science agenda and replacing old and inadequate space, will help greatly to accommodate the expanding programs in ultrafast science (the PULSE Center) and advanced materials research (the XLAM Center). They will also enable planned initiatives in Energy and the Environment and Biocomplexity. The Stanford Challenge provides a valuable framework for raising funds for these initiatives, most of which have direct coupling to main campus activities through joint faculty appointments and faculty research programs.

CONSOLIDATED BUDGET OVERVIEW

The DOE Office of Science provides 98% of the funding for SLAC, primarily from the Offices of Basic Energy Sciences (DOE-BES) and High Energy Physics (DOE-HEP).

Total SLAC costs in 2007/08 are expected to be $340 million, about $40 million lower than these costs projected in 2006/07 due to the LCLS construction project. Conventional facilities for LCLS are expected...
to be completed in early 2008, and the project will progress to installing technical components to be ready for the first phase of operations in 2009. DOE-BES is funding the construction of LCLS and the fabrication of the LCLS Ultrafast Science Instruments (LUSI). The total funding for the construction of LCLS is $315 million, including $101 million in 2006/07 and $51 million in 2007/08. The LCLS project is a collaboration with Argonne National Laboratory (ANL) and Lawrence Livermore National Laboratory (LLNL). The LCLS Project Office resides at SLAC, and DOE provides all project funding to SLAC. Therefore, costs at SLAC include those associated with funding passed through to ANL and LLNL.

Since the inception of SLAC, funding for the operation of the SLAC linear accelerator (linac), which is currently being used primarily as an injector for the PEP-II B Factory, has been the responsibility of DOE-HEP. The B Factory experimental operation is expected to conclude in 2008. In preparation for operation of LCLS in 2009, the DOE has been transitioning the funding support for the linac from DOE-HEP to DOE-BES, with 2007/08 marking the third and final year of split funding: $190 million from DOE-BES (58% of the DOE funding) and $125 million from DOE-HEP (38% of the DOE funding).

**Infrastructure/Capital Plan**

SLAC will be continuing with the $15.6 million infrastructure upgrade project, funded by DOE, to replace a portion of the aging underground mechanical utilities and to improve the seismic safety of several important facilities for research, experimental operations, and computing. The construction work is phased to coordinate with the accelerator operations schedule and will be completed in 2009.

In 2007/08, SLAC will initiate an $11 million renovation of the two-story wing of the Central Laboratory Building, funded by DOE, to house offices and laser laboratories for the PULSE Center. The renovation will be completed in 2009.

**Vice Provost for Graduate Education**

The emergence as a new budget unit of the Office of the Vice Provost for Graduate Education (VPGE) is an intense time of planning. With the initiatives being driven by the President and Provost, there is a great opportunity to enhance graduate education at Stanford. In order to establish the office and plan programs to address the initiatives, VPGE expects to spend $1.5 million in salaries and another $2.8 million in non-salary funds to accomplish its goals. One initial goal is to expand the interdisciplinary opportunities for graduate students. These include courses and workshops open to graduate students across Stanford’s seven schools. Another goal is to increase diversity within the student body. This will be accomplished through several university-wide recruiting activities as well as funding to students and student groups.

The recent creation of the Office of the Vice Provost for Graduate Education signals the university’s commitment to enhancing the quality of graduate education—master’s, doctoral, and professional—across Stanford’s seven schools. The impetus for this office came from extensive institutional self-study in conjunction with the realization that Stanford is uniquely positioned to “reinvent graduate education,” as the Stanford Challenge fund-raising campaign sets forth.

In the early 1990s, most administrative functions and oversight of graduate education were decentralized to the schools, departments, and graduate programs. Over the following several years, the responsibility for setting and interpreting university-wide policies for graduate education was relocated within the Dean of Research and implemented by the Office of the Registrar and the seven schools.

In September 2004, President Hennessy convened the Commission on Graduate Education to articulate a vision of how graduate education at Stanford could be enhanced in light of emerging opportunities and challenges. The commission’s yearlong work culminated in a 2005 report. In addition to advocating for continued intellectual innovation and academic excellence in a broad range of fields, the commission set forth a bold vision to foster interdisciplinary learning, recruit a more diverse graduate student population, and prepare students for new kinds of leadership roles in light of vexing societal problems.

While the commission did not recommend reestablishing a centralized administrative structure to oversee graduate education, it identified several university-wide needs, including greater organizational flexibility to facilitate cross-school cooperation and improvement in key dimensions of graduate students’ educational experiences to optimize their learning within and
beyond their degree programs. A major recommendation was to create a new vice provost position and office to provide academic leadership in enhancing the quality of graduate education across the university.

With the appointment of Professor Patricia Gumport as Vice Provost for Graduate Education, the office opened in January 2007. VPGE has the opportunity to articulate a long-term vision while addressing short-term priorities and continuing to fulfill responsibilities inherited from the DoR.

Professor Gumport has identified three key parameters: (1) build on Stanford’s institutional legacies and track record of academic excellence and intellectual innovation across a wide range of fields; (2) work collaboratively with faculty, staff, and students across the schools on diagnosing and addressing existing policy issues; and (3) adopt a spirit of exploration and experimentation in devising initiatives to facilitate cross-school interactions for graduate students, expand learning opportunities to cultivate multidisciplinary understanding and leadership skills, and advance diversity in the graduate student population. Four priorities were then identified, for which VPGE will provide leadership and resources.

Advancing Graduate Student Diversity
There is considerable variation in the diversity—by gender, ethnicity, and citizenship—of the graduate student population across schools and programs, yet many challenges for student recruitment and retention remain. VPGE is convening diversity officers from the schools so that successful practices can be shared and recruitment opportunities expanded. VPGE supports university-wide graduate student recruitment activities, such as the GRADD weekend in February 2007. The Graduate Diversity Steering Committee, comprising students, faculty, and staff, has been established to advise the office on prioritizing and designing new initiatives. The university has also committed general funds for VPGE to allocate as direct student support aimed at recruiting and retaining a more diverse graduate student population.

Expanding Graduate Fellowship Programs
Providing funding directly to doctoral students allows them to pursue their intellectual passions and work with mentors in more than one department. For the last 10 years, Stanford Graduate Fellowships have provided generous financial support to hundreds of PhD students in the sciences and engineering. It has supported approximately 1,150 students in 40 departments, and more than 430 PhDs have been granted to SGF fellows. VPGE inherited the endowment for Stanford Graduate Fellowships. It is a strong endowment with a surplus of funds from 2006/07 of $16 million. In addition to the surplus, VPGE expects to have an income of about $19.6 million. With the combined amount, VPGE expects to expend about $22.2 million on fellowships for graduate students. At the end of 2007/08, VPGE plans to have a surplus of about $13 million.

Plans are under way for a new program, Stanford Interdisciplinary Graduate Fellowships (SIGF), to begin in 2007.

Promoting Cross-School Learning Opportunities
Expanding interdisciplinary learning opportunities is a cornerstone of the vision to reinvent graduate education. Courses and workshops are valuable settings in which graduate students can be exposed to intellectual foundations and analytical approaches across disciplines. Facilitating enrollment in courses outside of students’ home departments and schools is one organizational requirement. Another is enabling faculty to team teach and create courses drawing from expertise in multiple disciplines. The Stanford Graduate Summer Institute (SGSI) began offering interdisciplinary short courses in summer 2006, and more courses are being developed. Enthusiastic feedback from faculty and students suggests that SGSI is an effective model for facilitating dialogue and networking across the university.

A related objective is to expand opportunities that cultivate leadership skills—another form of cross-school learning—in pedagogy, communication, and entrepreneurship. VPGE collaborates with offices across the university, such as the Center for Teaching and Learning, the Graduate Life Office, and the Writing Center, to help raise the visibility and expand the breadth of these offerings.

Strengthening the Quality of Graduate Education in Degree Programs
Stanford’s long-standing reputation for academic excellence across graduate degree programs is one of the university’s most distinctive features. Continued investment in students, faculty, and academic departments is essential to maintain and extend
these strengths in light of increased competitiveness, new global challenges, and new opportunities for disciplinary expertise to inform multidisciplinary and interdisciplinary problem solving.

Responsibility for graduate education resides both organizationally and intellectually within the schools and academic departments, where faculty have a high degree of local control over such key activities as admissions decisions, curriculum requirements, mentoring, and advising, as well as teaching and research training. Nevertheless, graduate students may work in a wide range of settings on projects that advance disciplinary specialization as well as cross-disciplinary inquiry in collaborative projects, centers, and institutes. At Stanford, this evolving landscape creates much intellectual vitality along with organizational challenges in allocation of space, time, and financial support, as well as the oversight of quality in graduate students’ educational experiences.

Against this backdrop, VPGE supports active reflection and dialogue about the quality of graduate students’ educational experiences in their degree programs. Topics ripe for discussion and experimentation include ensuring adequate student funding; clarifying expectations for thesis development; monitoring student progress to degree; and preparing students for academic and nonacademic careers. By convening groups and distributing small amounts of incentive funding, VPGE works with faculty, staff, and students to explore promising practices and evidence of their effectiveness.