Welcome.

It is very good to see you all this morning.

In fact, given the sad news about the tragic loss of students Brett Olson and Jacob Van Staaveren, your presence is a welcome reminder that even when life deals out some harsh blows, there is so much to be grateful for.

Among many things we can be grateful for is the excellence personified by our distinguished honorees. You represent the best of what we have to offer our students. Congratulations, and thank you.

I believe a good place to start today is to reflect on our many strengths.

First, we head into this new year with a great deal of positive momentum.

We welcome another outstanding class of first-year students. They arrive with the highest collective set of grade-point averages and ACT scores in Cal Poly's history.

This summer, the Western Association of Schools and Colleges the WASC commission extended our accreditation another 10 years, the longest term allowed under the commission's guidelines.

And last winter, our students approved the new Student Success Fee, demonstrating their trust in us and their faith in the value of a Cal Poly degree. Katie [Morrow, ASI President], student leaders present, and all students listening - Thank you!

We have so many strengths: A highly motivated student body, an abundance of accomplished alumni, and the attention of countless prestigious employers eager to hire our graduates.
By the way, at a time when many critics of higher education complain that half of recent college graduates are unemployed, Cal Poly stands in sharp contrast to that. According to our most recent survey of our 2011 graduates, nearly 9 out of 10 respondents report that they are either employed full-time or continuing their education. These numbers are well above the national averages.

Another great strength of ours is our loyal base of generous alumni and industry supporters. This past year, in fact, our fundraising efforts resulted in a 15 percent increase over the prior year.

Yes, we have many strengths, and they flow from many sources. But no single source flows more readily or more deeply than the talent and commitment that you - our faculty and staff - provide our students. I cannot praise you enough for your dedication to our students' success, and I am especially grateful that you have remained so firmly focused on our mission during such a challenging era. Challenging not only for the university, but also for many of you and your families given the fact that wages have essentially been frozen for the past five years, and you had to take the furlough year, which amounted to basically a 10 percent pay cut. And yet you have remained remarkably resilient and determined.

In many conversations with you, one theme keeps popping up: Each of you believes that as good as Cal Poly is, we can be even better. It's really not surprising that many of you would feel that way, given that the concept of continuous improvement is an integral part of our Learn by Doing tradition. In fact, as I have contemplated the challenges we face and our possible responses to those challenges, it occurred to me that we will discover many of the solutions if we re-commit ourselves to the ideals of Learn by Doing.

What I am asking for is that we join in a campuswide commitment across all departments, all colleges, all operating divisions to embrace the essence of Learn by Doing. That we be open to change, open to new discoveries about how to improve - always striving to make things even better, resolutely committed to excellence.

Let's leverage the power of Learn by Doing. Let's do this in a collaborative, interdisciplinary way. And let's do it with one overarching goal in mind: A dramatic improvement in graduation rates.

To be sure, there are many good ways to measure success; I believe no measure is more basic or more easily understood than graduation rates. As you know, Cal Poly has the highest six-year graduation rate in the CSU system 76 percent. You should all be proud of this fact, as well as making improvements during a time of budget challenge.

Yet we all believe we can do better. And, on this score, we must. And we can.

As an example, a few years ago the Orfalea College of Business implemented peer advising and several other changes the net result was a 10 point increase in graduation rates in 5 years.

I believe our 6-year rate must rise to 90 percent or higher in 10 years.
Our 4-year rate, which now stands at 31 percent, needs to more than double in 10 years. Our stretch goal should be to crack the list of top universities with 4-year graduation rates. At present, the range of graduation rates for these 100 public and private universities is 77 percent to 96 percent (http://colleges.usnews.rankingsandreviews.com/best-colleges/rankings/highest-grad-rate). I know that's bold, but that means we have to implement some significant changes in a hurry. Let's crack this list, and I will personally pay for the party.

We all know that graduation rates are not the sole measure of student success. But to prospective or current students and parents, donors, and political supporters, graduation rate is a very clear measure of whether we're doing our jobs.

Now, we all know that improving graduation rates is a complex and nuanced process.

So, how do we get there?

Let me jump right into a controversial idea that might help us: Converting to semesters.

By the way, this topic was not on my radar screen at all during my first year or so on the job. In fact, it wasn't until earlier this year when the CSU Presidents group formed a committee on this issue, and colleagues asked me to serve.

Last spring, during our planned annual listening sessions, Provost Enz Finken and I met with a broad array of faculty and staff groups, as well as with student and alumni groups. A recurring issue in those discussions with the faculty was whether I believe we should convert to semesters.

I said then that I believe the benefits of converting to semesters outweigh the negatives. I believe there is a strategic advantage to be gained. But I also said that no decision would be made until we as a campus conducted a rigorous investigation of what could be gained and how conversion might affect the entire campus.

Conversion would be difficult work, no question about it. Conversion would be personally inconvenient for many of us. But in such a thorough examination of our curriculum, I believe we could find many opportunities to take even more innovative steps forward in the quality of our offerings.

In considering big changes such as converting to semesters, it's important to be clear about what is core to Cal Poly and what is not.

Learn by Doing is core. It is our trademark. More than a trademark, it is the one concept that captures the way Cal Poly is.

I believe it's possible that in the process of converting to semesters, we could solve several other issues as well.

We certainly need to streamline our curriculum while maintaining our strong comprehensive polytechnic identity. This includes a stronger embrace of digital technologies.
Twenty-six out of Cal Poly's 65 bachelor's programs require over 180 units. We need to ensure graduation very close to 180 units for most programs, which will aid our 4-year graduation rate.

We need more interdisciplinary opportunities for our students, and we need to stand out as a leader in addressing diversity and inclusivity issues in our curriculum.

One reason Cal Poly has been so successful is because we are willing to talk with each other candidly about ways we can improve. Cal Poly has enjoyed a strong tradition of shared governance, and I wholeheartedly embrace that tradition.

And so I am challenging us to come together in a collaborative and forward-looking spirit to rigorously investigate how converting to semesters would affect all areas of the campus.

Toward that goal, we are creating a Semester Conversion Task Force charged with exploring what would be involved if we were to convert. The task force will include faculty, staff, and students. It will conduct its work throughout the fall quarter and report back in December. During the process, the task force will consult with campus members, parents, and alumni.

Whatever we ultimately decide about converting to semesters, I believe our path forward to an ever-improving Cal Poly comes down to these areas of focus, which are inextricably linked to each other and to students' success, and they are derived from our Strategic Plan:

1. We must bolster the Teacher-Scholar Model.
2. We must enrich campus life, and, most crucially, that means improving the campus climate for diversity and inclusivity.
3. And we need to ensure our financial future.

Let me start by sharing my thoughts on bolstering the Teacher-Scholar Model.

Under Provost Enz Finken's direction, we are taking steps to continue our efforts to implement the Teacher-Scholar Model across all academic units. Last spring the Academic Senate passed a resolution asking the provost to charge the departments with reviewing their Retention, Promotion, and Tenure policies to ensure that in every department, faculty have clarity about what discipline-specific scholarly and creative activities they need to be engaged in to advance and enjoy rewarding careers. At the same time, this will provide colleges and individual departments with the opportunity to consider how to better recognize faculty efforts in support of our stated campus values. And, by that, I mean increasing opportunities for interdisciplinary inquiry, enhancing students' knowledge and understanding of issues around diversity and inclusivity, and furthering our efforts to bring more of the world to Cal Poly and more of Cal Poly to the world, thereby increasing our students' multicultural competency.

We have some initiatives under way that will help not only to provide enriched learning opportunities for students, faculty, and staff but also help to develop philanthropic and industry partnerships. These initiatives, if successful, will provide resources to bolster the Teacher-Scholar Model by increasing Learn by Doing experiences and, in turn, will contribute to students' success.
Among those initiatives is our Master's program in Dairy Science in the College of Agriculture, Food and Environmental Sciences, which is being underwritten by a $5 million contribution from Leprino Foods. Another is in the College of Engineering, where we are expanding partnerships with Northrup Grumman, Raytheon, Parsons, and others related to cyber-security issues.

We have another proposal that we are exploring that calls for the establishment of an interdisciplinary institute focused on finding solutions to a wide array of thorny, real-world problems. I think the specifics of the proposal are truly visionary, and they come to us from State Senator Sam Blakeslee, who is leaving the Senate at the end of this year and is retiring from elected office.

Senator Blakeslee has come to us with an idea for creating a non-partisan institute connected with all colleges whose purpose would be to examine the complicated intersections between innovative advanced technologies, cultural and social norms and practices, and public policy. Sam has made numerous presentations to various faculty and staff about this idea, the Deans have endorsed the idea, and it goes before the Academic Senate this fall.

Sam, I want to thank you for bringing this idea to us and for your willingness to help us with fundraising.

We see this non-partisan institute as providing opportunities for professional development for faculty and staff, providing enriched Learn by Doing opportunities for students, and a way to raise Cal Poly's stature in California and across the country. It's an opportunity to showcase Learn by Doing in action across the state and beyond.

Let me now turn our attention to the second point - the need to enhance our campus climate.

We all know that students' success hinges on a variety of factors: some we control and some we do not. We know for sure that students' lives outside the classroom affect their success in the classroom. Our goal is to enhance our campus climate to meet the academic and social needs of students - where they are, where they go, and where they need support. This could include adjustment of operating hours for various campus services and increasing the number and scope of gathering spaces and associated amenities such as food, internet, furnishings, etc.

Last year, several task forces looked at the issues related to an improved campus climate and at ways to improve students' likelihood of graduating.

One group, still working very hard, is the 24/7 Campus Life Enhancement Group. It is examining ways to improve the campus climate for students living on and off campus. Other groups, such as the Presidential Task Force on Substance Abuse and Sexual Assault, provided excellent recommendations, the majority of which have been implemented.

I would like to call attention to two initiatives that I believe speak well to our community's expectations of each other. The first is the Mustang Way, which Katie [Morrow, ASI President] so eloquently spoke about this morning. I like the fact that it was written by students for students
and yes, it can and should apply to all of us. I urge all faculty and staff to join students in embracing the Mustang Way. In particular, I would emphasize the point, â€œWe are One Community: Personal commitment and participation in the Cal Poly community is the cornerstone of the Mustang experience.â€

I also want to note that we have formally integrated the programming from the Aware Awake Alive Foundation, which was founded by Scott and Julia Starkey, the parents of the late Carson Starkey, whose tragic death has spurred all of us to more aggressively and constructively confront the high-risk dangers inherent in college drinking. This program is now moving across the country. Julia and Scott are with us today. Scott, Julia please stand and be recognized. Thank you for all you that you are doing. Your efforts in Carson's memory are inspiring to all of us, and you are making a real difference for all our students.

Both of these initiatives The Mustang Way and Aware Awake Alive are aimed at calling out the best in each of us, and I'm delighted to see these initiatives moving forward.

Another task force the Pipeline, Retention, and Graduation Action Group examined a variety of barriers that impede students' timely progress to degree. That group has made more than a dozen specific and measurable recommendations, many of which we are working to implement. One particular recommendation from that group is the need to better coordinate advising services. Thanks in part to money provided by the Student Success Fee, and with the leadership of faculty and staff in Academic Affairs and Student Affairs, we will create an Academic Success Center that will, among other objectives, coordinate and expand advising services for all students.

The Academic Success Center and other related efforts should also help us reduce the graduation rate gap for under-represented and first-generation students.

Another recommendation was that we find a way to expand scholarship opportunities for first-generation and partner high school students. We are currently piloting a program in the College of Engineering that targets first-generation students, providing them with a $3,000 annual scholarship each year to help defray costs for on-campus housing. In addition, they receive an iPad. Through our development efforts, we hope to increase both the number of Cal Poly Scholars in this program and the amount of the benefit.

What I like about this approach is that it encourages living in university housing, and studies consistently show that living in university housing improves the academic and emotional well-being of our students. 

As many of you have heard me say before, I believe it's crucial that, in the relatively near term, we provide more university housing for students. We have been aggressively exploring ways to provide more housing, and I'm cautiously optimistic that we will be able to do that soon.

Another key component in enhancing campus life is moving ever forward in creating a culture that welcomes and embraces diversity and inclusivity. One significant change you will see is that we have a search underway for an Executive Director for Campus Diversity and Inclusivity. The
successful candidate will help all of us across all areas of our campus identify and implement effective actions toward improving our campus climate.

As I've mentioned on other occasions, multiple industry partners of ours have told me that they believe our comparative lack of diversity is our Achilles' heel. To be sure, all communities have weaknesses, but we need to choose every day not to have this as our Achilles' heel.

And speaking of Achilles' heel, let me turn to our finances.

At a time when I believe America should be investing in education, the State of California has been shrinking its investment. I realize that, in difficult times, everyone needs to be part of the solution.

But, here is our brutal reality:

We have seen State support drop from paying 90 percent of the investment required to educate students about 20 years ago to now covering only about 40 percent.

This fall, voters are being asked to approve Proposition 30, Governor Brown's tax initiative, which is aimed at stabilizing funding on an array of fronts, notably for education. If Prop 30 passes, Cal Poly will not face additional budget cuts this year. If Prop 30 fails, Cal Poly likely will be cut another $14.5 million this year.

Now, I certainly would never tell you how to vote, but you can figure out that I will be voting YES for Proposition 30.

Since 2007, Cal Poly has gone from receiving $150 million in state funding to about $83 million this last academic year a 44 percent cut in just 4 short years.

Whenever I think about how harsh these budget cuts have been, I give thanks to former President Baker, former Provost Koob, and Vice President Kelley for having made it their highest priority to find ways to avoid across-the-board layoffs. They knew that the best thing they could do was figure out how to find money to preserve jobs for productive people. I promise you that I will do everything in my power to do the same.

Yes, we have been able to blunt some of the worst impacts of the recession.

We also need to thank our primary benefactors during these past four years our students and parents.

Beyond state tuition and fee increases, our students stepped up last winter and approved the new Student Success Fee. This fee will generate $8.6 million this academic year and more than $14 million annually when it is fully phased in, in 3 years. The students spoke clearly. They want more access to classes and labs leading to timelier progress to degree. Because of that fee, there are more than 1,600 seats available this fall for students, and even more sections will be added in the winter and spring quarter.
The fee also will provide additional advising, counseling, and other vital student services - including cultural and diversity programs and disability services.

In approving this fee, students not only demonstrated their trust in us, they also gave us the equivalent of a $330 million endowment. Let me repeat that: $330 million. That is how large an endowment would need to be to generate $14 million annually.

We must never forget the trust that students have placed in us with the passage of the Student Success Fee.

My expectation is that Prop 30 will provide a bit of stability and enable us to expand enrollment of California students. As you're keenly aware, the cuts in state funding have forced the CSU to hold our enrollment of California students flat for three consecutive years.

We decided it made sense to increase enrollment of out-of-state students, partly to increase the diversity of our student body, partly to bring more talent to California, partly to utilize our capacity wisely, and, candidly, to have the benefit of their higher tuition to help ease some of the cuts in state funding. It is worth noting that out-of-state students have not displaced Californians, and the added tuition income has helped save jobs of Californians.

The bottom line is that California needs more Cal Poly graduates and I hope approval of Prop 30 will enable us to modestly increase enrollment of California students. Let me be clear: If Prop 30 passes, we will add faculty and staff positions where we can, but we will also be strategic. That is, each college has some difficult financial and curricular issues to address regardless of the outcome of Prop 30 or, for that matter, the discussion of quarters and semesters. Those who address their challenges effectively will be rewarded. Our precious human resources will be applied in ways that enhance graduation rates.

Let me be blunt and repeat an earlier point. We need to streamline our curriculum. As is normal for any walk in life or business choices have to be made. An overriding factor has to be students' success and, thus, increasing graduation rates.

As many departments have already demonstrated, streamlining need not come at the expense of excellence. This needs to be a campuswide undertaking.

Regardless of the outcome of Prop 30, this is something we need to do for our students. We owe it to them and their parents as our major investors, we owe it to taxpayers, and we owe it to ourselves. Such a change could provide many advantages to students, faculty, and staff regarding both a more efficient and coherent curriculum and in terms of faculty-staff workload.

To help us achieve our aspirations, we also need to invest more in faculty and staff professional development. Students' success depends on faculty and staff success.

And so our financial future cannot rest only on the pillars of Student-Parent support and State support. We must build two additional strong pillars: (1) Philanthropic Support and (2) Entrepreneurial Activity.
Philanthropic Support to provide additional faculty and staff resources including an investment in your professional development as well as to build state-of-the-art facilities.

Entrepreneurial Activity that expands partnerships with corporations and foundations, expands applied research, and enriches learning opportunities both for students and faculty and staff.

It's important that we also expand our efforts to partner with our local community. We need to partner on economic development with the City and County of San Luis Obispo and beyond not only as a way to increase real-world learning opportunities for our students, but also as a matter of good citizenship.

At the risk of stating the obvious, let me connect the dots: Expanded philanthropy and expanded entrepreneurial activity should yield additional resources that support the Teacher-Scholar model, that help keep our curriculum relevant to society's 21st challenges, and that also provide increased Learn by Doing opportunities for students.

I am mindful that making this happen means we also have to work hard to create a culture of philanthropy here on campus. As a step in that direction, we have made sure to tell entering freshmen and their parents at orientation sessions about the value of giving back to Cal Poly. Here's what I tell them at SOAR. I remind parents that Cal Poly students are very unlikely to return home after graduation. They will have jobs. This brings a wave of smiles across the room. I go on to say directly to the students that as a Cal Poly graduate, I challenge you to give back to your community and, yes, to Cal Poly. This is also within the context of "The Mustang Way." We know our alumni are ready to step up. You just heard Tom Lebens say the Alumni Association stands ready to help drive additional alumni support. Tom, thank you for that commitment.

As to our preparations for launching a comprehensive campaign our Vice President for Advancement, Deborah Read, and her team are putting the finishing touches on a plan that will necessarily involve the whole campus. The Cal Poly Foundation Board and the President's Cabinet have been instrumental in developing the plan and in helping provide additional money to support fundraising.

Over the next several months, one of our tasks as a campus is to establish fundraising priorities that will excite our imaginations and excite our partners and investors.

So let me pause here to show you a video partly to give you a break from listening to me -- but also to make a point about excitement and imagination.

This video was produced by Darryl Williams, who graduated last spring in business administration. He produced this for a competition jointly sponsored by the Orfalea College of Business and the Kennedy Library.
Here's why I showed this video: I know that when we talk about funding priorities, it will be tempting to want to build many new facilities. And we certainly have several needs for facilities that would enhance our Learn by Doing environment. But first and foremost, we have to create spaces that generate the kind of excitement and affection that Darryl and his friends have for the library.

For example here are several ideas for facilities have been mentioned to me as possibilities for fundraising priorities:

- Expansion of the library
- Replacement of the Aero Hangar
- A new Agricultural Technology building
- Renovation of the Music, Dance, and Theatre Building
- Enhanced facilities for our student-athletes

Each of them has tremendous merit. However, I believe it is critical that we step back and think about our space needs in a different way, especially about the kinds of facilities that are so critical to Learn by Doing and crucial to the ultimate success of Cal Poly as a comprehensive polytechnic university.

Consequently, I will shortly be appointing a taskforce to explore our Learn by Doing needs and to think across boundaries. What ideas can we come up with that put us on the map for innovative thinking about our Learn by Doing environment, both in a physical, digital, and a virtual sense? For example, we should consider a Learn by Doing village that brings students from all colleges together. There are examples around the country that are worthy of review. Just as we expect our students to be resourceful and innovative and to embrace whole-system thinking, let us do the same. Let's expect the same of ourselves.

When we complete this task and put forward a compelling vision, I am confident that our donors will step up and provide the resources. Money flows to compelling visions. And our vision is achievable. It really is.

Everything I talked about this morning is within our reach if we work together, if we stay open to change, if we collaborate in generous and creative ways and maintain an unwavering focus on what's best for our students.

Let me end by saying this:

Every morning I wake up and reflect on my great fortune to be associated with you. I stand in awe of what you have accomplished over the years.

It truly is my great privilege and honor to serve you as president, to undertake this journey with you. Together, we will ensure a bright and distinguished future for Cal Poly.

Thank you for all that you do for Cal Poly. Thank you for all that you do for our students.