Let me just begin by telling you that we all recognize that we have gone through some very difficult years with the reductions in the State budget.

With the signing of a new Compact with the Governor we see at least that this has turned around and a baseline has developed for the future.

But we have experienced significant reductions. You did not have to go far but to walk around the campus this summer and notice that there were not many students here. Because of the budget reductions, access has been affected significantly throughout the CSU.

Although, through the hard work of our faculty and staff, we have been able to weather the storm of the last few years, several years ago we put ourselves on a course of seeking support outside of the State budget.

The Centennial Campaign, which reached its goal of $225 million a year ahead of schedule and is now approaching $250 million, has helped. And, of course, over the past decade we have worked with our students to put into place increased support for quality in the classroom and support for faculty, through the Cal Poly Plan and the college-based fees.

But these efforts were intended to improve the quality and to make continual progress and we expect that the State would provide the basic support. We hope we can make that argument loud and strong and recognize that the support from our benefactors and the support of our students are focused on improving quality.

One area that the State really needs to address is the fact that over the last few years our ability to compensate our faculty and staff has been weakened. Our competitive position is waning as a result of that. So I hope to spend much of my time this year in Long Beach and in Sacramento talking about the importance of rewarding our faculty and staff for their outstanding work.

In addition, as we go forward, we clearly will continue to seek private support and will have to continue to engage our students in discussions about the future of this University.

I would like to just point out that as we look to the future, we will continue to rely on what some will call this three-legged stool of support and work hard to make our case to the public and work hard to convince the governor and legislature that higher education is an investment in the future, not an expense of government.

As we look to this future, we will continue to rely on this multi-faceted approach to resource development. This new reality is nowhere more evident than in our ambitious program of capital renewal and development.
Thanks to the people of California’s support for education bonds over the last few years, thanks to our private donors, and thanks to the active participation and encouragement of our students, both here and in Sacramento, we have embarked on an ambitious building program for the campus.

Technology and transportation infrastructure upgrades, new academic facilities, student and faculty housing, student and auxiliary support facilities, amounting to about one-third of a billion dollars over the next half decade from private projects and State support, are in various stages of planning or construction.

They will literally transform the campus over the next half decade. They will permit us to provide state-of-the-art teaching and learning environments, expand and strengthen the campus living and learning community and increase the beauty and sustainability of the campus environment. They will also position us to share in meeting the statewide challenge of serving a growing number of California university students.

But we will only realize the full potential of these ambitious plans by augmenting state resources with contributions from non-state sources. Our ability to compete for the funds that are available through the bond issues in the State of California will continue to depend upon our ability to raise matching private funds and to increase our use of facilities during the summer.

I would also like to share a few thoughts about the critical importance of faculty and staff recruitment and development, as we respond to a growing number of retirements.

I think I may have signed nearly a hundred faculty and staff emeritus letters over the past month and an enormous number of outstanding people have retired from the University this past year.

We have also brought in some 40 new full-time faculty members. These include six in the College of Liberal Arts, 12 in the College of Science and Mathematics, three in the College of Agriculture, seven in the Orfalea College of Business, seven in the College of Engineering, one in the College of Architecture and Environmental Design, one in the College of Education, and one in the Library. Several other appointments are still pending as we speak today.

As these new faculty and staff colleagues join us, we are reminded of the critical and indispensable role that our faculty and staff play in providing a quality education for our students, so I hope that those of you who have been here a while will make a special effort to reach out to new faculty and staff colleagues, and make them feel welcome on the campus.

Cal Poly has had remarkable success in developing our undergraduate programs in many areas and is recognized for programs that are among the most outstanding in the nation in many areas of this University. This achievement is entirely the reflection of the excellence and commitment of our faculty.

A quality faculty is one in which all members continually refresh their knowledge and hone their skills. Cal Poly embraces for all faculty the model of the teacher-scholar: an individual who is deeply committed to teaching and learning as well as to remaining current in and contributing to his/her professional discipline.

The benefits of this for the University are manifold:

- When faculty engage in professional development activities, such as applied research, community service, technical consulting, educational research, and curriculum development through the University, students gain the opportunity to participate with faculty in many of those activities and expand their educational experience beyond traditional coursework – a unique characteristic of our faculty and student relationship.
- Funds that faculty bring to the University to support professional development provide employment opportunities for students, supplemental income for faculty, and much-needed support for the infrastructure, particularly equipment that can also be used for instruction.
During the current year we will be examining and allocating resources to support the professional development of faculty and increase the benefits that the entire University community derives from this essential aspect of academic pursuit.

I would also like to comment briefly on a curricular issue that I believe merits additional attention.

In the same way that Cal Poly has achieved renown in undergraduate education, we have the potential to fill an important niche in the State of California in graduate education.

Our fellow CSU campuses primarily serve large urban areas and have large populations of part-time graduate students, often working full-time as they pursue their studies. At Cal Poly we have historically attracted a different kind of student, those willing to participate in full-time programs, usually seeking to improve skills or knowledge for advancement in their jobs, but sometimes using our programs for career change, as well. These students, often with undergraduate degrees from research universities, are attracted by the reputation for practical, hands-on learning that we have established in our undergraduate programs.

You may recall in his remarks at Fall Conference a few years ago, Karl Pister, former Chancellor of the University of California at Santa Cruz, former dean of the College of Engineering at UC Berkeley and current Chair of the Board of the California Council on Science and Technology, urged us to develop our Master’s programs in the technical and professional fields.

He noted that just as we have distinguished ourselves in our undergraduate programs, we have the potential to make an equally distinguished contribution in the area of graduate education by applying the same educational philosophy and focus. He mentioned as well a niche that was needed and something that was missing in the State of California. At the same time, we will be addressing this important California need with Professional Masters Programs such as those that have been supported in the sciences by the Sloan Foundation in the past couple of years.

In recent years, we have begun to develop some of these programs. Two examples worth mentioning are the blended programs in Engineering that allow upper-division students to simultaneously pursue a Bachelor’s and Master’s degree and the Master’s program in Polymers and Coatings, in response to a critical need here on the West Coast.

There are many other opportunities to establish new and distinctive programs and this year we will explore the most promising of these for future development as we continue to implement our Master Plan and to live up to the recommendations that came from faculty and staff in the development of the strategic planning for the University.

Finally, today, I would like to turn back to an important theme of the last few years and to urge continued attention to building a campus community that promotes student success, that embraces our State’s rich diversity and that strives for civility and mutual respect, as we acknowledge as well that we have points of difference but we also have many points of commonality.

I would in particular like to ask you to join me in exploring ways to involve students in positive ways in the "life of the University," including participation in governance of university programs, and activities that promote student campus and community engagement and responsibility.

All of the research that we know about tells us that students who are engaged are going to be successful.

I would also like to call upon the whole campus community to become more aware of a growing national problem in higher education, and that is the use and abuse of alcohol among college students. We will be sharing information this year about ways that faculty and staff can become more actively involved in campus efforts to meet this challenge. We're working very closely with organizations in the community. And Student
Affairs staff in the Counseling Center and Student Life Office are working very hard to address this national problem that sometimes can be so devastating and tragic to the lives of young people away from home for the first time, engaged in the use and abuse of alcohol.

I would also like to invite renewed attention this year to the issue of equal treatment and respect for women in the classroom and in this University community. Last year I had the privilege to meet with University counselors on a range of issues concerning women. Following that meeting, a Task Force on Women's Safety and Campus Climate was convened and that Task Force will continue this year and I look forward to receiving their recommendations.

So as we grapple with a wide array of challenges and opportunities, this will be clearly another challenging year for us, but I am confident we can succeed as a university community that strives to cooperate and to work together as a community.

I look forward, as always, to fostering a sense of cooperation so that we can meet the challenges of the day and so that we can serve our students. Thousands and thousands of successful graduates look back with fondness on their relationships with the faculty and the time that they spent here at the University.