Good Afternoon…and welcome back.

As we come together today, we share the burden of uncertainties reflected in the California economy, but we also share the strength to look forward with enthusiasm to a new academic year. Budget issues loom on the horizon calling on us to think strategically about the future well-being of our university. We share a renewed investment in our mission to educate students who will play leading roles in conserving the values of our society and moving our economy forward. It is an important task made especially difficult in these times of political and financial uncertainty. Significant economic adversity continues to face the nation, the State, and the University. Yet, even in the face of unprecedented budget reductions and political uncertainty, the members of our University community must remain committed to enhancing the quality of everything we engage with, and to providing a rich foundation of academic learning for our students. To accomplish this, it will be crucial for us all — faculty, staff, students, and administration — to engage in meaningful planning and dialogue. We must find ways to sustain and enhance the quality of the learning environment for students, while also preparing for the uncertain fiscal realities that lie ahead. Meeting these challenges will require strong leadership from the administration, working with and for the faculty, staff, and students. But our community will also require strong leadership from faculty and staff if we are to take advantage of opportunities to sustain and advance what we value most about our great University.

Certainly, these challenges seem overwhelming. However, there is much to be encouraged about:

• CSU Stanislaus has been granted full accreditation from the Western Association of Schools and Colleges. While acknowledging the struggles we have encountered in navigating our way through controversy and divisive interactions, the WASC report applauds our academic and administrative achievements with a maximum 10-year extension of our university accreditation.

• I was pleased to announce last month our success in securing an $18 Million allocation from the State for the renovation of Science I, which will provide an additional 50,800 gross square foot academic facility for the campus. This space should open some welcome breathing room for department and classroom facilities.

• The recently completed Summer Session was very successful and exceeded expectations, providing nearly three-quarters of a million dollars in new revenue at a time when we need it most. These funds will be committed to the provost’s discretion for use in securing essential academic resources to address the impact of a still-uncertain university budget.

• Administrators and search committees are working diligently to fill critically important senior-level positions with the candidates who will serve our mission most effectively. These are all crucial roles, and the successful candidates will be working closely with faculty, staff, and students as we strive to turn the many challenges confronting us into constructive opportunities to advance the mission of our fine university.

• We have been able to avoid closing any academic departments or programs, and we have been fortunate to protect the faculty base of our academic programs. Even though many of
our programs have lost faculty positions in recent years, there have been new developments and growth in programs as well. To address these realities, new faculty will be recruited in strategically defined areas.

• For the fifth straight year, CSU Stanislaus has been named one of the country's best institutions for undergraduate education by the Princeton Review (and I might add that we are the only CSU listed this year), as well as one of the 120 colleges to be included in the Princeton Review's "Best in the West" section. The University also ranked 16th among public universities in the U.S. News and World Reports "Best Colleges in the West", making this the 15th year in the row the University has been recognized in this publication.

• Even though other campuses have found it necessary to suspend sabbatical leaves in the current academic year, we are committed to honoring the sabbatical leaves granted to our faculty for Academic Year 2010-11. Faculty research and renewal is essential to the strength of our academic programs. We hope there will be funding for RSCA grants, as well.

But this brings us back to the budget. We have all been focused on the fiscal uncertainty that grips our State and nation. California's looming deficit of nearly $20 Billion threatens the viability of one of the most productive economies in the world. The State budget process moves very slowly. Even though we have entered a new fiscal year, we still do not know what California's budget will be for this year. This same uncertainty translates to the entire CSU, where fiscal and enrollment constraints continue. As I have previously communicated to you, we entered fiscal year 2010-2011 facing a known deficit of approximately $6 Million. This deficit included approximately $4.5 Million in additional salary costs resulting from the termination of the furlough program and approximately $1.5 Million in new unfunded mandates imposed by the State.

Over the past several months the campus spent many hours discussing the potential impacts of further cuts and worked diligently to prepare for implementation of a spectrum of reduction scenarios. I wrote to the campus indicating that I was hopeful the Governor’s budget proposal to restore some of the funding to the CSU would be supported by the legislature. But, as the budget debate in the legislature wore on, it became clear to me that we needed to take action based upon what we know at this time. We applied the $1.1 Million in one-time Federal stimulus money to add critically needed courses and sections that students require to progress to degree, which served to mitigate the need to apply State funds for that purpose in Fall 2010. Those savings, along with approximately $600,000 in new revenue from the recently approved fee increase, have enabled us to reduce the size of the cut required by our current situation, from $6 Million to $4.3 Million, and to spare tenured and tenure-track faculty from reductions. But this still leaves a significant gap, and if the university’s budget does not include sufficient restoration funding, we will be forced to implement some difficult budget reductions.

I have received and carefully reviewed the University Budget Advisory Committee recommendations concerning how to approach these reductions. One recommendation calls for no cuts to permanent staff. While my administrative team and I have done—and will continue to do—everything possible to avoid reductions of permanent staff, the size of the budget cuts, the timing, and the various constraints imposed on us to govern our budget reduction options, may limit our ability to achieve this highly desirable goal. However, let me be perfectly clear — I stand firm in my conviction that our staff colleagues play an integral role in support of our faculty and students. I can assure you, I do not take any of these decisions lightly. But given the magnitude of last year's cuts, combined with the cuts we have already implemented this year, we are left with very few options. With these understandings, I am accepting the UBAC recommendations and you will formally hear from me soon.
Let me talk about the agenda for 2010-2011. In these challenging times, it is important for CSU Stanislaus to have a good road map to guide the maintenance and enhancement of academic excellence. Given the economic downturn and subsequent budget reductions, it is paramount that all University stakeholders remain completely committed to student success. We have a strategic plan that was developed by various faculty committees after extensive consultation with many of our constituencies. The Academic Senate approved our Strategic Plan in 2007. This strategic plan is our guiding framework for moving forward. Therefore, I am encouraging the University community to concentrate on six key initiatives of our strategic plan. It is critical to assess our progress on these strategic plan initiatives and to make necessary improvements. These initiatives concern:

- Enhancing our Program Review process and outcomes
- Refining our RPT policy and procedures
- Student Assessment (General Education and Graduate Education)
- Student Success (Retention, Graduation Rates, Time to Degree)
- Technology Utilization (Distance Education, New programs)
- Revenue Generation (Self-Support Programs, alternative programs, grants and partnerships)

Three of these initiatives were cited in the WASC Commission letter, and two others are CSU Board of Trustee policy. I consider all six of these initiatives essential to our wellbeing, both in preserving the quality of what we have already cultivated, and in moving us forward into exciting new areas of growth and development.

As outlined in the strategic plan, the Provost, Dr. Jim Strong, working closely with faculty, staff, and administrators, will take the lead in assessing and implementing improvements relative to these initiatives. Over the course of the next few months many groups, including students, will be engaged in the discussions surrounding these and other related issues. The faculty, of course, are central to these discussions. From this dialogue, future plans will be formulated and college and unit goals and objectives will be better aligned with the strategic plan and the University mission. Strong leadership is essential to making significant progress on these six strategic initiatives.

However, we have our challenges and continue to face them as I speak. I would be remiss to not mention the tensions between faculty and administration, particularly the tensions resulting from my interactions with faculty leaders. The fundamental element of disagreement is over the issue of shared governance. Some faculty have a much different interpretation than I do as to what shared governance is all about. I keep getting the sense that whatever decisions result from the faculty governance process are the decisions that my administration and I should embrace and support. However, shared governance, as I have seen it defined and practiced, means that decisions resulting from the faculty governance processes are "recommendations" when they come to me. I then have the opportunity to consult with others and, ultimately, I am the one held accountable and I must make the final decision. Often my decisions are in concurrence with the faculty recommendations, but sometimes not. The core of our disagreement reflects a tension between conflicting priorities, and while there are times when I must trust the rationale for my decisions, I truly hope we can ultimately come to some common ground and understanding. I am committed to addressing the WASC concern regarding the importance of re-establishing collegial interactions between faculty, staff and administration, and am charging Provost Strong with the responsibility to work with all stakeholders to forge a more trusting university community.
There are two other relevant issues that are the subject of constant criticism and theatrical commentary. One concerns the so-called corporatization or privatization of this University. The second pertains to on-line learning.

Regarding the first issue, simply put, I have no intention to corporatize or privatize this campus. But I do intend to press the case for enhancing the funding sources we need to preserve and enhance our fine university. As we know all too well, the funding to support higher education from the State has rapidly diminished over the years and will continue to do so for the foreseeable future. In addition, there is a Board of Trustee policy that requires campuses to generate ten percent of their budgets from external sources. At most campuses, these external funds are secured through continuing education and self-support programs. Here, at CSU Stanislaus, we have an abysmal $200,000 to $300,000 net income per year, while many other CSU campuses have revenues in the millions. Let me go further. No one has ever said, and no one is saying, that we, the administration, are going to write these programs, develop these programs, and offer them. My administration and I fully understand and support that faculty are in charge of developing and teaching these programs. And, as it is with our regular programs, we cannot teach these programs with 100% full time faculty. There has to be a mix of full time, part time, and adjunct faculty. The only difference is that because of the lack of state support these programs have to be offered as self-support, and that means the students are paying the full cost rather than being subsidized by the state. Let me ask you, who are we to say no if the students want and demand these programs and are willing to pay the cost? Who are we to say they shouldn't have them? Who are we to deny them that choice and access?

Now, regarding the second issue, on-line learning. Like it or not, on-line learning is key to educational access for many of our students, either because of geographical location, work commitments, family commitments, or all of the above. Why should there be such strong resistance to pursuing the development and use of alternative ways of delivering instruction, and most importantly, to providing access to an increasingly significant portion of our student population that so desperately want and need it? Why would the faculty want to establish or create a dogma that defines for all faculty the type of pedagogy that they are allowed to employ? If a faculty member has the interest and the skill to teach courses on line — and allowing and encouraging them to do so means giving access to educational opportunities for a segment of students who otherwise would not have that access — why would anyone want to block their way and hold them back? Here again, who are we to deny that access to our students?

In closing, I assure you that my administration and I are fully committed to broad consultation with all members of the campus community on matters critical to the University mission. We all have an important role to play, as well as a personal investment, in securing the future well-being of this great University. While the challenges are substantial, by collaborating together we can ensure that CSU Stanislaus remains a rich community of learners, focused on preserving student access and enhancing student success, while greatly contributing to the social and economic development of our region and the state of California. We must pull together and engage these challenges with understanding and enthusiasm. I look forward to working with you all in the coming year.

Thank you.