Good morning. Thank you Wally for your leadership of the CUC, and thanks to all members and board members who over the years have supported UCR.

This is a time of significant achievement and great worry.

The campus is continuing to grow not only in size, but in impact.

Impact to the region’s economy. Impact to cutting-edge research. Impact on the health of the Inland area. And most importantly, a transformative impact to the lives of the families of our graduates.

This morning I’d like to discuss four related topics

- Achievement of our faculty, staff and students
- Investments in UCR by UCOP
- New initiatives underway at UCR
- A watershed moment on the horizon

A Time of Significant Achievement of faculty, staff and students

Our 10-year strategic plan, *UCR 2020: The Path to Preeminence* is providing good guidance.

Next month, we will graduate the largest number of students ever – more than 5,000 (5061, of which 4,104 walk). More than half will be the first in their families to graduate from college – transformative indeed.

And despite the difficulties many graduates encounter in finding work, UCR graduates are in demand. Recent national research from PayScale found that of the 400 leading national public universities, UCR graduates ranked 29th in highest salary potential – with a resulting increase in lifetime earnings to the tune $1.3 million more than young people who only graduate from high school.

Word about UCR continues to spread. For every graduate going on to bigger and better things, there is a long line at the door to replace them. We received an almost 15% increase in applicants, year over year, for admission this fall – 38,137!

UCR’s faculty and staff continue to shine.

The governor selected as California Poet Laureate the holder of the Tomás Rivera Endowed Chair in the Department of Creative Writing – UCR’s esteemed author, poet and teller of children’s tales Juan Felipe Herrera.

Juan Felipe’s own tale is an inspiration to our students and to children all over the state. He spent his early days working with his migrant farmworker parents in the fields of California. He keeps making headlines: earning a PEN award, a Guggenheim, a National Book Critics Award and finally being appointed to the Board of Chancellors of the Academy of American Poets, and now the Poet Laureate.
Despite all of these accolades, he remains a gentle and humble story-teller with a ready smile and a little extra time for his students. If you haven’t heard him speak you are in for a treat at next month’s breakfast.

Earlier this month, Distinguished Professor of Physics Chandra Varma, was awarded the 2012 Bardeen Prize for his research on Superconductors. The Bardeen Prize, it is named after John Bardeen, the only person to win the Nobel Prize in Physics twice. It is often an indicator of future Nobel Laureates and is a huge honor for both Dr. Varma and this campus. Out of a small number of award recipients over the years, three have gone on to win Nobels.

Distinguished Professor Natasha Raikhel was elected to National Academy of Sciences for her work in plant genetics. There are now six National Academy of Sciences members at UCR and in the future there will be more, along with, no doubt, members of the National Association of Engineering and National Association of Medicine.

Then a couple of weeks ago, for the first time ever, a UCR staff member, was selected as staff adviser to the University Of California Board Of Regents.

For the next two years, Kathy Barton, who is the executive director of communications at the UCR School of medicine, will work to represent and advance communication between UC’s 120,000 staff members and the Regents.

In the process, she will bring greater visibility to our campus and our medical school.

Kathy is with us this morning. Would you join me in congratulating her?

While excellence at the faculty and staff levels represents tremendous accomplishment and achievement, nothing is a greater source of pride to me than the hard work and achievements of our students.

Despite rigorous academic workloads and personal financial struggles, our students continue to give back to the community at unprecedented levels.

UCR was named –with distinction – to the President’s Honor Roll this year for service to the community. That is exclusively a credit to our students.

For example, in a partnership with Riverside Unified School District and the City of Riverside, 80 UCR students dedicated more than 40,000 hours this year alone to tutoring and mentoring children on the Eastside, and involving themselves in other community activities.

Just this month, our student chapter of the United Way received two awards for their work in the community (United in Action Volunteer Award & Live United People’s Choice Award) at their annual international conference. In the words of the regional United Way Director, “This is a huge deal!”

One note, this chapter has more than 450 members, is being recognized internationally for its service and impact, and was started at UCR barely a year ago! Wow!

This brings me to the second of four points, unprecedented investments made in UCR by UCOP

The UC System has a need and desire to save money and consolidate many of its operations that are duplicated at each of its campuses and medical centers.

The first operations to be consolidated are human resources, payroll, and retiree operations. A competitive process was launched to find a site to house the facility.
The competition was fierce. Six campuses competed for the center. We were judged on myriad factors.
I am extremely pleased that UC Riverside was selected as the site of the new UCPATH personnel-service center for the entire UC system!
So what does this mean? This is a win for California and a win for the Riverside area.
For California, it means that UC and taxpayers will save as much as $100 million dollars a year when the center is fully operational.
For the Riverside area, it means up to 600 new, high-paying, high knowledge-based jobs are coming to this region!
Finally securing this facility did not happen in a vacuum. I must commend the hard work by a team of UCR staff, as well as the tremendous behind-the-scenes assistance from the City of Riverside Economic Development team, the County Board of Supervisors, and the Chamber of Commerce.
Awarding UC Riverside the management of the new UC-wide shared service center denotes tremendous confidence in our ability to manage such a sophisticated system to serve more than a quarter of a million UC employees.
In the same vein of investments, let me comment on the Medical School:
When our national and state economy took a turn for the worse several years ago, I said over and over, “We will not take a knee on the Medical School.”
When state funding failed to materialize and we were denied accreditation, I was not deterred.
Neither was Dean Olds nor the faculty or staff of the SOM.
Neither was the CUC.
Neither was the community at large.
An alternative funding strategy was crafted and remained focused on a 2013 opening.
The Riverside County Board of Supervisors stepped up. In addition to $5 million they had already given us, they committed $1.5 million a year in funding for the next 10 years.
Desert Healthcare District has committed a million a year, and our affiliated hospitals and other health care providers stepped up with another $3.5 million a year.
I committed $2 million a year for 10 years and, as a sign of their confidence in us, the Office of the President has committed $2 million a year for 10 years, in addition to a $30-million line of credit to the UCR School of medicine to ensure that, pending accreditation, it can open its doors next year without having to depend on state funds.
In a few weeks, the accreditation committee will be visiting us, and we are cautious and confident of a positive outcome in the fall.
This brings me to my third of four points, other new initiatives underway
The medical school is not the only way that UCR is involving itself in critical health issues.
UCR is an important player in the UC Global Health Institute, which is the first multi-campus educational program in the UC system.
The Global Health Institute aims to train future leaders in the area of global health and advance research that solves the major health challenges facing people in California and around the world.
UCR was competitively selected as one of three homes for a Global Health Initiative Center of Expertise.

The Center, known as the One Health Center, explores human health problems arising from the interaction among animals, food, water, and the environment.

The One Health Center is taking part in teaching an innovative, multi-disciplinary course at UCR, jointly with two other UC campuses.

This is the way of the future within the UC.

UCR plans to soon launch the School of Public Policy, which received approval from the UC Regents in 2008 but has sat on ice since then because of the economy.

By offering a Master’s in Public Policy degree, the School will add 180 professional graduate students annually to UCR. An added benefit is that one of the goals in UCR 2020 is to increase the numbers of graduate and professional students.

The School will train policy planners and practitioners to address not only national and international issues, but issues such as water, health, and immigration facing us right here in the Inland area.

Building on Global Health and Public Policy, UCR is also exploring the possibility of participating with UC Berkeley and UC Merced in launching a research and educational program in Global Poverty and Practice.

Again, the idea will be to address poverty in our region using lessons from poverty alleviation in other parts of the United States and around the world. Regent Dick Blum has been very helpful in guiding our thinking this regard.

The focus of UCR’s work on poverty will be on the relationship between the environment (particularly water) and poverty.

There is tremendous synergy among all three activities:

The School of Medicine, the School of Public Policy, the One Health Center and the Initiative on Global Poverty and Practice complement each other superbly.

**My fourth and final point is a sobering one**, as I believe we are approaching a watershed moment later this year.

I need to talk to you about disquieting problems resulting from our continued budget problems.

As you know, UC Riverside absorbed a $50 million budget cut last year – part of a $750 million-dollar cut in state funds that the UC system sustained.

These are on top of rising mandatory costs, which together push the system wide shortfall in state revenue to more than $1 billion.

Faculty and staff have unselfishly stepped up to minimize the effect on our students and the quality of their learning.

But the truth of the matter is that all our sustained efforts to maintain and improve our academic excellence and ensure the success of our students stand at increasing risk.

And, as we face the possibility of another huge cut in the face of increasing state deficits, I must tell you that UC Riverside cannot sustain additional reductions without serious – and I mean deleterious – consequences.
Already UC Riverside has the lowest ratio of management personnel to teaching faculty among UC campuses – about zero point four percent – and the second lowest ratio of professional and support staff.

In many areas, staff support for student and faculty programs and services is one-deep.
All this means that additional cuts would be devastating.

With last year’s cuts, we reduced staff by 75 full-time positions even though expectations for services remain the same.

We’re at a level where severe job fatigue sets in and people start to look at early retirement or alternate employment as an option.

These reductions are taking place against a net increase in enrollment of almost 3,000 students and a net decrease of 29 ladder faculty and 43 other instructional faculty over the last three years.

Over the same period, class sizes for incoming students have increase from slightly more than 65 students to almost 90.

Some high-demand classes have seen even more devastating increases.

Take physics for example:
In 2008-9, a basic physics class accommodated about 95 students.
Today, that same course must handle more than 570 students – that’s an almost impossible number for an enriching educational experience.

Advising – that critical component of student success, especially for those who are first in their family to attend college – has seen unmanageable increases. National standards for undeclared students recommend 200 per advisor. We have more than 750.

Equally in jeopardy are the first-year support programs that we have put in place – again, critical programs for first-generation college students. These programs both increase retention rates and boost grade point averages.

I ask you, if the state pulls the trigger for lack of funding, where do we cut next?

These critical decisions remain despite raising tuition 6% this fall and, if the trigger is pulled, probably another 18-20% in January, because student funds do not compensate for the full state cut.

What happens then to the UC that has been the economic engine of this state in the past – and clearly would be in the future?

Where can we get guidance?

Those who precede us recognized that education was their children’s ticket to a prosperous future.

- The city was founded in 1870 by John North and a group of Easterners who wished to establish a colony dedicated to furthering education and culture.

- The first class to be held in the City of Riverside occurred in early 1871 when Mrs. Rogers taught 10 local children at her home on the corner of University Avenue and Mulberry Street. The Robidoux family owned the home and, even earlier, Louis Robidoux engaged Charles Hardy as a teacher from 1856 to 1862, who taught classes at the Robidoux ranch.
• The first school in the area, though, was in the vicinity of the area we call Colton today. It was the parish school of La Placita in 1844, which later moved to Agua Mansa because of flooding from the Santa Ana River.
• In the late 1880s, a public high school began operations at its three-story location on Fourteenth Street.
• In the same era, President Lincoln possessed similar foresight. Almost exactly 150 years ago, during one of the bloodiest summers of the Civil War, he signed the Morrill Act. This is the legislation that created land-grant universities and colleges like the University of California – universities with a public mission that would serve all the qualified students of their states.

We would do well to remember the imaginative leaps made by North, Robidoux, and Lincoln during times of crisis and great transition. And that should both inspire us and give us the confidence we need to meet the challenges we face today.

The 21st century California we live in has been transformed by the educational possibilities that our forefathers and mothers embodied.

And that’s a fact: California is the world leader it is today – the economic leader, the innovation leader, the social leader – because early on, many Californians, from state elected officials to residents in new towns like Riverside, made public education the focal point of their efforts.
Everyone in this room knows that right now California is in a profoundly transitional state. Public goods and services such as parks, libraries, and many social services are the subject of great, sometimes rancorous political discourse.

Many Californians are divided over whether these should be fundamentally public goods, available to all and paid for by all of us with our tax dollars, or whether they should be private, and paid for out of pocket by the direct beneficiaries.
Or even whether they should exist at all.

Public education is not immune from this conversation. The debate swirls: Is education a private benefit or a public good? And, given this context, it seems to me that when considering the significance the University of California to public education in this state, we should be guided by some fundamental truths:

  o First, it makes no sense to have a thriving K-12 education system in this state if the University of California is falling apart.
  o Second, I can’t see how UC would truly thrive if K-12 is not operating at its greatest potential.
  o And third, I certainly can’t see how either UC or K-12 will thrive if California’s community colleges and the California State University system aren’t flourishing as well.

These are truths for what I believe is an unshakeable reason:
The whole of public education in California – and by that I mean P-12, the community colleges, CSU, and UC – is greater than the sum of its parts. Together we are, in a sense, a four-legged stool. And today the stool is wobbly and the legs are atrophying.

We must recognize our moral imperative to educate future generations of Californians. It is also plain common sense.
It is our responsibility – as educators, as parents, as Californians – to leave our public schools and our public universities better than we received them, for the next generations of students.
It’s hard work, I know, but our active stewardship of these institutions is the most important work in America.

Quite frankly, the future of the country depends on it. Because it’s not just that education is the key to producing purposeful, informed citizens who will get jobs, pay their taxes, and stay out of prison. It is also that the children of California need to shoot for the stars. They need to know that if they do all the right work – and it’s hard work – they are guaranteed a spot at the best public university in the world.

This is the large-scale vision, the deep-seated aspiration that ultimately drives innovation, perseverance, and hope – in other words, the ingredients essential to any robust society. And that’s what we’re fighting for when we fight for public education in California. And, unfortunately, today it is a fight.

This November we all face a decision as we cast our ballots – something I presume everyone in this room will be doing.

Few individuals enjoy paying taxes. But we can appreciate the good they can do.

And I know there are some in this room who, if asked, would tell me they don’t like the idea of increasing taxes. I not only respect that, I understand that to the very core of my wallet.

But the alternative is unacceptable to me.

And I would invite you to consider what that might mean.

- The economic payoff of the University of California is proven historically – the California boom after WWII vets attended college on the GI bill and moved into the workforce.
- The windfall of college graduates in the postwar decade – more than two million GIs enrolled in college – helped create the modern middle class and catapulted American society into the knowledge age.

Yet another new report, this one supported by the California Chamber of Commerce and conducted by the UC Berkeley Institute for the Study of Societal Issues, laid out the benefits in stark terms.

Investment in higher education pays off not only for the individuals who receive a college education – through increased lifetime earnings to the tune $1.3 million – but for the state in increased tax revenue and reduced costs for social welfare programs and incarceration.

And the benefit is substantial.

For every dollar California invests in college students, it receives a net return of four dollars and fifty cents.

College graduates show the highest gain – double the return of those who attended but did not graduate – which speaks to the need for maintaining our retention programs.

So, college completion represents far and away the best investment return for both individuals and the state.

By the time this year’s graduates reach age 50, they will have repaid not only the state’s original investment in them, but an additional $10 billion. Yes, that’s with a B.

Even those who already graduated from UC and CSU are contributing $12 billion annually to the state.
Whichever way you look at the figures, investment in the UC system today will reap significant rewards in the future: the key to ensuring the long-term prosperity of the state and its citizens. In other words, decreasing investments in higher education today is likely to substantially decrease state revenues in the years to come.

The support for funding higher education is not a single-year budget-line item, but an investment in our human capital that yields significant returns and promises to provide Californians with continued opportunity and hope for a better economic future.

In closing, we have many indicators that UCR is on the right path to attaining greater excellence and providing better service to its students and its community. But the potential for additional funding cuts hang over all these wonderful achievements like the Sword of Damocles. In the ancient legend, the sword is suspended over the king’s throne by a mere horsehair.

What I take away from that story is that, although we live in precarious times, we must focus on the worthiness of our work and take action wherever we can – on the campus or the ballot box.