

SAN DIEGO STATE UNIVERSITY CONVOCATION
August 27, 2009, 9:00 a.m.

President Stephen L. Weber

Thank you, Edee and Tyler, for those thoughtful comments. Thank you also, Nancy Marlin and Brig, for your generous acknowledgement of our outstanding faculty Montys. They make us all proud.

We come together at a difficult moment for the world's economy, for our country, for the state of California, and for our university. It is

no exaggeration to say that we are at a critical crossroads in the history of SDSU."

Much that we have worked so hard to accomplish is being unraveled. There are fewer of us this morning than when we gathered a year ago. Consequently, our ability to educate our students, to extend the boundaries of human knowledge, and to serve our community has been reduced.

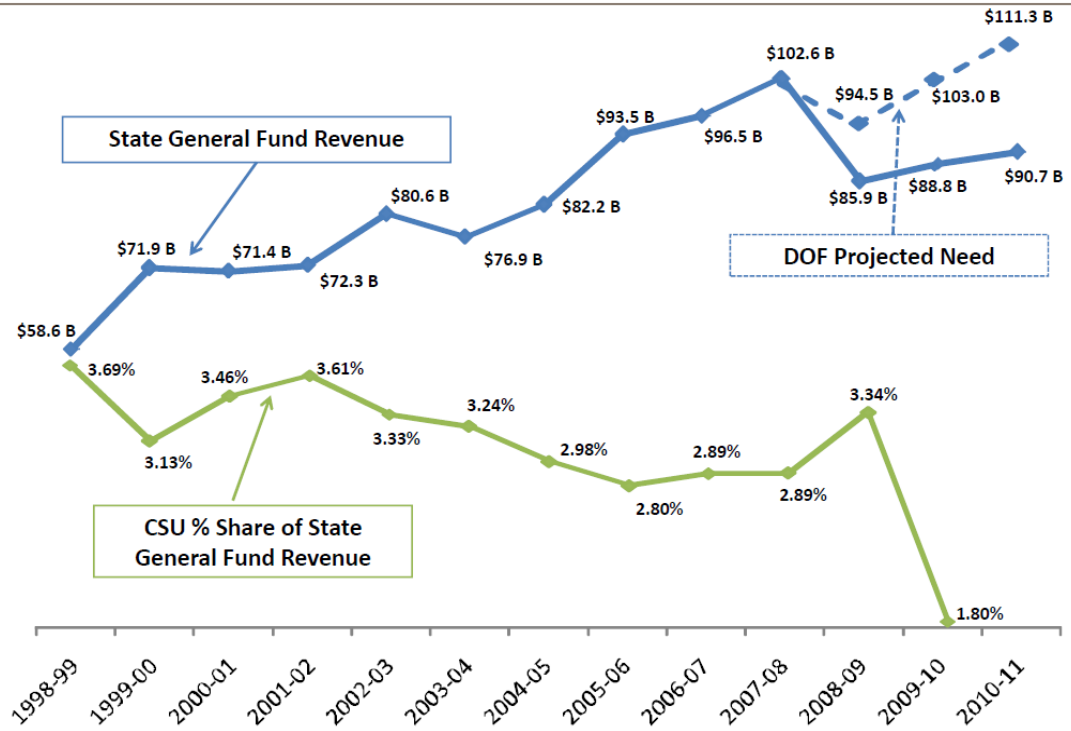
The obstacles that confront us are perhaps the most challenging we have ever faced. But we must and will overcome them because we and

the disciplines we serve are the single-most effective force driving progress for our students, their families and our society.

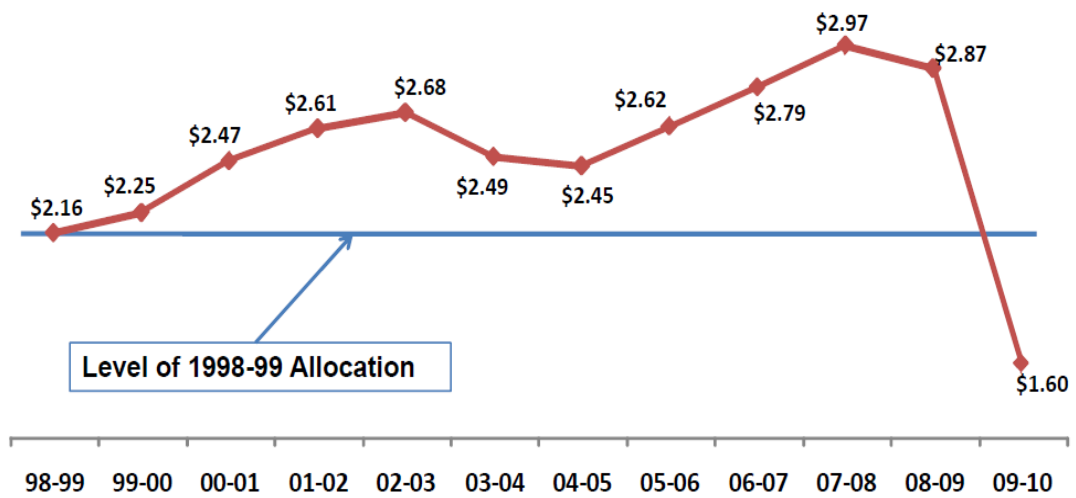
Thanks to your good work, San Diego State is exemplary in accomplishing this groundbreaking endeavor in spite of extraordinary odds – never more challenging than now.

We have tried to keep you abreast of California's budgetary debacle as it has unfolded; Vice President Roush now has sent out twenty budget updates. But let me quickly sketch the stark reality we face.

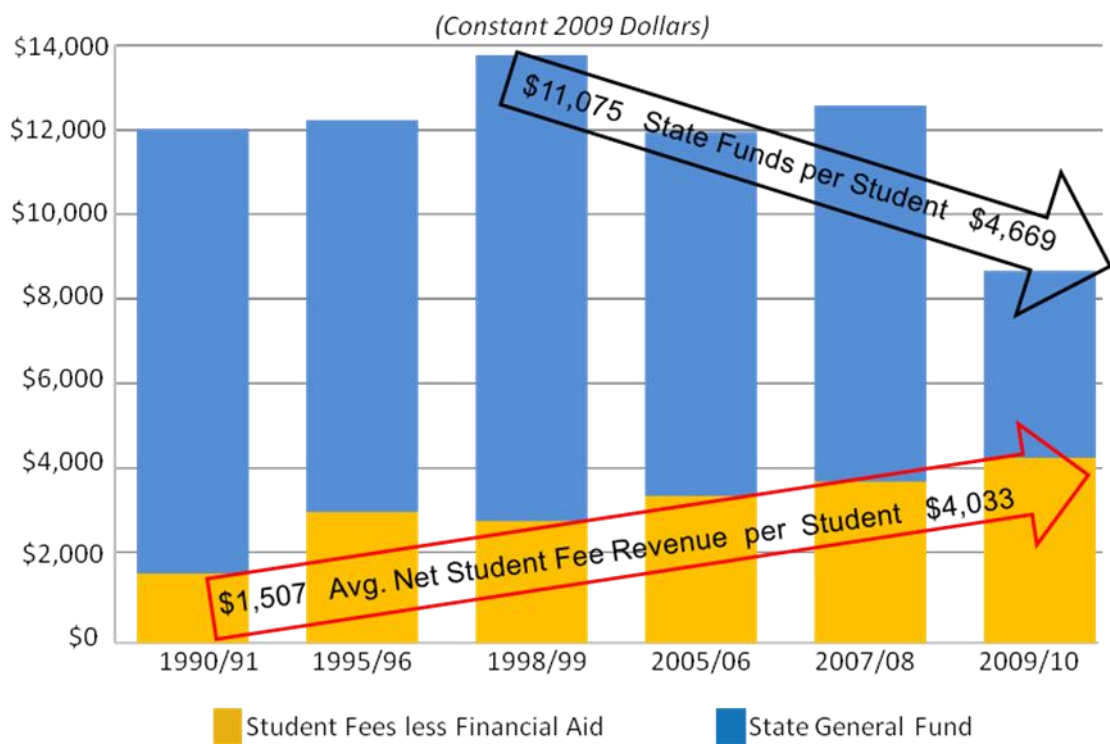
**State General Fund Revenue and
CSU Percentage Share
In Billions**

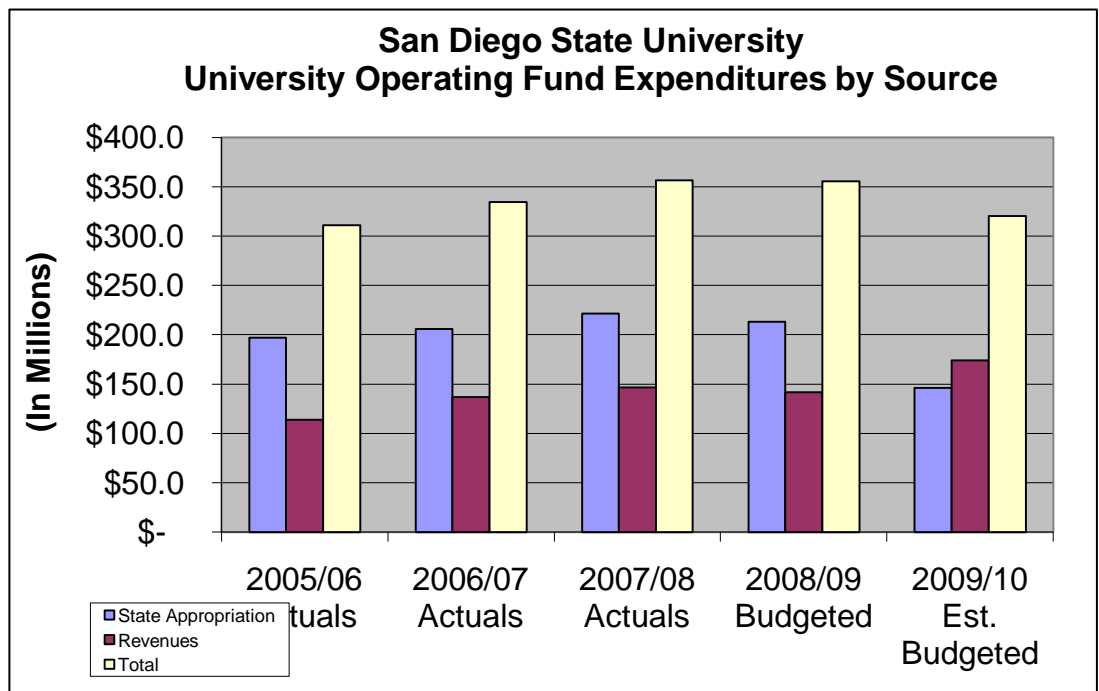


CSU General Fund Allocation In Billions



2008-09 and 2009-10 amounts assume \$717.5 million "retroactive" cut to 2008-09 appropriation, proposed by the Governor on July 1, 2009, will take effect in 2009-10.





Last year, our state appropriations combined with unfunded mandatory cost increases reduced available funding by approximately \$18 million. That loss was partially offset by a fee increase that yielded \$6 million. So San Diego State faced a net cut of \$12 million.

Now our 2009-10 state appropriation has been cut by \$55 million.

That 25 percent reduction in state funding and the accompanying unfunded mandatory costs, (together with revenue adjustments), have been partially offset by a fee increase of \$489

per semester—leaving a net loss to our general fund budget of \$35 million.

And, while the budget for the year ahead has finally been approved, we still must guard against the possibility of a further mid-year reduction. There can be no doubt, certainly among those of us affected, that the state of California is politically dysfunctional. The real and important work of governing has ground to a halt – leaving California with the worst credit rating and the poorest performing K-12 schools in the nation.

What are the consequences to our university of this abdication of responsibility? For starters, there are over 600 fewer employees at San Diego State now than there was a year ago. We should be clear that these colleagues have not departed because of any deficiency in their work or any fault of their own. They were good and faithful servants of our university -- be they faculty or staff, part of Academic Affairs, Business and Financial Affairs, Student Affairs, or University Relations and Development. They taught our classes, maintained our grounds, cleaned our buildings, collected our funds,

raised donations, and admitted our students.

With few exceptions, we have not been able to replace them. We are poorer for it. They and their good work are missed every day.

Almost all of us will be taking furloughs that will reduce our compensation. That not only means less compensation for people who are already underpaid but less access to valuable faculty and staff for our students.

**Beyond the human toll, these employee losses
(and furloughs for continuing colleagues)
represent a diminished capacity to serve our
students, our professions, and our society.**

**Unpleasant as it is, we have tried to recognize that
diminished capacity by reducing the number
of students we serve. Our colleagues in
Institutional Research and Enrollment
Services have contributed extraordinary
service in remodeling San Diego State's
enrollment to fit our reduced resources. I
take no joy in that; like you, I am an educator;**

I believe in the importance of our work and its capacity to transform lives.

Nonetheless, I do not want San Diego State to participate in an academic fraud in which we admit students when courses are not available, or when we cannot serve their extra-curricular needs. In spite of turning away 22,197 eligible applicants for the coming semester, we will have 1,850 fewer students at San Diego State this fall than last.

People are fond of saying, “Times are tough; things are difficult for everyone.” And that is true. But there is a difference. For most enterprises revenues are down and employees have been laid off because there are fewer customers. We literally have qualified “customers” lined up for miles.



At two feet per person, the 22,197 qualified students we turned away would form a line 8.4 miles long -- from campus to Balboa Park. But California has slammed the door on them, and on its own future.

Think for a moment what this means. We have been reduced to a society that is playing "Russian roulette" with the lives of young people. Had these very same applicants been born two years earlier, we would have welcomed them to San Diego State as good and capable students, worthy of studying at our university. It is our shame as a society,

not theirs, that having successfully completed their studies, they are turned away from higher education and the opportunities it represents. This is a deep and fundamental wound, not only to them and their families but to our society itself. The human carnage from this fiscal train wreck will be felt in California for a generation.

To put this abdication of responsibility in a broader perspective: two years ago, the Public Policy Institute of California estimated that by 2025 there will be a need for 5.4 million baccalaureate credentialed jobs in

California, but only 3.4 million baccalaureate holders available to fill those positions.

Clearly, this current contraction will exacerbate that problem.

To put a dollar value on this inability to meet the demand of California's future (I am indebted to our colleague Dr. Lauren Cooper for this analysis), as of last year, our state spent approximately \$63,000 to produce each CSU graduate. National estimates show that students who earn a baccalaureate return over \$118,000 more in state and local taxes over their lifetime than those earning only a

high school diploma. Multiply that lost revenue by the anticipated contraction of approximately 40,000 fewer students within the CSU over this two-year period, and you can calculate* the potential economic loss to California of \$2.35 billion.

Perhaps that conveys some sense of the foolishness in which we are presently engaged.

Many of you have heard me say before that part of the greatness of our university is due to its

*** [Assuming an approximate graduation rate of 50 percent.]**

presence in San Diego and by extension, California. We are urban, diverse, high-tech, Latin America, and Pacific Rim. Those are and will continue to be the ingredients of the 21st century. At the moment, we are literally in the right place at the wrong time.

But the time will change. Prosperity will come back to our state and region. San Diego State's ranks will once again swell with capable and eager colleagues. Our ability to serve students and the state of California will once again increase.

I do not have to tell you that San Diego State has come through difficult times before. We will do so again. In World War II, we lost one-third of our student body and 40 percent of our faculty and staff. More recently, in the 1990s we experienced a budget contraction of 22 percent.

Now, as then, the challenge before us is to do as little long-term damage to our university and its important work as possible—and to position ourselves for future resurgence.

In that regard, I want to thank you all for the extraordinary work, diligence and caring you have demonstrated. I do not have to tell you that we are all stewards of our university's future. Generations of colleagues before us worked through difficult times such as these so that we could be part of this great university. Now that responsibility falls to us. It is a responsibility to our students, our colleagues, past, present, and future, and to our own sense of professional integrity.

So where are we for the coming year? As I said, we already know that our budget will be down by at least \$35 million. We will have 1,850 fewer students and over 600 fewer employees to serve those students who are enrolled. It is not a pretty picture. And next year will probably be worse. But we must never forget that our work is no less important because the state of California is unable or unwilling to fund it.

Indeed, if California is to have any hope of a viable future, that hope lies in a well-educated workforce, to which San Diego State and our sister CSU campuses hold the key.

As I said at the outset of these remarks, there is no gainsaying the fact that California's budgetary quagmire will inevitably unravel some of the extraordinary advances that we have achieved together in recent years. The size of our student body will be reduced; its level of academic preparation will regrettably slip back from the recent gains we have made; we will lose some good colleagues and

will be unable to attract others.

Some of us will understandably, and reasonably, rail against the incompetence that surrounds us; but we will not take that out on our students. As citizens and voters, we will fight to get California moving again; but always with the understanding that it is not our students who are responsible for the present debacle. They are its victims.

We have all been forced to make difficult decisions. I know that is true on a department level, where colleagues work to

serve disciplines they love; on a college-level where the balance of interlocking disciplines must be maintained—or in the case of our university as it struggles to preserve a range of educational and growth opportunities for students who are paying higher fees than ever before.

The greatest challenge we have is not imposing self-inflicted wounds on top of those imposed by the state of California. In particular, we have to work to keep new ideas alive and not assume that nothing is possible. While much

is not presently possible, it does not follow that nothing is possible.

Sometimes opportunities for national leadership come with little or no price tag -- such as SDSU's recent partnership with Google to become the first campus in the world to launch Google Street View. Other campuses around the country are now following our lead and lining up to be the next places to benefit from Google's technology. " You can view our site at <http://maps.google.com/maps>.

Earlier, I spoke of my frustration (I dare say our frustration) with the political dysfunction of California. Allow me to conclude by reminding us of the pluses. We continue to be a place where the future is being invented—with all its diversity, internationalism and research. Because of that, much remains possible for SDSU even without the help of the state.

For instance, in spite of tough budget situations federally, state-wide, and locally, SDSU faculty and staff continue to be highly successful in their pursuit of grants.

Because we are at the epicenter of societal change and development, we have just concluded another record year for grants and contracts. Last year, we submitted more competitive grant proposals than ever before and received more competitive awards at a higher value than ever. Clearly, with ingenuity and creativity, there remain ways to advance our work.

More good news amidst the gloom: only ten years ago our endowment was \$42 million; it rose as high as \$97 million in 2008 and fell as low

as \$70.5 million earlier this year as the markets imploded. The value of our endowment has climbed back to \$83.1 million as of June 30.

Endowment yields that had suffered with the decline in the market are now much improved. We are back in the top 37 percent of comparable foundations for performance.

The last two years have been the best ever for San Diego State fundraising, with \$73 million in gifts and pledges in 2007/08 and \$65 million in 2008/09.

We continue to expand the international opportunities for our students and our national leadership in this area. Our preliminary numbers indicate that over 1,600 students were abroad last year -- a wonderful indicator of the quality education we provide and of our commitment to internationalization. These numbers reflect the leadership of Provost Marlin and the hard work of our faculty and staff. Tyler, I especially want to recognize the important role that Associated Students' scholarships have made to our ability to offer these full-of-

**wonder educational opportunities to
students.**

**I am also proud, as I know you are, that San Diego
State has become a national leader in
welcoming this new generation of veterans to
the opportunities of higher education.**

**And shared governance, a major strength of San
Diego State, continues its effective work. I
want to express my gratitude to members of
the Presidential Budget Advisory Committee,
to the Senate's Academic Resource and
Planning Committee, and to the Budget**

Resource Assessment Team for their wise and constructive advice.

I also want to thank the deans and department chairs for making thoughtful decisions and for their careful stewardship of SDSU.

When I was a graduate student in the 1960s, there was a scandal among philosophers. We had all assumed that with our choice of profession came a life of relative poverty. However, some of our logician graduate students were suddenly being snapped up by the likes of IBM and paid salaries that were

many multiples of the salaries earned by our most senior professors.

None of us, including the logicians, had chosen philosophy for the money. Now, shockingly, money was flowing to some of our colleagues because of their value on the open market. What was shocking to philosophers was, of course, commonplace for engineers, scientists, business faculty, and others. They knowingly chose the academy, turning their backs on considerably greater income offered by the corporate sector.

My point is simply this. None of us came to higher education for the money. We came for a love of our work; for a chance to influence coming generations; for the opportunity to be an instrument of change; to expand the horizon of knowledge; to lift students and their families out of poverty; to further social justice; and to serve our society.

In spite of the dysfunction of our body politic, all those opportunities lie before us once again at the onset of a new academic year.

Most of us will be earning less than we did last year. Regrettably, earning less than we are worth is not a new phenomenon. We will all be working harder, but it is good and important work that we will be doing.

It won't be easy, or pretty; but we will get through this using the mechanisms of shared governance and mutual support that have served us so well in the past.

We are smart, resilient people performing the

**essential work of human growth and
development. San Diego State will rebound
(as it has in the past) stronger and better than
ever.**

Working together, you and I will make it happen.

Thank you.