Introduction

I am pleased to welcome everyone to the State of the School breakfast. This event is sponsored by the SPPD Athenian Society for its membership and for others who are important to the school. Thank you for coming. And thank you for your support of SPPD and USC.

I want to review some of the major highlights of the academic year which is fast coming to a close – and some of the challenges and exciting opportunities as we move to a new year and my new five-year term.
In contrast to last year’s State of the School formal presentation, I thought that this year I would take a more informal approach to presenting the highlights and opportunities, with time for discussion.

I’d like to start by talking about the major initiatives, accomplishments, and challenges for this year. I will then focus on trends in our society that are driving our investment and priorities of the next few years. But before I begin, I’d like to relate a story from my visit to the City Council Chamber yesterday, where I was attending a ceremony in honor of Steve and Katherine Sample.

One of the council members relayed in his speech that he had visited USC and met an SPPD student. In talking with him, the councilmember learned that the student had been accepted at the Kennedy School at Harvard but had decided instead to attend SPPD at USC. The Councilmember asked why? Answer was that Harvard is a great school, and so is SPPD. But Harvard assumed you will attend just by being admitted. SPPD really wanted him to come and make a difference.

Major Research Initiatives for the Year
Had a good health policy faculty but now we have a great one.

Brought 4-person faculty team from RAND in joint effort with Pharmacy and Provost’s Office, plus Mike Nickol, also from Pharmacy, to head graduate programs in health administration

Exceeded expectations on all measures during first year: postdoctoral students, research faculty, grants, ties across campus, Royball Center for Health and Aging, new PhD students

Center for Sustainable Cities

Great brand which we look to develop with other USC schools

Seeking industry, donor, and grant agency awareness and support

(I will say more about this later)

Degree Program and Curricular Changes

- Reorganized the master’s programs into more departmental-like structures, combining PhD, masters, and advising into one unit
- Reconstituted the PhD program into 2 new degrees in Public Policy and Management and Urban Planning and Development
- Designed a new undergraduate major with series of tracks build round current issues
- Health Policy and Management
- Law and Policy
- Non-Profits and Social Innovation
- Real Estate Development
- Sustainable Planning

**Major new initiative on Distance Learning**

We are launching on-line MPA degree of same high quality in one year (say more about this later). We are signing a contract with DE firm Embanet to launch major new initiative in DE.

**New Faculty**

A school is only as good as its faculty, upon which the school’s reputation is built

Brought in 5 new tenure track faculty this past year, and 4 non-tenure research and teaching faculty: health policy, public management and institutions, non-profit management, real estate and land use, decision making and risk, economic policy

Three hires underway this spring: state politics and policy (Sacramento, Flournoy Professorship; risk and terrorism for CREATE Center; and social policy and immigration)
Student Quality and Quantity

Largest number and best quality of students ever: 1460

Undergraduates, both majors and minors: 513

Graduate/Professional Master’s Degrees: 842

Doctoral students: 11 new students, with 1365 average GRE score, one of the highest at USC

Ability to recruit significant number of high-quality applicants only improving

Development

Meeting target:

Expect to raise more than $5 million in gifts with another $1.5 million pledged

Gifts are running about 15 percent ahead of this time last year, twice the university gain

Saw a 6 percent drop in gifts last year, similar to university total

Saw also a major drop in endowment over past 2 years, from a high of $106 million

Successes include:
Completion of the Morris Smith Foundation Challenge to endow a professorship in the name of retiring Professor Chet Newland (thank you Sterling)

The $1.2 million commitment from Pamela and Leonard Schaeffer to help launch our health policy program

The tremendous growth of the Athenian Society which will pass its goal of 85 active members this year and may surpass 100 (Thank you Dick, others on the Leadership Council, and to all of you who are Athenians)

Campaign Preparation

The new president has us all preparing for a major campaign.

Endowment has fallen from high of $106 million $86 million, since the financial collapse

SPPD wants to be a major player as we test a goal of $150 million, more than tripling results from the last campaign.

Sponsored Research

With $27.8 million this year, we rank third in the university in per faculty funding – a major accomplishment for a school our size

A flavor of the types of research our faculty are doing include:
Effectiveness and tax implications of congestion toll lanes

the economics of climate change policy

Competition, HMOs, and for-profit hospitals for controlling hospital costs

housing choices for elderly households

English language learning students and student academic performance

how cultural industries in New York and LA affect economic development

leveraging philanthropic dollars for public policy impact

public transit as a city growth and development strategy

the effectiveness of non-profit networks in delivering social services

the economics of the war on cancer

incentives for pharmaceutical innovation

intergenerational mobility and immigration

Record of Public Service

This school and its faculty and students are a valuable resource to the region, the state, and the nation.
- Adam Rose on resilience and climate change; has advised several states including Florida and Michigan and testified before congress on climate change and resilience

- Dowell Myers serves on California Governors Census Advisory Board; testified before Congress last year on immigration policy

- Mark Pisano working with NAPA on performance and public management

- Jack Knott working with OPM on federal hiring of students

- Harry Pachon and Gary Painter on English language learning in LA schools

- Dan Mazmanian chair of climate change panel for California; chair of Pacific Council for International Policy Climate change study

Major conferences held this year include

- Conferences on the California fiscal Crises sponsored by the Bedrosian Center

- The Keston Institute’s conference with Marshall on California fiscal crisis

- The Center on Philanthropy and Public Policy national conference on philanthropic leadership in the midst of the economic downturn
The Lusk Center Conference/retreat next week and on the Casden Real Estate Forecast,

The “Center for Sustainable Cities” conference on California environmental standards, inaugural program being held this summer.

The METRANS conference on freight movement and transportation

Population Research Group 22nd Annual conference on Demography: The Future for our Children

The Challenge of Space

The greatest challenge faced by SPPD is finding new, quality space

- Lewis Hall was built for 400 students for UPD
- Today we have almost 1500 students, 12 research centers
- We have no space for PhD students, no computer lab or workspace for masters students, a small, inadequate student lounge used as a hallway to University Club, inadequate classroom and meeting space; not enough office space for faculty
- Faculty and staff now scattered around campus in 6 buildings; 30 percent of our staff are housed off the campus
- No space for distance education faculty and staff

Precluded from taking on new ventures until we get new space
Key Societal Trends and Implications for Investment Areas

To help frame the discussion of the specific substantive SPPD initiatives for this year and plans for the future, I’d like now to focus on key trends in our society and the interests/demand among our students that are driving our major initiatives and goals for SPPD over this year and the coming years.

Technology: The first trend is the pace of change in technology: Internet, spatial, graphical, 3-d modeling

- Speed, connectivity, visual cameras in home and on street
- Face book, twitter, social networking, graphical interface, virtual reality, second life
- Technology will change structure of the higher education market, market share, global interconnectedness, distance and Internet education
- It will fundamentally change masters professional education over the next few years
- Note example of Rossier School of Education—added 1500 new students to about 900 current on the ground students
Implications for:

- SPPD will offer MPA on-line, EMHA, and Real Estate; contract with Embanet
- Example of Vietnam distance education hybrid model
- Spatial visual methods and technology need for new computer lab

**Governance Crisis**: The second trend is a crisis of governance

- Decline in trust and confidence in institutions both public and private
- Fiscal crisis and inability to address longer term policy

Implications for:

- Hire in public finance, financial management, and institutions, including non-profit organizations;
- Health and hospital management;
- Real estate finance

**Sustainability**: The third trend is urban sustainability and development

- Environment, climate change, transportation, land use, energy, infrastructure
Implications for:

- Investment in new faculty hire on environment and sustainability, transportation;
- ways to invest in the new Center for Sustainable cities

*Social Change:* The fourth trend is demographic and social change

- Baby Boom generation retirement, intergenerational relationships
- Immigration and diversity
- Changing jobs and crossing sectors (Bratton example)

Implications for:

- executive education, short courses, continuing education;
- immigration studies;
- health policy;
- future of California

Note that the substantive trends are captured by the 3 integrative themes of the SPPD strategic plan:

- Revitalized institutions of governance
- Sustainable Urban development
- Healthy individual, families and communities
Summary of Faculty Investment Areas

The first four are areas in which we have national prominences. Cannot rest on laurels, but need significantly invest in faculty. The fifth area is an emerging area under our sustainable urban theme:

Real Estate Finance
Public Finance
Transportation and Infrastructure
Health Management
Environmental and Sustainability

Welcome your thoughts and questions. You are among the people closest to the school. You have invested in us. I thank you for that and I hope we can continue to be worthy of your investment as I begin my new term.