Thanks to everyone for coming and joining us for breakfast for the State of the School Address.

In today’s world, social and economic challenges have become increasingly complex and enduring. In addition to such thorny issues as health care, energy, and security, we must navigate through the unprecedented financial crisis and economic recession—the most extraordinary challenge of our generation, and one that will impact generations to come.

We also face enormous governance challenges in the institutions and decision processes by which we make choices and solve problems. The
financial crisis in particular has laid bare the weaknesses in our major regulatory and legislative processes, our fixation in both the public and private sectors on the immediate gain rather than the longer-term future benefit, and low performing public agencies and private contractors.

This past year also demonstrated in a dramatic way the global interconnectedness of these challenges, especially the speed and scope of the spread of the financial and economic crisis.

These developments have brought about a major shift in the political landscape and thrust the federal government into the most prominent role in society since the Great Depression. It has caused a re-focusing of society on public values and generated a growing interest in public service and international affairs—as evidenced in part by the strong increase in applicants to SPPD for this coming fall. Given the jobs needed and the challenges facing the country, SPPD students are in the right place at the right time.

Successfully tackling multifaceted, often intractable, problems will require exceptional levels of leadership and collaboration. As a school, SPPD distinguishes itself from its academic peers by embracing a special approach
that builds bridges across boundaries to provide innovative solutions to societal issues. It builds bridges across disciplines with an interdisciplinary approach. In addition, we focus on finding solutions by building bridges and working across the public, private and nonprofit sectors. And finally, more than most policy schools, we connect theory and academic quality to the community of practice.

Consequently our school houses a wealth of expertise on many issues that are making front page news. Today’s headlines—rising unemployment, homeland security, soaring healthcare costs, crumbling infrastructure, transportation gridlock, environmental sustainability, financial crisis, and a depressed real estate and housing market—are being tackled head-on by our students, faculty and alumni.

Origins:

Many of these distinguishing features of the school have their origins in the school’s founding and history. This year marks the school’s 80th anniversary. We opened our doors in 1929 as the USC School of Citizenship and Public Administration. The formation of the new school in 1928-29 was ground
breaking for urban planning and public administration. It was one of only
two schools of its kind in the nation and was the first school in the nation to
offer the public administration masters degree. From the beginning, the
school was committed to excellence and has been considered one of the top
ten schools in the country over its history.

Last November, we celebrated this anniversary nationally with a gala dinner
at the annual convention of the National Association of Schools of Public
Affairs and Administration (NASPAA). In January in Los Angeles, we
celebrated the anniversary with a wonderful min-conference focused on the
theme of “Working across Boundaries to Solve Public Problems.”

In 1929, the USC School of Citizenship and Public Administration did not
resemble very much the larger complex school we are today, but it contained
the seeds of what is currently the modern SPPD.

Indeed, nearly eight decades later, the founders of the school certainly would
be impressed to see what the school has accomplished and what it has
become.
In his book, *Good to Great and the Social Sectors*, Jim Collins wrote that, “A great organization is one that delivers superior performance and makes a distinctive impact over a long period of time.” I strongly believe that SPPD has proven to be a great organization that has made a tremendous impact over eight decades.

The School today: scale, quality, impact

So let us take a look at the current SPDD’s scale, quality and impact. We have a major school, of exceedingly high quality, that is relevant, compassionate, and engaged.

*Scale:* In 2008 SPPD had over 1300 students, which place us in the top 10 policy schools in the country in size and in the middle compared to all schools at USC. We have about 750 master’s degree students; 120 Ph.D. and professional doctoral students; and 420 undergraduate students. (Please see statistics on this in your handout.)
We have 9 research centers some of which are federally funded and others that are endowed through generous gifts from supporters, and this year, our faculty have 86 active research grants and contracts for a total value of $22 million, which places us 3rd at USC in research grants per faculty member.

In fiscal year 2009, SPPD had all-funds revenues of $43 million and is projecting a budget for FY 2010 of $46 million.

In addition, SPPD has about 15,000 alumni worldwide, with an active Alumni Association Board with 31 members. Examples of outstanding alumni include:

- **Hilda Solis**, newly appointed Secretary of the Department of Labor
- **Chris VanGorder**, CEO of Scripts Health in San Diego
- **Bob Champion**, CEO of Champion properties in Pasadena
- **Joyce Kennard**, member of the California Supreme Court
- **Mark Kroeker**, vice president of global security of the Walt Disney Company and chairman and founder of the World Children’s Transplant Fund, a non-profit organization dedicated to the pediatric transplantation. **Alan Hoffman**, Deputy chief of Staff, Vice President Joe Biden
Our graduates take jobs in several fields, including consulting, government, non-profit organizations, foundations, educational institutions, and private firms.

Quality: For the fourth consecutive time, in 2008-09 *U.S. News and World Report* has ranked SPPD as 7th overall out of 269 schools surveyed.

Over the past few years, our students have achieved very high scores on the Graduate Record Examination (GRE) and Scholastic Aptitude Test. The GRE scores for Ph.D. students have remained consistently very high over recent years, averaging 1398, making us the Ph.D. program with the highest GRE scores at USC. In addition, SPPD has a policy that all faculty, no matter how senior, must teach on a regular rotating basis in the undergraduate program.

As you see from your handout, over the past couple years SPPD faculty have received a remarkable number of honors and awards.
Impact, Knowledge in Action: An outstanding junior faculty member in SPPD, Professor Elizabeth Currid, wrote this year in her annual activity report:

“One of the most refreshing and wonderful parts of SPPD is the School’s desire to be relevant and important not just within the walls of academia but also in the public and social dialogue of the world… I hope that my research in its own small way can contribute to the larger body of knowledge in the world, giving people—students, academics, and the public—new ways of thinking about things and new ideas to think about. For me as a researcher, this is one of my fundamental goals.”

Through their research and expertise, SPPD faculty and students have produced a significant impact on policy and society. Since January 2009—just three months ago—21 SPPD faculty members, some of them multiple times, have been quoted or interviewed by the news media on issues from immigration to the financial crisis.
Note also that Professor Raphael Bostic, was just nominated to be assistant secretary for policy at the U.S. Department of Housing and Urban Development in the New Administration.

SPPD engages the community and relevant industries. The Lusk Center and the Center on Philanthropy and Public Policy, for example, have strong ties and programs for the real estate and philanthropy industries.

Students and faculty are engaged in the community and in practice. It is noteworthy that students helped Stan Ross write his best-selling book on learning real estate development. The Ross Center educated people in low income communities. Students participate in the Center on Economic Development, METRANS, and CREATE addressing real world problems. Keston Institute works closely with state policy makers on infrastructure development.

Internationally, our students participate in teaching laboratories where they produce reports for the World Bank and other clients.
The Future: A School for the 21st Century

For the future, I envision a school that plays a highly visible role in:

- Promoting public service and a commitment to community and society across the public and private sectors

A school that

- Convenes major forums on national and local issues
- Connects researchers, students, policy makers and the community
- Promotes public dialogue based on evidence and reason in the policy debate

A school that prepares students at all levels with

- The best theoretical knowledge, skills, methods, and practical experiences

A school that conducts scholarly and applied research on

- Relevant and significant public issues
- Makes major theoretical and cutting-edge interdisciplinary contributions to knowledge

A school that

- Meets the needs of continuing and executive education
Uses Internet technology and distance learning

A school that invests in

- New ideas and innovative activities
- Global reach and leadership in public affairs.

The challenges facing our country and region are daunting. But the challenges also present new opportunities for growth and development to invest in new areas and faculty and to better prepare students to be tomorrow’s leaders. Let me conclude by outlining three major investment areas for the school.

**Revitalizing our institutions of governance**

The country faces significant questions about its institutions of governance. What is the right balance between the public and private? How should contracting and networks be used in service delivery? How do we promote civic engagement and democracy? How should we reform our financial institutions? What should be the role of regulation of the economy? How can we establish cost effective and accessible health care systems? How can we manage and lead more effectively?
Human capital for public service: The country has under-invested in human capital for public service over the past several decades. While SPPD does educate the best and the brightest for public service across the sectors—public, non-profit, and business sectors, there is a need to invest further in striving for excellence in human capital and knowledge development for public service and national and local problem solving. (Introduce proposal on USC Academy for Public Leadership and Service)

Policy and Social Entrepreneurship: More than ever the country needs social and policy entrepreneurship. We need to train people to innovate and create new public value. The United States has a distinguished history of social entrepreneurs, including John Muir, Jane Adams, John Dewey, and Susan B. Anthony. Today social entrepreneurs in the United States and around the world start organizations and movements that change society. Habitat for Humanity builds homes for low-income families; Project Hope brings health care to some of the neediest people in the world; Teach for America engages thousands of top students from around the country in teaching at-risk children. We need to understand the role that philanthropy, business, non-profits, and government can play in
promoting social and policy innovation that can be brought to scale across
the country and around the world. (Introduce new proposal on USC
Institute on Social entrepreneurship)

Public and Non-Profit Leadership: New, visionary leaders are required to
address California’s, the nation’s and the world’s most complex and pressing
problems. Leadership training must be multi-disciplinary by design. Policy
issues and problems cut across fields. It is essential that leaders also be
entrepreneurial, technologically, and analytically savvy. They must overcome
the tendency to concentrate on the here and now to the exclusion of serious
future consequences and benefits. The country needs executive leadership
training for people who are changing careers across the sectors and moving
into higher positions vacated by the retirement of the baby boom generation.

Managerial Skills and Financial expertise: We need to train students with the
necessary management, risk analysis, marketing, strategic communications,
and financial management skills to more evenly match the skills in for-
profit, commercial enterprises with non-profit and public agencies. We also
need to invest in curriculum that supports public-private partnerships and contract management.

Public-private finance: The country faces huge challenges in financing infrastructure, health care, education, and social security. SPPD needs to invest in public finance capacity across its programs, in infrastructure, health, real estate development, public policy, and financial management.

(Introduce concept paper on a Chair in Public finance)

Sustainable urban and regional development

Most people live in cities and many live in large mega-regions. SPPD has a major focus on these urban areas in infrastructure, real estate, transportation, land use, and homeland security.

Intergovernmental disaster planning: the Hurricane Katrina disaster highlights the significance of intergovernmental and regional cooperation in responding to natural disasters and risk. We have the Sacramento Center but need to re-establish a presence in Washington D.C. (Introduce initiative
on establishing an Urban Earth Science and Public Policy Institute in collaboration with the US Geological Survey with Adam Rose.)

*Sustainability*, green development and energy: the New Administration will place a huge emphasis on alternative fuels, global warming, and green development. SPPD is well positioned with its expertise on land use, real estate, transportation, and urban development. The school needs to invest further in green building, energy, and sustainable planning and development. (Introduce proposal to establish an Institute on Mega Cities or on Sustainable Cities)

*Healthy communities*: only part of the health care crisis is solved by insurance and cost—where all the political rhetoric is focused. It also involves community clinics, healthy lifestyles, land use, and the environment, and community planning. (Introduce proposal to establish an Institute on Real estate and Community Engagement. We need a proposal on Healthy Cities)

*People and families*
Ultimately the future of our society comes down to giving people the opportunity to learn and succeed and live healthy and productive lives.

_Immigration and diversity:_ continuing diversity will shape the work force, housing, consumer purchasing, education, and health needs. (Establishment of new Center for Integrating Immigrants and the incorporation of the Tomas Rivera Policy Institute (TRPI) into SPPD and USC)

_Inter-generational policies:_ the retirement of the Baby Boom generation brings significant intergenerational changes in wealth transfer, productivity, and policy needs. Many of the social security and health care issues involve long-term care as well as inter-generational transfers. (Introduce proposal on creating a Center on the Future of California)

_Health care and social policy:_ the School needs to invest further in health management and policy, given the retirement of the baby boom generation and the continuing lack of health coverage and health disparities across the country. In addition, there is a growing interest in effectiveness research in delivery care to patients.
Conclusion

There are disturbing parallels with our times and the late 1920s, when SPPD was founded. We live in turbulent economic times. We face dangerous international developments. We also confront challenges to good government, public service, ethical corporate governance, and the role of government in society.

Our hope is to avoid the calamities that started 80 years’ ago when our school was founded which brought the country and the world to their knees through the Great Depression and World War II.

We want to train students today with a better understanding of ethics, public value, and service; a better knowledge of the inter-relationships between public and private sector problem solving; and with solid technical, policy analysis, institutional, and managerial knowledge to tackle complex, intractable problems. We also want students to learn entrepreneurship and innovation, not only in business, but also in non-profits and the public sector.
As Abe Lincoln said, “The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise to the occasion. As our case is new, we must think anew and act anew.”

As dean of SPPD, I am committed to working with all of you to build on the strengths of our legacy to rise to the occasion and to think anew and act anew about the many challenges and opportunities ahead of us.

Thank you!