Thank you, Barbara, and good morning to everyone.

At Shippensburg University, there were four sophomores taking chemistry and all of them had an “A” so far. These four friends were so confident that, the weekend before finals, they decided to visit some friends in State College and have a big party. They had a great time but, after all the hearty partying; they slept all day Sunday and didn't make it back to Shippensburg until early Monday morning. Rather than taking the final then, they decided that after the final they would explain to their professor why they missed it. They said that they visited friends but on the way back they had a flat tire. As a result, they missed the final. The professor — who as all Ship professors was very student friendly — agreed they could make up the final the next day. The guys were excited and relieved. They studied that night for the exam. The next day the professor placed them in separate rooms and gave them each a test booklet. They quickly answered the first problem worth 5 points. Cool, they thought! Each one in separate rooms, thinking this was going to be easy...then they turned the page. On the second page was written...For 95 points: Which tire?

I hope your summer has been a good one, and I’m glad to see all of you today. It is exciting that tomorrow our new students — complete with what seems to be everything they own — will move into the residence halls to start the 2011-2012 academic year. Our freshman will be the class of 2015!!

The 2011 Beloit College Mindset List reminds us all that the Class of 2015 college freshmen come to us with a new set of values and backgrounds:

- They were born mostly in 1993.
- They had pogs and Tickle Me Elmo toys as children.
- They watched televisions that never had dials.
- They lived lives that have always been like a box of chocolates.
- When you mention Amazon to the incoming class of college freshmen, they are more likely to think of shopping rather than the South American river.
- They don’t see PC as standing for political correctness.
- They think breaking up is a lot easier thanks to Facebook and text messaging.
- You think the initials LBJ referred to President Lyndon B. Johnson? Those same initials make teenagers think of NBA star LeBron James.
- They didn’t want to be like Mike (Michael Jordan) — they want to be Shaq and Kobe.
- For them, Major League Baseball has always had three divisions plus wild-card playoff teams.
- Every state has always observed Martin Luther King Day.
- They are "yadda, yadda, yadda" generation that's been quoting Seinfeld since they were old enough to talk.
They have always seen women serve as U.S. Supreme Court justices and command U.S. Navy ships.

Many of these students were still in diapers when the OJ Simpson began searching for the killers of Nicole Simpson and Ronald Goldman.

Andre the Giant, River Phoenix and Frank Zappa all died before these students were born.

They don't know what a Commodore 64 was.

They don't understand why Boston barflies would ever shout, "Norm!"

Ferris Bueller could be their father.

And, incoming students have never lived in a world without the Internet.

Earlier this summer many of us here had the opportunity to share some time with the incoming students and their parents during orientation, and I know that they’re looking forward to the start of the semester. Overall, we expect to have a total of more than 8,200 undergraduate and graduate students, a strong number in light of the current economic uncertainty and its impact on our students and their families. It is also a testament to all of you. Students — and ultimately their parents — understand the value of the Shippensburg education you provide and the support you give students inside and outside the classroom. Your dedication to our students is the hallmark of this university and its spirit. On behalf of our students, I thank you for that.

Normally, this is where I would talk about our many successes and accomplishments during the past year and our plans and hopes for this year. I will still do that in a moment, but I think it is important that I again share information with you on our budget.

Simply put: We’re OK. In spite of the 18 percent reduction in state funds, we have been able to maintain our programs, our personnel complement and, most importantly, the quality that makes Ship a nationally-recognized university.

That, unfortunately, isn’t true throughout the PASSHE system. Some of you may have seen media reports or talked with your colleagues elsewhere in the system so you know that other universities have made major cuts to their academic programming, including one university that cut more than 60 programs, while others have seen additional personnel layoffs. For my colleague presidents who were involved, these were difficult and deeply troubling decisions made necessary by the major reduction in state funding, and I know they are doing everything they can to make their situations the best that they can be.

Some of the funding loss was offset by a 7.5% or $436 increase in tuition. At the June meeting of the PASSHE Board of Governors, there was a spirited debate as to what that increase should be — some wanted double-digit increases. The ultimate decision was that students and their families should not, and could not; bear a larger increase to offset the total loss. While that means we must make additional reductions in our budget, it also means that our tuition remains among the lowest rate of all four-year colleges and universities in Pennsylvania, and well below the national average for public institutions. In other words, we are still the most affordable choice for higher education for our students.

To balance our budget for this year, we must cut our budget or increase our revenue to total more than $4.5 million. These financial decisions will be made throughout the university and, in the spirit for which Ship is known, will be made collaboratively with input from all members of the campus community.
These decisions will include reductions in general operating budgets and savings in personnel costs due to vacancies and not filling some of those positions among other things.

We are also working on producing additional revenue through planned increases in enrollment. One example of that is the new MBA program we will offer next spring at East Stroudsburg University. By offering the program at East Stroudsburg, we are expanding into a new area for us and offering that region a nationally accredited program at an affordable price. We, and our colleagues at East Stroudsburg, are confident that this program will be a success and will allow us to increase enrollment.

I said earlier that we’re OK, and we are. But this year will continue to be a fiscal challenge for us. As you remember, from the 2003-2004 academic year through the 2012-2011 academic year, we cut more than $20 million. Combine that with this year’s $4.5 million in spending reductions or revenue increases, and we are fast reaching a point where we can no longer absorb cuts without them having serious and long-term impact on not just what we do, but who this university is.

Our joint efforts to make the most effective and efficient use of the funds entrusted to us have been effective. Thanks to your efforts and suggestions, the university continues to provide students with an education of excellence with the various support services they need inside and outside the classroom. That will continue, even as we look toward an uncertain fiscal future in the Commonwealth and the nation.

I can’t predict our future funding levels, nor can I predict changes in the other numerous variables that impact us. It is almost certain that we cannot expect any increase in state funding in the immediate future, nor can we count on a major improvement in the economy that will, ultimately, help us. This means that we will, again, review all our expenditures, look for additional entrepreneurial opportunities and operational changes to increase revenue, continue to use that revenue and revenue savings over multiple years, and plan for a future in which Shippensburg University plays a vital role.

We will continue to fill faculty and staff vacancies as appropriate to ensure students have the classes, services, and support they need. And we will continue to provide support for such programs as the student-faculty undergraduate research program, our graduate research programs, our scholarship programs and other programs that will increase student achievement and faculty and staff effectiveness. And, we will continue to actively pursue our efforts to enhance our academic programming. Just as we are starting a new Bachelor of Science degree program in computer engineering, thanks to the efforts of many people including Carol Wellington and Tom Briggs, we will continue to look at new programs that fill a regional need and which we can offer without further taxing our resources — and hopefully increase our revenues.

As I have said many times, this is a challenge we face collectively, and will solve collectively. I again encourage you to make suggestions of how we can do what we do better. You already have, and I know you will continue to do so. So even though we do not use your idea right away, please continue to contribute your thoughts and suggestions.

Enough of the challenges, let’s go to the successes:

- The university signed agreements with two international schools for joint programming. Our pact with La Rochelle International Business School in La Rochelle, France will promote development of joint studies, research and training activities, and other educational programs of mutual interest. The other agreement is with Wroclaw University of Economics in Poland to begin work on
development of exchange programs between the universities and to promote activities of mutual interest.

- Our Celebration of Student Research Conference last year expanded to include 519 students and their 88 faculty co-researchers and mentors. Of note is that the number of participants was 30 percent higher than the previous year, showing the important role research plays in students’ education.

- Our summer retreat produced an agreed upon set of university goals — driven by the Academic Master Plan — that will be vetted this fall and hopefully approved as part of our Vision-Mission-and Goals for the next five years — 2012-2017.

- A group of nearly 60 students and faculty spent Fall Break 2010 in Mississippi aiding in the cleanup of the oil spill in the Gulf of Mexico, and then highlighted their experience in a public presentation. The service-learning project was a new component of Academic Day and one we’re hoping to recreate this year.

- Our SUTV is one of only two university TV programs — the other is Temple — that have received a regional Emmy nomination! The award ceremony is on September 24, 2011 and we hope we can bring it home and tell all of you exactly how much it weighs.

- The SU Foundation had a near record year with fundraising totals of almost $6.5 million and annual fund totals a little over $2 million. The Foundation has been a great supporter of ours and this success continues to build resources for our future.

- Work was completed in the spring on Huber Art Center’s renovation and expansion at a cost of about $6.8 million. We will have a ribbon-cutting ceremony to celebrate this achievement at 4 p.m., Thursday, September 1 and I invite all of you to attend. If you haven’t had a chance to see this outstanding new facility, please take some time to take a tour.

- Work is progressing on the renovation of the Ceddia Union Building as well as on construction of all-new residence halls. We’ve reoccupied some parts of the CUB and the work is expected to be complete later this year. Please stop by and enjoy the new Follett Bookstore, the new food service space and become acquainted with the new space that is available for programming — especially the 10,000 square foot Multi-Purpose Room.

- From the many fences around campus, you can tell work has started on the new residence halls. The first one — including space for our Honors Program — is to open in time for the Spring 2013 semester so I ask for your patience not only until then, but until Phase 2 is done in Summer 2014 and Phase 3 in the Summer 2015. Some people are saying with all the fences and other work, you can’t get there from here, and there is some truth to that. But when these projects are complete, this university will be even more attractive to potential students and others. Please bear with us.

- Beginning this semester, our MBA program is available in Harrisburg to both full-time and part-time students. The new MBA—Emerging Leaders cohort is a one-year, full-time program designed for recent college graduates with limited or no work experience, who want to gain professional experience while completing an MBA in one year. This is another example of our efforts to reach into new markets.

- This year, our undergraduate minority student applications are up 4.9 percent and our undergraduate out of state applications are up 6.8 percent.

- We also hope that figure will increase next year when, instead of a 250% non-resident tuition rate, we will have a non-resident tuition rate that is 225% of resident tuition rate for the 2012-2013
academic year, for all currently enrolled and prospective undergraduate students from outside the state of Pennsylvania. In addition, we will have a tuition rate of 175% of the resident tuition rate for the 2012-2013 academic year, for all currently enrolled and prospective undergraduate students who qualify under two categories:

- High-performing students who earn a 1200 SAT or better OR who graduate in the top 10% of their class. These students will receive the 175% rate and only retain that rate if they meet or exceed the same qualifications that exist for our Board of Governors Scholarship recipients. At any time if these students fail to meet the BOG standards, they will revert back to the 225% rate. If they reinstate themselves and again meet the standards they will again be eligible for the 175% rate.

- Students who select a STEM (Science, Technology, Engineering, and Mathematics) major and/or student who select a STEM Education major (Teacher Education or Secondary Education). These students will retain the 175% rate as long as they stay in that selected major. At any time if these students change their major they will revert back to the 225% rate.

Focusing on our successes is easy. We have so many that the difficulty is deciding which ones to highlight. That is a situation in which we all can take pride. The success of our students and the success of this university are a collaborative effort by us all, especially the outstanding work that is done by you in your classrooms each day and in the work you do with students outside classes. That has been the history at the university, and I know it will also be our future.

There are many who deserve recognition for all that we have achieved — students, administrators, trustees, and staff. But much of the praise goes to you, the faculty. It is through your commitment and creativity that Shippensburg University continues to adapt and improve, meeting every challenge as we move forward. The challenge of the times is it also requires you to continue to adapt and improve for the years to come.

Much of our success is, and always has been, partnered with challenges. You will remember that we spent last year dealing with the increasing public scrutiny of public higher education. There is a lot of pressure from the public sector and those who govern our budgets and our institutions. There are many who question whether public universities are properly preparing graduates for the technological, global and ever-chALLENGED economy of this century. That discussion is often very heated and divisive one and is simply not going to go away. There is increased public scrutiny and a big emphasis on accountability and outcomes based measurement. Legislators, governors, parents, alumni, students, the media, and many of our friends are concerned about the costs of education and the time to degree and, in general, want to make sure that we are productive, efficient, effective, and affordable.

An oft-used term for this the second decade of the 21st century is, this is the New Normal! We can waste our time fighting the perception or we can build and create the reality that Shippensburg University will be the place to go to receive a fabulous education. We will show that through the successes of our students, faculty and staff, and we will be leaders not followers in this effort.

We must, therefore continue to concentrate on learning outcomes, student achievement, student assessment, and faculty effectiveness. Often the best defense against your biggest critics is a good offense. Shippensburg University will continue to go forward on the offense by looking at cutting edge methodologies for instruction, new research opportunities, academic rigor in our programs while
continuing programs like academic success, the MLK program, the Pittsburgh Partnership, dual enrollment with both community colleges and our appropriate high-school partners, as well as raising as many dollars as we can that belong to us, our foundation, and our student association; so that we use that funding to continue to support our excellence. Does that mean we must compromise on some issues — yes? Does that mean we compromise on all issues — no!! This is still an academic institution and as long as I am honored to be your President, we will continue to do those things that make us the flagship institution of the PASSHE system.

Remember, as William Shedd said, “A ship in the harbor is safe, but that is not what a ship is built to do.” The point of this Ship is to sail on the Sea of Learning. If you don’t sail on that sea with this Ship, you are wasting it, even if you are keeping it safe. The point is not to waste what we have — instead to use it for its intended purpose. There is more danger and risk in taking a ship out to sea, but our challenge is to make it worth it. So All Ahead Full Shippensburg!

Best wishes to all of you for a successful 2011-2012 academic year, thanks for all do for Ship, and I look forward to seeing everyone at the BBQ tonight at 6 p.m. at the Student Recreation Complex. Thanks, and welcome back.