

President's Report to the UNC Board of Governors

February 21, 2020

Greetings everyone.

As usual, it is an honor and a privilege to be here, joining you in the important work the UNC System does on behalf of our great state.

If anyone here needs a vivid reminder of the value of what we do, you don't need to look any further than astronaut Christina Koch. The School of Science and Mathematics and NC State alum just returned to Earth on February 6 after spending a record-breaking 328 days in space.

Her success embodies so much of what we work for every day. Very few of our students will venture into space. But the teaching and research opportunities we provide will help our students chart a course toward their own uniquely remarkable achievements.

This is why we are here.

We have important work to do, making sure that more students have access to affordable higher education and the opportunities a postsecondary degree can bring. We have more work to do to help our students succeed in their academic pursuits. We have more work to do to serve North Carolina.

And despite all the challenges and theatrics we've seen recently, we are getting that work done.

Last week, the UNC System hosted three different conferences. Each one of them brought together representatives from across our institutions to work on improving higher education in North Carolina.

Notably, two of these conferences were collaborative, interagency efforts. The Behavioral Health Convening and the North Carolina Adult Promise Symposium brought together representatives from both the UNC System and North Carolina Community Colleges.

In addition, more than 200 stakeholders from all 17 UNC System institutions participated in this year's Student Success Conference.

All told, over the course of the week, community, philanthropic, political, and national thought leaders in education helped sponsor events and engaged with faculty, staff, and administrators from across North Carolina's higher education landscape.

Also last week, Andrew Kelly, Kim van Noort and I participated in the myFutureNC Inaugural Celebration in Greensboro. It was very clear that this important effort has wide and deep support across our state.

All of the activity last week made it very clear that higher education is a statewide investment—and an imperative commitment to building North Carolina's future.

These conferences represent just a fraction of the work the UNC System does throughout the year. This focused effort is why we have met or exceeded 10 of our 12 Strategic Plan benchmark goals for the year.

The ongoing State budget morass, however, is jeopardizing these efforts. I say this without being political and without placing blame on any party or any state official. My concern for the UNC System is, pure and simple, non-partisan. There is just too much at stake to quibble over *how* our budget gets enacted—I am passionate about seeing that it *does* get enacted, one way or another.

The consequences of not having a budget in place are reaching every corner of the state, and ultimately the impact will be felt most profoundly by the students and the communities we serve.

- Without \$16.5 million in capital funds, WCU is unable to repair the outdated and failing steam plant that provides heat and hot water for the entire campus. The plant is one harsh winter or mechanical failure away from a complete campus shutdown. This worst-case scenario nearly happened in 2016—four years later, and still with no upgrades, the steam plant is living on borrowed time.
- N.C. A&T is unable to renovate Carver Hall, leaving agriculture students stuck in overcrowded, ADA-non-compliant classrooms with no central AC/heat and an outdated fire alarm system.
- N.C. A&T is also unable to meet \$1.6 million in federal matching fund requirements for its Evans Allen grants, jeopardizing the university's potential for acquiring federal funds in the future. Meanwhile, new and open faculty positions to support doctoral research will be delayed, which may threaten the strict faculty-to-student ratios the university needs to maintain accreditation.
- And, UNC Pembroke will not have the capital funds it needs to proceed with its new health sciences and STEM building, severely limiting the university's capacity for future growth and program development in critical workforce fields. This will ultimately impact health and well-being through the region.
- All three of our NC Promise institutions have seen remarkable enrollment growth since the program was enacted. With the current impasse, the institutions will not see the state appropriations that were supposed to supplement each student's tuition. This puts the sustainability of NC Promise enrollment growth at risk. Western Carolina, UNC Pembroke, and Elizabeth City State are all facing the very real likelihood that they will have to limit or reduce enrollment for fall 2020 and 2021.
- And we have just announced, with regret, that we must postpone the opening of the NC School of Science and Math's Morganton Campus for one year, until 2022, because the budget was not enacted, leaving them without the necessary operating funds they need to staff the facility or hire faculty.

This list only mentions a few of the challenges facing us as a result of the budget standoff. Every one of our institutions is feeling the heat, and transformative projects across the UNC System have been put on hold.

That is why I and my colleagues will be doing a road trip across North Carolina in March, visiting many UNC System institutions and joining chancellors and other leaders to highlight publicly the damage that's being done by the lack of a fully enacted budget.

All that said, the UNC System is moving forward when and where we all can.

The second System-wide Employee Engagement Survey is underway. This confidential survey will give us unique and actionable insight on important workplace issues and the progress we have made since the last survey, which was conducted two years ago.

Chancellor searches are underway at UNC Charlotte, UNC School of the Arts, East Carolina, and Fayetteville State.

- The UNC Charlotte chancellor search is continuing with candidate interviews, and Chair Mike Wilson is working on a timeline that would permit a nomination to the full Board in April.
- The UNC School of the Arts search committee is currently receiving applications and will begin interviews in March. Chair Ralph Womble expects to recommend candidates in April.
- The East Carolina chancellor search committee has hosted a series of listening sessions. The feedback that was gathered has been incorporated into a leadership profile that will help determine the criteria for evaluating qualified applicants. The committee's goal is the naming of a new chancellor for the fall term.
- The Fayetteville State search committee was announced and will hold a kickoff meeting on February 25. The committee is scheduling constituent listening sessions, with the hope of bringing forward a nomination in time to have the new chancellor in place for the fall term.

I am optimistic that, with a new era of leadership in place, these institutions will continue their progress toward our 2022 Strategic Plan goals and beyond.

But it is imperative that our budget needs are met soon. With no budget in place, our institutions will be hamstrung and the steady momentum we've worked hard to generate will be lost.

We need a budget in place so we can teach our future astronauts and North Carolina's next generation of K-12 teachers. We need it in place so we can prepare the talented young doctors and nurses who will keep our state healthy, the entrepreneurs and engineers who will keep our economy humming, and the artists who will keep our culture stimulating.

My sincere hope is that North Carolina's policy makers comprehend the monumental opportunity cost we will incur if they don't get the budget done.

Higher education is our investment in the future. Let's not put that investment at risk. Please don't make the university system collateral damage in this political fight.

Finally, I would like to express condolences following the loss of Representative Linda Johnson. We are grateful for her 20 years of service in the Legislature. Through her work as Senior Appropriations Chair, she was a passionate advocate for North Carolina's public education systems. Our thoughts and prayers go out to her family.