Good morning to all of you. This is my fifth State of the University Address as chancellor, and I would like to begin by saying “thank you” to all of the members of the University community who have worked so hard to advance the agenda for UNC Charlotte that I set forth at the time of my formal installation in February of 2006. And I owe a special thanks to each of you for both your commitment and your loyalty to UNC Charlotte over the past very difficult year. Through a truly collaborative effort, we have been able to weather one of the worst budgetary storms that ever has confronted us, notwithstanding continued aggressive enrollment growth. All members of the University faculty and staff were asked to make personal sacrifices when salaries were reduced and a furlough was ordered, and I know that the salary cut created personal hardships for many employees. To all of the faculty members who have stepped up to teach more classes and more students and to all of the staff who have continued to work long and hard even during a period of high anxiety and uncertainty concerning the security of their jobs, UNC Charlotte is in your debt and so am I.

I will not dwell this morning on the budgetary crisis. I believe we must continue to look forward while we deal with it. Hence, with apologies to country singer Rodney Atkins, the title of my remarks—“when you’re going through hell, don’t stop!”—Keep on going. Let me say that I’m very proud of the planning and good judgment exercised by our senior administrators, our deans and department heads, and the campus-wide Budget Council as we evaluated the options for achieving the mandated budget reductions. At the end of the day, we were asked to offer up nearly $12.8 million in personnel and operating support, including almost $6 million in cuts to our base budget from FY 2009 and nearly $6.8 million in reductions to our continuation budget for FY 2010. Those cuts implicated more than 105 full time equivalent positions. Fortunately, through good planning and with a clear-headed sense of the implications of the choices we have been forced to make, the vast majority of these positions were ones we had kept vacant in anticipation of the budget reductions or had never created even though we had received enrollment increase dollars to do so. As a result, we were able to keep the number of filled positions that had to be eliminated down to just 15. As much as we have hated to deliver the devastating news of a layoff to colleagues who have contributed significantly to UNC Charlotte, there is no question that we emerge from this phase of the crisis with a workforce that is largely intact. Nothing could have been more damaging to our long-term development than to have
sacrificed the investments we have made in hiring, developing, and retaining the highly skilled faculty and staff that we have today.

With that said, the challenges we face are significant ones as we must address as best we can the instructional and administrative support needs of an estimated 24,500 students this fall, including nearly 2,100 additional students we have taken on during this crisis. Fewer classes will be available, classes and laboratory sections will be larger, advising will be more difficult to access and, as a result, retention and graduation rates could decline. Administrative services and facilities support across the board will be adversely affected, and we place ourselves at greater risk of failure in the systems that ensure fiscal integrity and leave ourselves vulnerable to unexpected breakdowns in our physical infrastructure and critical equipment. Other forms of support for students, including temporary jobs on campus, will be reduced significantly. And by sacrificing critical faculty positions in the face of enrollment growth and increased regional demand for the University to support economic development and to deliver upon the other elements of our urban research mission, we miss the opportunity to make additional key strategic investments in our academic programs, particularly those that support our graduate and doctoral program initiatives and which, in many cases, leverage our investment through the acquisition by faculty of external research funding.

As grim as this can sound at times and I think all of us should anticipate the likely possibility of additional budget reversions in the current fiscal year, I still see the future of UNC Charlotte to be as bright as ever, although the pace of our development will undoubtedly be affected by how quickly the state of North Carolina and its citizens can emerge from the current recession. As I look back upon the agenda I outlined in February of 2006, I can see both progress and promise.

We start with a revised mission statement awaiting final approval by the Board of Governors that declares UNC Charlotte to be North Carolina’s urban research university. We have built upon a strong academic planning process initiated in 1994 to respond to the challenges posed by President Bowles and the “UNC Tomorrow” project for institutions to be more responsive to public needs and more collaborative partners with their communities. Earlier this year we earned designation by the Carnegie Foundation for the Advancement of Teaching as a “community engaged institution,” because of our broad set of activities that range from the participation of our faculty and staff on the boards of community organizations to our work with state government representatives to package our graduate and continuing education programs to serve the needs of displaced Charlotte workers in the finance sector.

Since July of 2005, we have continued to initiate new academic programs consistent with that urban mission, including six new baccalaureate programs, five new master’s, and six new doctoral programs. We have created a new College of Arts and Architecture to more fully exploit our potential for cultural leadership in the region. Our new University College provides important leadership for efforts in general education and in advising students who have yet to identify a major. Our faculty, staff, and students continue to distinguish themselves, winning regional, national, and even international recognition for their contributions.
As all of you know, we have opened new buildings and invested in new infrastructure to serve our growing campus, from a new front entrance which recognizes our emergence as a research university to a new Student Union that would be the envy of any institution anywhere. And as we open our new Bioinformatics Building this month on the campus of the Charlotte Research Institute, we look forward to the addition of the Energy Production and Infrastructure Center (EPIC) to prepare the next generation of power engineers, a building we call PORTAL (Partnership, Outreach, and Research for Accelerated Learning) to facilitate our research partnerships with industry, and the Center City Building to cement our connection to the business and civic leadership of Charlotte. A smaller new building to be built with campus and private funds will expand our capacity to support our successful program in motorsports engineering.

We have kept our eyes on the future by crafting a new Campus Master Plan that will be completed this fall, one that confirms we could eventually accommodate 35,000 if not 40,000 students. A new comprehensive plan for student housing will require us to make an investment of nearly $475 million over the next several years, beginning with the construction of Phase IX housing for which we will break ground soon on the parking lot adjacent to Laurel Hall. We have continued to advocate for the extension of the Lynx light rail system to serve the Northeast corridor of Charlotte, focusing specifically on the critical role that it could play in connecting the Center City to the main campus and in helping us to moderate the demand for new parking facilities. And yes, I have been a bit of a pain in the Lynx by promoting the notion of calling this the “Green Line” rather than an extension of the “Blue Line” as is currently proposed. In a town where Tyvola Road can become Fairview and Wendover can become Eastway, our citizens can easily figure out where blue turns to green!

Long before the current budgetary crisis was felt, we made important investments in our management infrastructure by undertaking a root-and-branch re-examination of our budget to address key deficiencies in institutional support. Important technology-based enhancements, including but not limited to our full implementation of Banner, have helped reduce our reliance on paper-based processes. We have initiated significant improvements in some internal administrative processes and procedures to make us more cost efficient and effective, including the “Payment Process Improvement Project,” the creation of a single residency determination office, and the establishment of a new student services call center. We have a much stronger capacity for internal audit and for monitoring our management effectiveness. We have realized important savings in the use of energy and made progress on a broader set of sustainability objectives, including the appointment of a University sustainability coordinator, completion of our first campus-wide sustainability assessment, and the establishment of a campus shuttle system. And, although more work remains to be done, we have taken actions to make our campus more safe and more secure, including the establishment of a standing Committee on Campus Safety and Security and provided significant financial support for Student Government Association’s program Safe Walk, the establishment of SafeRide, and the hiring of supplemental security personnel in the evenings. These initiatives have also improved the accessibility of our campus for those with disabilities, something that we will continue to focus on.

All of these initiatives will continue next year, as will our participation in the General Administration’s “Finance Improvement and Transformation” (FIT) Project and implementation
of electronic procurement. We will also begin to dissect the “Bain Report” completed for UNC Chapel Hill to see whether the potential cost savings in administration identified there have applicability to UNC Charlotte.

One of the key areas related to our management infrastructure identified last year was the need to improve our support for faculty in acquiring and administering external contracts and grants. Efforts to improve customer service, to make grant budget reports more intelligible and useful to principal investigators, and to improve communication among the various offices that work on research administration were initiated. A new grant budget report is being piloted, but we realize that we are not yet anywhere close to where we need to be in terms of the accuracy, responsiveness, and timeliness of our work in supporting faculty and staff with the difficult tasks associated with administering grants. Most notably of all, we have been able to identify significant barriers contained in our information systems and in our administrative procedures that make administering a research grant too difficult, confusing, and consumptive of limited faculty and staff time and energy. An external consultant, with input from active faculty researchers and staff, mapped out the processes that typical PIs have to navigate; we learned that we’re trying to run a marathon in lead boots. In fact, when printed out on paper, the entire pre- and post award process was 35 feet long! We are grateful to the many faculty and administrative staff in the colleges who spent days helping us identify the problems and point us toward solutions.

Our work for the coming year, which will be at the very top of our list of institutional priorities, will be to begin implementing the recommendations of the external consultant on how best to streamline our pre-award and post-award processes, improve service to our funded investigators, and remove barriers to the hiring of graduate assistants and post docs. We want to present the recommendations to faculty investigators and we’ll seek their guidance on which aspects of reform to tackle first. We also want faculty input on grant-related policy and rule-setting. Despite the financial challenges of the past year, we supported this project and will continue to do so. Because of the hiring freeze, we are short several people in Sponsored Programs. That freeze has now been lifted, but I have authorized the filling of those positions from non-state funds if necessary should another freeze be imposed so that we can solve the customer service problems that have been so frustrating to faculty and staff alike.

Another management area of concern last year was an identified organizational weakness related to the organization of our programs in risk management, safety, and security. That weakness has been addressed by the creation of a new unit within the Division of Business Affairs and the hiring of Associate Vice Chancellor Hank James to lead it. Over the next year, Hank will be working with others on campus to implement a holistic approach to the mitigation of the various risks we face as a large and complex institution. That work will include the formation of an Enterprise Risk Management Council and the development of a campus-wide enterprise risk assessment. It is neither possible nor desirable to eliminate all risk from the operation of a University; almost every important goal or objective involves some degree of risk. It is important, however, that we understand our risks, assess their severity and frequency, and determine an appropriate management response.
A final management area that we identified last year as deserving of attention related to the fact that roughly 25% of our permanent staff have been at UNC Charlotte for two years or less and that, with expected retirements and growth, we face a growing challenge to properly orient and train hundreds of new employees. This past year our Human Resources folks made excellent progress on development of a restructured orientation program for new employees which is now being tested as a pilot project. Our work for the coming year will be to create an inventory of our existing training and professional development opportunities and to assess who is doing what and at what cost. We’ll then look at the major unmet training needs of major occupational groups on campus and look for ways to address those needs and improve the delivery of our training and professional development efforts where possible.

Through the work of the Council on University Community, we have continued important work in strengthening campus diversity with the completion of a campus-wide diversity plan which includes annual reporting and reflection on our progress in recruiting and retaining underrepresented minorities among our faculty, staff, and student body. For the first time, we have hired a full-time historically underrepresented business (HUB) coordinator and made notable progress in the representation of businesses owned by underrepresented minorities and women in our capital construction program. We have become a leading partner in the Crossroads Charlotte program, particularly in the development of courses and service-learning opportunities for students that build on the themes of access, inclusion, and equity. And the $100,000 Chancellor’s Diversity Challenge Fund continues to support valuable activities and programs that seek to infuse diversity into the daily intellectual life of the campus. Indeed, once the dust settles a bit from the current budgetary difficulties, it is my hope to expand this fund so that we can support larger awards that would stimulate some innovative thinking about how to overcome the obstacles to our achieving our goal of a fully inclusive community. In the coming year, we want to ensure that the Council on University Community addresses the need to report on the measures of success contained in the Campus Diversity Plan and works to expand the level of campus awareness of both our successes and the continuing challenges we face in achieving the goals contained in that Plan.

We have made important strides in reaching out to our many constituencies and our larger community. A new Division of University Relations and Community Affairs founded in 2006 has implemented a strategic plan for enhancing the scope and significance of our presence in the community, developed stronger institutional capacity in media relations, completed a branding study and an associated marketing campaign rolling out this month, and begun to organize a fully integrated presence on the web and in social media. This past year’s collaboration with the Museum of the New South was successful in facilitating community conversations about the future of Charlotte, and brought many of our knowledgeable faculty and staff directly into that community classroom. An on-campus Chancellor’s Residence has proven to be a valuable resource for bringing members of the community to campus while a variety of high-quality campus-based and community events forge stronger ties to key constituents. All of these efforts will continue.

The "Stake Your Claim" media campaign that began this month is designed to create a sense of ownership from our various internal and external constituents of all the remarkable achievements occurring at UNC Charlotte. It is a strong and vigorous campaign, rolling out with
the right message at the right time for this university. The campaign culminates on October 24th with a "call to action" from all of our 49er friends and family, with the First Annual 4.NINERK! This event, featuring a 4.9K run/walk and other activities on campus, will give the campus community and the city of Charlotte the opportunity to “Stake Your Claim” in this university in a way that directly benefits students. All the funds raised will go to need-based scholarships, beginning with grants for the spring semester.

We enjoy productive relationships with political leaders in the General Assembly and in both city and county government. With the active involvement and support of President Erskine Bowles, we have seen important appropriations come our way including those for the Center City Building, for the EPIC Building and, in the current session, substantial continuing funding to hire faculty and technical staff for the EPIC initiative. In the coming year, we seek to look at the experience and practices of other universities to ensure that we are doing everything possible to garner the support of elected officeholders at all levels, regardless of how the larger political winds may shift over time. How best can we identify, educate, and mobilize our alumni, business and community leaders, and friends of the University to speak on the University’s behalf when we need it? How do we ensure that busy elected officeholders are adequately informed about our work and our needs?

Our Division of Development and Alumni Affairs has restructured the work of the UNC Charlotte Foundation, engaged our Alumni Association as an active advocate and fundraising partner on behalf of the University, supported the hiring of development officers in all of our academic colleges, and worked to formalize working alumni chapters in North Carolina and beyond. The Alumni Association strengthened its service to our alumni, including the offering of enhancing electronic communications to keep alumni connected to the University and career seminars for alums concerned about their futures in an uncertain economy. All of that hard work was rewarded this past year with the acquisition of more than $20.5 million in gifts and pledges in a difficult fundraising environment, including a major gift that I will discuss in a moment that I believe will prove transformational in its impact for UNC Charlotte. This coming year, we seek to push ourselves to private fundraising that exceeds $25 million, to complete a new strategic plan for our Foundation, to implement the new strategic plan recently completed by the Alumni Board, and to re-engineer our capacity to raise gifts through our Annual Giving program. We also seek to engage interested faculty and staff in some training seminars aimed at strengthening their skills to work with foundations and donors who may have an interest in supporting UNC Charlotte.

Finally, we continue to enjoy success in our intercollegiate athletic program, both in the classroom and in competition, while we contemplate transformational change with the addition of football. Charlotte student-athletes posted an overall GPA of more than 3.0 for the third consecutive year, while three sports (baseball, volleyball, and women’s tennis) posted multi-year Academic Progress Rates as calculated by the NCAA within the top 10% of their sports in the nation. Charlotte teams also captured seven conference tournaments in the Atlantic 10 while three teams (women’s soccer, women’s basketball, and men’s golf) and individuals from cross country and track and field advanced to NCAA competition.
The future of football remains in flux as we continue with our efforts to sell Forty-Niner Seat Licenses (FSLs) and to raise the private funds we need to build the facilities necessary to support the sport. To a great extent, we were the unlucky victim of poor timing as the economic crisis hit just as we were announcing our intention to go forward with football. I expect the Trustees to use their fall meetings to assess where we are and to make a decision on whether to delay the planned start in 2013. Major considerations in that assessment will include progress on the selling of FSLs, the acquisition of private funds to build the facilities we need, and the ability of students to manage the increase in student fees which we expect to begin to phase in over time beginning in the fall of 2010.

So, in short, across the campus our plate of work is full while our budget for dealing with that work remains on a diet. But I know that, as in the past, UNC Charlotte’s faculty, staff, and students will manage these challenges in a spirit of cooperation and good will.

Let me close my remarks this morning on a high note. In a year marked by economic difficulty and unprecedented belt tightening, I’m pleased to be able to share with you some very good news about the growth and maturation of our campus. In fact, you are among the first to learn of a major academic initiative made possible by the largest gift commitment from private individuals to the University in 49er history.

At noon today, we will announce formally that The Leon Levine Foundation will contribute more than $9.3 million in funding over the next ten years to establish a new merit-based scholarship program at UNC Charlotte. Patterned on the Morehead-Cain and Park Scholarship programs, the Levine Scholars Program will be designed to shape the leaders of tomorrow through four years of study, community service, and summer enrichment experiences. Each year, the scholarship will be awarded to 15 high school seniors who have demonstrated a commitment to learning and service, as well as leadership qualities. Each Levine Scholar will receive a scholarship for full tuition, room and board, mandatory fees and a stipend for a new laptop computer.

What makes this initiative so special, and so important, is its goal – to develop compassionate, ethical leadership for our region. Towards that objective, the Levines have agreed to set aside up to $8,000 for each Levine Scholar to support community service work of their choosing over their four years at the University.

We look forward to the addition of 15 students each year, building to a full complement of 60 students at the end of the fourth year. Through their service to community and dedication to lifelong learning, these 60 Levine Scholars will also make a positive impact on our campus and on the greater Charlotte community.

Details of the program will be announced at a press conference following convocation and in Campus News. You are invited to the press conference, which will take place in the new Student Union at noon.

This is a major initiative for us. We and the Levines hope the program extends far beyond this initial funding commitment. Obviously, with the stakes this high, we have been
determined that this program get off on the right foot. Niles Sorensen, Joan Lorden, Kathi Baucom, Tina McEntire and others have provided wonderful leadership over the summer so that we can be ready for the application process this fall. But much work needs to get done this academic year to get a program ready for our entering class. Professor Al Maisto has graciously agreed to take on the position of Interim Director as we launch this new initiative. We are all aware of Al’s commitment to honors education and to his students. I am delighted and grateful to Al for taking this on.

I’d like to take just a moment to recognize Dr. Michael Richardson, an internist with Carolinas Healthcare. Mike has been the liaison between the University and the Levines since the start of this conversation and has been incredibly supportive of this initiative from the beginning. Mike, please stand and be recognized. I’d like to thank you for your work and advocacy and hope you will express once again to the Levines how deeply appreciative we are of their commitment to UNC Charlotte. Mike will continue to serve in his liaison role, so this is not the last we shall see of him on our campus. Mike, make sure we talk to you about parking!

So, if that isn’t positive news, I don’t know what is! I thank you for your attention this morning.