Greetings, and welcome to the beginning of another fast-paced academic year at UNC Charlotte.

Lisa and I are truly excited about the upcoming year. Apart from the activities at UNC Charlotte, this is the first year that we can celebrate the fact that all three of our children have graduated from college. None of them is living at home. All but the last one are completely off the family payroll. And our oldest son is getting married in October, so we look forward to the addition of a daughter-in-law to our family and maybe the prospect of becoming grandparents down the road. We have already taken to heart the governing rules for parents of the groom: shut up, show up, and pay up!

So, on to the business at hand.

These annual convocations were initiated in their current form early in the 1990s. It has been an annual opportunity for the chancellor to report on the “State of the University” and to summarize issues and opportunities for the coming academic year. For those of you who are new to UNC Charlotte and might want to learn more about what has happened at the University in recent history, I will refer you to the Chancellor’s Outbox on our website (http://administration.uncc.edu/chancellor/chancellors-outbox). You can even view video presentations of past convocations and you will notice very clearly that I have aged very little since I became chancellor in 2005.

On July 15, I completed my seventh year as the fourth chancellor of this institution. It has been my privilege to serve. The first three of those years were really successful! The last four, of course, have been pretty tough given the great recession and the financial circumstances confronting higher education in North Carolina and elsewhere.
The Year in Review

Tough economics or not, this University is on a roll. And you see it everywhere you look.

Construction of new facilities and renovation of older ones are daily reminders of our progress. There are clearly more cranes and dump trucks on this campus than anywhere in Charlotte! We continue to add new academic facilities, including Center City, EPIC, and Motorsports Research. We have completed one new residence hall, have two under construction, and will soon bid a new student dining commons. Our industry partnership building—PORTAL—is coming out of the ground as I speak. We have some of the nicest-looking new parking decks that anyone could want and, although they come with a painful price we all have to pay, they preserve valuable land needed for future academic, student support, and cultural facilities.

Private philanthropy has made possible a new tennis facility and provided a good start for our new football program. And our students have stepped forward in a big way to build a stadium complex and to support football operations. We have renovated or are renovating a number of the major older portions of campus (including Kennedy, the Denny Complex, the Colvard Building, and the Prospector), and we’ve made important investments in our infrastructure—information technology, critical building systems and roads, and our landscaping. I’m sorry, if you take time to count the roses, you simply can’t find a more beautiful campus anywhere.

Student interest in UNC Charlotte is at unprecedented new levels, with record numbers of applicants and new enrolled students who are more diverse than ever and with stronger academic backgrounds. Applications at the undergraduate level increased 11.8% in the last year among prospective freshmen and 8.9% among prospective transfers. Our freshman class this fall will be over 3,600 students, nearly 500 more than last year as a result of a higher matriculation rate. The third outstanding class of Levine Scholars joins us this fall. And, at the last commencement held in May, we celebrated the 100,000th alumnus of UNC Charlotte and a record-number of annual doctoral degrees awarded—118.

We continue to hire great faculty and staff, even in difficult times and even in the face of some losses to retirement or offers from other institutions. In fact, a survey of faculty members conducted this past year asked them to identify the two best aspects of working at UNC Charlotte. More than half identified the quality and support of their colleagues.

In the past year, we’ve launched a variety of new academic programs, including master’s programs in Health Informatics, Real Estate, Construction & Facilities Management, and Fire Protection & Administration, with an additional one under consideration in Applied Energy & Electromechanical Systems. We’ve received approval for a new bachelor’s degree in Neurodiagnostics & Sleep Science, and we’re moving quickly to set in place doctoral programs in Nursing and Public Health Sciences (our 20th and 21st doctoral degrees).

Our donors and friends continue to make important investments in us, notwithstanding the economic conditions. I previously noted the contributions to athletics, and it is noteworthy
that our overall fundraising passed $20 million annually for the second year in a row; that’s never happened before outside of the last major fundraising campaign.

So, What Next?

Maintaining this institutional momentum in an environment of fiscal uncertainty is always a challenge, but uncertainty in higher education has become part of what everyone now calls “the new normal.”

I’ll start with the budget for the coming year, as the question of how we’re going to manage all of these additional students is top of mind for many of us.

I sent a message about the budget to the campus community on July 3, the morning after the budget was finalized. I know that many of you had already entered “Independence Day mode” and may already have put your chicken on the barbeque. So, in case a message from me was not your highest priority at the time, there were several notable legislative decisions that went our way:

Most importantly, the General Assembly appropriated funds to support salary increases that would total 1.2% of our salary base. As has been the case in the past, all SPA employees hired prior to July 1, 2012 will receive this amount “across the board.” By virtue of guidelines recommended by UNC President Tom Ross and supported by the campus chancellors, the Board of Governors has also mandated that EPA salaries be increased by 1.2% “across the board” for most employees.

I’m sure everyone here can agree that 1.2% is not much money and it certainly is not adequate to address salary deficiencies and compression that have grown over the past four years. But, as my mother used to say, “It’s better than a stick in the eye.” It’s a start, and we’ll hope for better years ahead.

The Board of Governors has also approved salary administration guidelines that would allow campuses the ability to augment the 1.2% for EPA employees (including faculty) with a pool of funds that cannot exceed 1.8% of our total EPA salary base. For a variety of reasons, technical and otherwise, we cannot award those dollars “across the board.” We will announce some campus guidelines on the use of these funds shortly.

Another aspect of the budget that benefitted employees was the award of five additional days of leave to be credited to leaving-earning employees, effective July 1, 2012. These additional leave days must be used before June 30, 2013, or they are forfeited, and they carry forward no cash value when an employee leaves UNC Charlotte.

In addition to salaries, we will see enrollment increase funding, although it is about half of what was requested. Student financial aid has been increased $24 million to students in the UNC system, although that funding does not fully replace the $35 million lost last year in the budget reductions. Nearly $50 million in bonding authority for UNC Charlotte was also approved for projects supported by student fees or other non-state revenue sources, including residence hall and dining projects. And state funding for the construction of the Northeast light
rail extension was secured, clearing the way for what we expect will be full funding by the federal government in the early part of November. On that schedule, the first light rail trains should arrive on campus in 2017.

We remain optimistic that this gradual turnaround in the state’s revenue picture will continue and that additional gains can be seen in future years. I’m particularly concerned that the state find a way to manage these ever-increasing numbers of students seeking a higher education and that appropriate investments are made in capital facilities and technology to support their arrival.

With that said, we are not going to quickly forget the experience of the last four years and the reality that we have sacrificed nearly $50 million from our continuing state appropriations and many millions more in one-time reversions. And although the state budget for the second year of the biennium turned out to be much better for us than it could have been, we must remain prudent and conservative in managing our affairs. Our governing motto has always been “hope for the best, but plan for the worst.” That approach has served us well, as we survived the reduction of permanent funds with serious, but not devastating, consequences. Notably, the percentage of our core academic budget paid from state funds has continued to decline. It was 67% in FY 2009; it’s 59% for this coming year.

The political junkie in me knows there are many reasons to remain cautious. Domestic economic recovery has been slower than expected, especially reductions in the unemployment rate. The Eurozone debt crisis is far from resolved. It is unclear that the lame duck Congress which returns after the November elections will be able to resolve the question of how to structure the extension of the “Bush tax cuts” or avoid the scheduled “sequestration” that will be triggered in the absence of a bi-partisan consensus on spending cuts and revenue enhancements. Indeed, the right combination of domestic and international economic events could sink the American and North Carolina economies back into recession.

What this means for the campus is that we will be guarded in the allocation of our continuing funds to make sure we can manage any additional reductions or reversions we might be hit with unexpectedly. But we will allocate critical faculty and staff positions to make sure that we address needs we have to provide sufficient courses for our students, to moderate the growth in class sizes, and to offer necessary administrative and student support services.

We will also launch an effort throughout the fall semester and into the spring that we are calling Budget Re-examination II. About six years ago, shortly after my arrival, we conducted a complete review of our budget in all divisions. Participants included my Cabinet, leaders of various campus units and service providers, and members of the University’s finance staff. Not only was that exercise very educational and eye-opening for all of us, it identified some opportunities for reallocating and refocusing the use of our available funds. Today, we face a compelling set of circumstances that make this very timely. We have more students, fewer dollars, and increased concerns about changes we need to make to fulfill our mission as the state’s urban research university. Increased internal competition for resources also leads to inevitable but often misinformed conclusions about who has the money and why. Transparency and education can often counter inaccurate perceptions. For that reason, we have asked the deans
to designate representatives to serve on the Budget Re-examination Working Group. And, as we did before, we’ll include representatives from the faculty, staff, and student body.

What Else?

Beyond the budget, what does the year ahead hold for us?

As Provost Lorden has indicated, the most important work of the year is completion of our SACS re-accreditation process and implementation of the Quality Enhancement Plan (QEP).

We will continue with implementation of the second year of our five-year Institutional Plan. You may review it in the Chancellor’s Outbox. That Plan now includes the essential metrics we must have to assess whether we are achieving our goals and to make mid-course adjustments in our objectives.

The Provost and I will be working with the Faculty Council and students on the important work referenced by the Provost under the heading of “Academics First.” Our students are obviously responsible for their own success and to make timely progress toward their degrees. But they do so within a policy framework of University-created standards relative to degree requirements, permitted changes in major, satisfactory academic progress, course drops and withdrawals, course repeats, and the like. Given the expectations placed upon us by General Assembly, the Board of Governors, state taxpayers and, dare I say, tuition-paying parents, it is time to revisit some of the policies we have developed over the years.

I will be asking our administrative team to give renewed attention to the “Internal Operating Principles and Values” which were put in place seven years ago (available for review at http://administration.uncc.edu/internal-administrative-operating-principles-and-values-0). Given the growth of this institution, our increasing complexity, the fact that more than a quarter of our staff employees have been at UNC Charlotte for fewer than two years, and the growing numbers of experienced employees eligible for retirement, it is more critical than ever that we continue to work together in a collaborative manner, that we properly orient and train new people, that we develop specific policies to guide our daily operations, and that we communicate openly and transparently about institutional challenges and solutions.

This last year we also added a new principle under the heading of “Exemplary Execution” or “Details Matter.” In all that we do, our aspiration and our standard must be in representing UNC Charlotte in a first class and professional manner. You can interpret this as broadly as you like, but for me this includes even things that many might think of as trivial: proofreading our memos and publications; picking up litter that makes it appear we don’t care about the appearance of our campus; ensuring that information distributed is written in English and not “University code”; offering well-designed public programs that do not subject participants to events that seem to have no end; avoiding campus events that put visitors in long lines to secure tickets, eat food or to park; and using communication strategies that are thoughtful and intentional. We cannot assume that the passive use of web pages communicates anything and electronic boards around campus are of little value if the events being advertised have already occurred. Can you sense that some things get under my skin?
We will continue this year to uphold and celebrate our unique role as North Carolina’s urban research university. Our Vice Chancellor for Research and Economic Development, Bob Wilhelm, will be unveiling a plan for growing our research enterprise and for supporting our community of scholars in all disciplines. He will also continue the work of the Research Administration Project (or RAP) to improve the processes we have in place to apply for and administer funded research grants.

Engagement is a central, defining feature of our urban research university. Our scholarly and creative activities are UNC Charlotte’s calling card in greater Charlotte. We also show leadership in the many ways in which our students, faculty, and staff give of their time and talents through service. UNC Charlotte continues to exemplify the energy and progress of our region, and that hinges on the roles we all play in our community.

We will soon welcome two important newcomers to our University Advancement team who will play important roles in our engagement in greater Charlotte and beyond: Jeanette Sims will lead Community Relations, while Jenny Jones will join us to direct the Alumni Association. Jeanette will join Associate Provost Owen Furuseth as the co-chair of the Community Engagement Council that was initiated last year, and will take the initial steps toward the establishment of a campus speakers bureau. Jenny will continue to expand our alumni efforts inside and outside North Carolina, to build the strength of our affinity alumni groups (such as the Black Alumni Association), and to develop an alumni program around the opening of the football season in 2013.

I would be remiss in not recognizing John Snelsire’s outstanding work as the Interim Director of Alumni Affairs. It is never easy to function in an interim role, but John has continued to advance the Alumni Association’s program over the past year. I am delighted that we will be able to continue to benefit from John’s energy and his commitment to his alma mater as the Associate Director of Alumni Affairs.

These individuals and the other members of the University Advancement group will provide critical support to my Special Assistant for Constituent Relations, Betty Doster, as she organizes three additional community visits for me in 2012-2013. This past year, we made major visits to Cleveland and Gaston Counties to engage business leaders, political officials, community colleges, alumni, local media, and others. We want these key constituents to be well-informed about UNC Charlotte and to value the role of higher education, particularly in terms of what we do to prepare the future workforce and to contribute applied high-value research in a wide variety of areas. This year’s trips will take us to Cabarrus, Lincoln, and Rowan counties.

A major engagement initiative will culminate in a few weeks, when all faculty and staff members, along with our students, will have an opportunity to participate in the 49er Democracy Experience. This is UNC Charlotte’s exciting program to engage in the democratic process and to take advantage of Charlotte’s once-in-a-lifetime opportunity to host a presidential nominating convention. Please encourage your students and colleagues to attend the events on the card that you received when you entered the room. There are many opportunities to bring the excitement of the convention and the election to our campus and students.
Building an Exemplary Campus

Vice Chancellors Joan Lorden and Beth Hardin will be guiding the work of an external consultant and an internal task force to re-examine the organization and delivery of our information technology services, including the centralized IT Services operation but also the many people who work in colleges, schools, departments, and other units to support IT. The security incident of the past year awakened us to the need to change the way in which we do business in this area. I won’t pre-judge the results of that analysis, but I will say that we know some organizational changes are going to be necessary if we are to provide everyone on campus with a secure, reliable, efficient, and effective information technology infrastructure.

We will continue the excellent work of the Chancellor’s Committee on Safety and Security, established in 2008 and chaired since that time by Associate Vice Chancellor David Spano. I want to acknowledge Dave with a public “shout out” for his outstanding dedication to a new and difficult task of assessing and addressing our safety and security vulnerabilities. We have made substantial progress and I would invite you to read their most recent report (http://campussafety.uncc.edu/sites/campussafety.uncc.edu/files/media/Campus%20Safety%20Committee%20Spring%202012%20Report.pdf). Among the most important findings in that report is that not only has campus crime been reduced, but faculty and staff feel more secure than when we began this work. For example, 24% of employees who worked on campus four years ago feel safer now than they did four years ago. A survey of the faculty and staff concluded that in nearly all situations the percent of employees feeling safe on campus has increased since 2009. The percentage of employees who responded that they were victims of crimes on campus has declined by more than half since 2009. We have invested many thousands of dollars in building access systems, campus lighting, police and security, blue light telephones, SafeRide services, and more. Senior Associate General Counsel Jesh Humphrey has agreed to chair the committee going forward, and I have our student body president’s assurance that the Student Government Association’s “Safe Walk” program will be reinvigorated. That program has been a very valuable initiative in guiding us on where to invest resources in areas on campus where it appears safety and security can be improved.

Vice Chancellor Niles Sorensen and his staff in University Advancement will continue the excellent work they have done over the past couple of years to migrate our web presence to a shared format and common platform, with appropriate attention to our branding standards. I’ve asked them to take on the additional challenge of addressing the wide variety of local institutional brands and logos we have permitted to this point but which, in the end, dilute the effectiveness of our institutional messaging. We will also see improvements in our internal communications, with greater use of more frequent, yet streamlined, multi-media messages aimed at getting news to you in ways that are timely and that will cut through the clutter of today’s media. The UNC Charlotte story we tell to our external stakeholders first must be understood and embraced by our internal campus community. We will continue this year to strengthen our infrastructure and key aspects of the way we communicate and function as an institution.

Vice Chancellor Art Jackson and his crew of Student Affairs professionals will continue with our ambitious student housing program that is in the process of adding two new residence halls that will open in the fall of 2013. Associate Vice Chancellor for Business Services Keith
Wassum and his colleagues are doing their part to make sure that a new dining commons is ready in 2014 to feed those students. Little did any of these folks know that this fall’s enrollment of new freshmen would spike as it has, requiring us to make additional mid-course adjustments. Hunt Village, previously scheduled for demolition, will enjoy another year of life under the tree cover of South Village!

Art and other members of his staff continue to develop a wide range of programs and activities to support our student success initiatives and a student body that is not only larger than ever before but more diverse in almost every possible way. Just by way of example, our community of African-American students is larger than those of either Chapel Hill or NC State. We have a growing number of students returning from military service with academic and personal profiles that are far different than our traditional freshmen or even many of our transfer students. Non-traditional students, LGBT students, Greek students, disabled students, student body leaders, and aspiring athletes all have different needs if they are going to realize their potential at the University. Larger proportions of our undergraduate student body are choosing to remain on or around campus on the weekends. Let’s just say we need to continue to look for ways to make sure that the “creative energies” of these young people are appropriately channeled beyond putting soap suds in the fountain at the Chancellor’s Residence! (And I want you faculty members to cut that out too!!).

Our General Counsel, David Broome, is leading a major examination of our compliance obligations under federal, state, local, General Administration, and NCAA rules and regulations. That includes a comprehensive review of the lessons of the scandals at Penn State and UNC Chapel Hill. As of today, we have documented over 200 pages of rules and regulations, and we’re not done yet. This is not exciting or fun work, but it is necessary in a world where the identification and evaluation of our institutional risks is important for protecting our faculty and staff, students, and other institutional assets.

Athletic Director Judy Rose and her staff, supported by a virtually complete institutional effort that includes our finance folks, academic support, auxiliary services, police and security, facilities management, health services, media relations, and student affairs, will march us down the last year in preparation for football and our movement into Conference USA next year for all sports other than football and in 2015 for football. We’ll do a trial run for managing game-day logistics on April 20 when we’ll have our first “green and white” intra-squad scrimmage game. I’m pretty sure the home team will win and our status as North Carolina’s only undefeated football team will remain intact. But remember to mark down August 31, 2013 as the date of our first game against Campbell University. I’ve already predicted that we will win 49 to 0.

With respect to football, I’ve had many people on campus and off ask me about whether I’m having any second thoughts about the decision to move forward with the addition of this large and complicated sport. The answer is “no.” But I also know that there are a few things that can quickly end the tenure of even the most talented University leader. The list would include unwise Facebook pictures, embarrassing YouTube videos, showing up at an off-campus party of students, and football.

Accordingly, we have not been standing still, waiting for football to run over us. Our Board of Trustees has reorganized its internal committee structure to make sure we have
appropriate board-level oversight; I can report to you that they are asking the right questions about recruiting, admissions, academic progress, academic support and tutoring, compliance, the selection of courses and majors, and the like. Our Chancellor’s Advisory Council on Intercollegiate Athletics, chaired by Professor Paula Goolkasian, has added the Sportsmanship and Ethical Conduct Subcommittee to focus attention of the faculty and various administrative support offices on the issues of ethics and integrity. This subcommittee enjoys the participation of four faculty members and two students, one of which is a student-athlete. We have hired a head football coach and a coaching staff who understand our values. We have added staff in compliance and academic advising, and we have moved our most experienced people to oversee football. Our academic support advisors report to the Provost and not to Athletics, and the same is now true of compliance which reports jointly to the Athletics Director and the General Counsel. And, as I mentioned earlier, we have initiated a review of the 130+ recommendations made by Mr. Freeh in the wake of the Penn State situation.

Of course, there is no completely fool-proof system. But neither are these issues new. A President of Stanford University once observed that “the evil in current football rests not in the hired men, but in academic lying and in the falsification of our own standards as associations of scholars and men of honor.” That, I believe, is a gross overstatement but, more to the point, the President was David Starr Jordan and his comment was made in 1905, 107 years ago.

Final Thoughts

Many of you may not know that 2012 is an anniversary year marking a very important occasion in the history of higher education. It was in 1862—150 years ago—that President Abraham Lincoln signed into law the first Morrill Act which established this country’s system of public land-grant universities. The Morrill Act was this nation’s most significant and tangible commitment to the comprehensive education of the middle class—the sons and daughters of ordinary people—a move that was essential not only to the healthy functioning of our democracy but also our industrial and scientific development. Later, it was the land grant universities that were charged with the formidable task of ensuring that universities engage in outreach and extension, and the application of knowledge to address critical public needs.

Indeed, it was also twenty years ago this year that the national association of land grant universities, today known as the Association of Public and Land Grant Universities (APLU), extended a membership invitation to UNC Charlotte and other urban institutions which educate the vast majority of middle class and poor students through their commitment to access and affordable higher education. It is also this set of institutions that are most invested in helping their communities address the wide-ranging and complex social and economic issues of urban areas.

What has happened in the last twenty years, of course, could lead some to conclude that this country’s commitment going forward to accessible and affordable higher education is in some peril. Not only have state appropriations for higher education declined and tuition increased, but the “deliverables” of higher education are increasingly being seen as of value principally to those who benefit, those who earn degrees. The “public good” of public universities is less apparent to many, even though it is clear that the production of degree-holding
citizens has positive outcomes for state economies, the generation of state tax revenues, the health of the population, the reduction of crime, and a variety of other indicators.

It is our obligation, of course, to attempt to turn this view around with advocacy and information. However, our most powerful weapon is to continue to provide access to those who need and want higher education, and to provide that education at the highest levels of quality we are capable of delivering. To fail to do so not only has the potential to undermine our national and state economies, but could result in the creation of a large swath of middle and lower class voters who feel no stake in the future of the public university because they cannot afford to attend.

That’s where you come in. Let’s remember that we are not just teaching a class, advising a student, grading a paper, processing a financial aid application, working on a research project, repairing a computer, or cutting the grass. Each of us has an essential role to play in delivering upon the promise of the Morrill Act. That, colleagues, is a high and noble purpose which should inspire each of us every day.

Thank you very much.