Good morning, and welcome. This is my opportunity to talk with you about the general state of the University and to outline the most significant work ahead for the coming year by all of our University divisions in addition to what the Provost has outlined for Academic Affairs.

In the interest of time, I am not going to give the usual level of attention that I do to reviewing all of the accomplishments of the past year. What I can tell you is that our institution continues to perform at a high level in terms of the effectiveness of our instruction and advising, the quality of our academic programs, the research accomplishments and creative activities of our faculty and students, and the range and significance of our community engagement. Our alumni are increasingly being recognized across the state and nation for their career accomplishments, a positive reflection upon their academic preparation and leadership development while at UNC Charlotte.

Under the leadership of our deans and Provost Lorden, our inventory of academic programs continues to expand, with new master’s programs in Architecture, Athletic Training, and Management, and our 24th doctoral program, Civil Engineering. Dean Ellen McIntyre and her colleagues successfully opened the Charlotte Teachers Early College in the lower level of the Education Building, our second early college program in addition to the one we have in Engineering. John Frederick, Susan Harden, Tamara Johnson, and Jenny Matz led a large working group that developed our first-ever Civic Action Plan. This comprehensive strategy will guide our civic engagement in the greater Charlotte region.

On the administrative side, we launched our one-stop student center, Niner Central. Kudos are due to Associate Provost Tina McEntire for her leadership in establishing this new service and to its Director, Kimberly Laney, who ensured a successful opening. The new University Transfer Center was opened as was the Office of Undergraduate Research, and we provided new software tools for our students to help them check their degree progress and schedule their classes.

And, with thanks to Vice Chancellor Beth Hardin, Special Assistant to the Chancellor Betty Doster, and literally a cast of thousands, we worked successfully to end what for me was my personal “Naked and Afraid” odyssey--a thirteen-year adventure to complete the northeast extension of the CATS light rail line.
Thanks also to Associate Vice Chancellor Keith Wassum and PaTS Director Doug Lape and their colleagues for the successful launch of the Niner Transit bus system and the Charlotte Wheels bike share program.

I hope you have taken advantage of the opportunity that all faculty and staff have to purchase an all-access pass for the light rail and to use it alongside our students. As I predicted, you will be surprised by how many students have internships in Center City on Thursday, Friday, and Saturday nights. I hope you’ll also notice that if you board the train at the UNC Charlotte Main Station across from Wallis Hall on the north side of campus, this is the only green station on the Blue Line.

So, enough with respect to patting ourselves on the back. For those of you who are new to UNC Charlotte, I would invite you to inspect the contents of what we call the “Chancellor’s Outbox” in my section of the website, which contains the semester-ending newsletters that we publish to summarize accomplishments on campus and to keep the campus community aware of important developments.

Overall, we start the year in very good shape from a number of perspectives, but also different in a couple of important ways.

We continue to enjoy excellent support and guidance from our Board of Trustees and its Chair, Joe Price, with nine of the twelve members having multiple years of experience. Our newcomers appointed in 2017—Dennis Bunker, Brett Keeter, and Teross Young—are quick studies and we look forward to the contributions of SGA President Lavien.

What will be different ahead is that we face the possibility of significant turnover on our Board, with three members having served two full terms or more and thus ineligible for reappointment, and three others up for reappointment. The reappointment process involves both the Board of Governors and the leadership in the General Assembly, so we will be working with those groups to ensure that UNC Charlotte continues to have strong leadership at the Board level.

What is also different about this fall is that we do not have the usual infusion of enrollment increase funds. Part of this is due to a change mandated by the General Assembly in 2017 about how enrollment change funds are calculated. The allocation of these funds is no longer based upon projections, but is now based upon the students who actually enroll in coursework. And of the students who actually enroll, the funding is based on a matrix that reflects the level of the student and the cost of the disciplines in which the students enroll for courses. In addition to changes we saw in the disciplinary mix of the credit hours produced by our students, we also noticed a marked decline in the enrollment of nonresidents, particularly international students. Since non-residents pay significantly higher amounts of tuition than North Carolina resident students, that decline in non-residents reduces the tuition revenues available to us.

One budget issue we did not expect was an $800,000 reduction in our permanent budget imposed by the General Assembly. I will spare you the details for now, but I can tell you that not all campuses suffered comparable reductions and, essentially, we were penalized for putting away money to carry forward the allowable portion of our state appropriation from one fiscal year to the next, funds that we depend upon heavily for addressing our repair and renovation needs. With that
said, we hope to work with UNC System President Spellings and the Board of Governors to get these funds restored in the 2019 budget session of the General Assembly.

In any event, as we have always done around here, we are going to continue to budget conservatively and will hold a couple of million dollars in reserve until we have our budget and enrollments aligned. I do not expect this to be a long-term problem.

Funding for employee raises is also a bit of a mixed bag. Normally, when the General Assembly provides for increases in compensation, they decide upon a percentage increase based on the total salary base of the University and give the required funding to the System Office which, in turn, distributes those funds to the campuses. However, for the first time in memory and maybe ever, this year the General Assembly allocated a fixed sum of $20M to cover all employees in the University System, including eligible SHRA employees (those subject to the State Human Resources Act) and eligible EHRA employees (those exempt from the State Human Resources Act). The General Assembly then directed that most SHRA employees receive a 2% increase across the board retroactive to July 1, which the Board of Governors recently also approved for university system SHRA employees, an action that consumes most of the available funding. We are uncertain whether there will be a sufficient amount of funding left to award any EHRA raises to faculty and non-faculty administrators and we must await additional budget-related information from the UNC System Office before we can make that determination. If we are able to make EHRA salary adjustments, it is likely that we will place priority upon addressing the salaries of individuals who, because of when they were hired, were not eligible for last year’s salary adjustments and have not seen a salary increase since January of 2017.

Now, in normal times, we would supplement the state-provided funding with some of our enrollment increase funding to augment the available salary budget. We have done so over time and as funding permitted, most recently for full-time EHRA faculty in 2018 ($2.8M), part-time faculty in 2017 ($1.1M), EHRA non-faculty in 2017 ($2.7M), and SHRA in 2016 ($4.6M). However, as noted above, we simply are not in the financial position to do this in the current year. We will continue to review options related to EHRA faculty and non-faculty but, at this point, I am not optimistic that salary adjustments for many will be possible.

The new state budget also established a minimum annual salary amount of $31,200 for state employees generally, including both SHRA and EHRA. That, we think, is a good thing for our lowest paid employees, although it is far from clear just yet that the funding required to make these adjustments is sufficient, and the adjustment does create some salary compression issues for us at the lower end of our salary scale.

With that said, just last week we received salary distribution instructions from the System Office. A campus-wide communication regarding how we will implement this process for SHRA employees will be going out later today.

This fall’s expected enrollment situation is as positive as it has ever been. We expect to set a new all-time record, enrolling the largest freshman class in our history and pushing our overall enrollment very close to the 30,000 mark. Importantly, our admitted freshman class possesses the best academic credentials of any class before them. Even if we don’t hit that 30,000 mark this particular year, we know that interest in our institution continues to be strong, with 16,875
completed applications for fall admission, including 37% from first generation applicants and 38% from underrepresented minority students.

With respect to our transfer class, we saw nearly 5,000 completed applications, which included 40% first generation students and 45% underrepresented minorities. We never know until we know who shows up for classes, but our transfer enrollment should be close to 3,000.

We have several reasons to be optimistic about our future enrollment--first, because of expected increases in North Carolina high school graduating classes at least through the year 2025. We also anticipate continued positive enrollment trends because of our ongoing effective collaboration with our community college partners to facilitate seamless transfer. And we have seen excellent results thus far in the use of more sophisticated analytics to deploy our limited scholarship funds to improve our yield among the most academically talented students. There also appears to be an enormous potential market of part-way home students who would consider returning to complete their degrees if we can create the additional on-line courses and degree programs that this population of working adults most prefers. The expectations for significant population growth in the Charlotte region also trend in our favor, assuming that anyone who chooses to live north on Interstate 77 can travel south! You should all know how I feel on this topic. Spoiler Alert: Try light rail!

At the same time, enrollment challenges will remain. We know that 74% of our students receive financial aid and that 45% of our students on aid are federal Pell Grant recipients, which are students with significant financial need. We know that most of the aid we have available to dispense comes in the form of loans. As enrollment growth continues, so will growth in the numbers of students needing financial aid, at a time when the dollars associated with federal and state sources of financial aid are expected to be essentially flat, at least in the near term. All of this speaks to the need we have to continue to strengthen our base of privately funded aid; to consider whether the strategic application of our own resources for financial aid will pay the necessary dividends in terms of enhanced yield; and perhaps above all else, to moderate future increases in the amounts we charge for tuition, fees, housing, dining, and the other costs of attendance.

We also cannot be complacent about addressing perceptions of UNC Charlotte among prospective students. By surveying admitted students who have chosen to attend other institutions, we know that our competitors are perceived to have more favorable campus environments and academic reputations. This certainly should not surprise you when we consider that we are increasingly attracting applications from students who are also applying to UNC-Chapel Hill and NC State, larger and older institutions.

With that said, I believe that the investments we have made in our student life facilities (including the Popp Martin Student Union and the new University Recreation Center), the renovation of nearly all of our residence hall and dining facilities, the addition of the football program, and the opening of light rail will gradually combine to create an undergraduate student experience second to none. Academic reputations, of course, are built over decades of time of delivering high quality academic programs and of producing satisfied and successful graduates, but I believe that we can help accelerate closing our reputational gap with renewed attention to our advertising and branding as our resources will permit.
At the graduate level, our enrollment hit an all-time high last year of over 5,400 students, including almost a thousand doctoral students. As the Charlotte region grows and as we add more academic programs, we can expect our graduate enrollment to increase as well. And, as I mentioned with respect to advertising and branding just a moment ago, we certainly can use resources strategically to strengthen the reputation and attractiveness of our graduate programs to ensure their continuing health and viability.

We’ll need to monitor carefully what is turning out to be a national decline in applications from international students. And, as is the case with our undergraduates, developing sources of financial support other than loans needs to be a continuing concern for graduate students. I look forward to the campus conversation continuing on the recommendations of the Task Force on Graduate Student Funding chaired by Associate Dean for Graduate Enrollment Management & Funding Johnna Watson and Interim Vice Chancellor for Research and Economic Development Rick Tankersley. Those recommendations include increases in the base level of our graduate stipends to make them more competitive and to provide a level of support closer to a living wage, and to realign the composition of our funding packages to encourage the acquisition of support for graduate students on externally funded research grants.

As we continue to grow, we know that we will need to be more creative than ever in the use of our space. UNC Charlotte has the lowest amount of space per student in the UNC system and is also among the most efficient institutions in the system when it comes to space utilization. We certainly welcome new facilities that should soon come on line, such as the Science Building, but we will need to find the resources necessary to renovate and make more useful some of our older buildings. That is why we are right in the middle of preparing our second five-year long-range capital plan that will run from FY 2021-2025.

The current five-year capital plan, which covers the fiscal years from 2016 to 2020, has been extremely useful in focusing our time, attention, and money upon key projects in the renovation of the academic and classroom facilities in the Denny complex, critical repairs to the infrastructure of the Burson Building, and construction of the new Undergraduate Admissions Center. We have also accomplished a wide variety of capital projects, including: construction of the Price Center for Counseling and Psychological Services; construction of the new Facilities Operations and Parking Services Complex to clear the site of the new Science Building; construction or renovation of several residence halls and the repurposing of others; and we have even given some attention to parking, such as the Union Deck Expansion that was needed to make room for the new University Recreation Center which will open in the fall of next year.

But there is more to be done and hence the need for the next five-year plan, with a focus on key academic and student support facilities, including the upfit of research space on the top floor of the Bioinformatics Building, further renovations to Burson, and the renovation of the Cameron, Colvard, McEniry, and Woodward buildings.

We also have underway a major study of what needs to be done with the Cone University Center and related possible renovations for the King Building. Increasingly, with the success we have had with the Niner Central office and with the presence there of major facilities such as this auditorium, the 102,000 square feet of the centrally-located Cone Center are clearly valuable. But the Cone Center was built in three phases—in 1963, 1965, and 1975—and its basic mechanical
and structural elements need a lot of attention. Depending upon how ambitious we might be, the solutions will cost from $20M to $40M. We don’t know where we will come down on this; let’s just say dynamite is still on the table. The same also can be said of the two remaining high rise residence halls—Moore and Sanford—what I have previously called the last vestiges of Soviet architecture on our campus. We have made the decision to demolish Moore and to replace it with another 700-bed residence hall at the same location with much the same look as Levine Hall. We will soon know the answer whether it makes sense to repurpose Sanford for academic or administrative purposes or to hold a second implosion party.

Beyond repairing and making more useful our existing space, we are going to need to become creative in the utilization of our space. We are hopeful, for instance, that the return to the scheduling of classes across all five days of the week will be helpful. The continuing use of our Integrated Space Management Policy and space allocation process is essential to making the highest and best use of our space and, as we renovate space, we will need to enforce some standards with respect to the size of offices and look for imaginative ways to create shared workstations. Niner Central in the Cone University Center is a great example of how a major unit can be created and utilize 40% less space on a square foot basis than the campus average.

We also need to look for shared solutions to shared problems. Because of our administrative and operational silos and the lack of a centralized scheduling platform, we have a large number of spaces devoted to meetings and conferences that go underutilized from a campus-wide perspective. We have allowed our needs for storage to consume space that could otherwise be used by our faculty, staff, and students on a daily basis. Similarly, it is not unusual to see multiple employee break rooms and kitchens located on the same floor within the same building. Provost Lorden and I will be consulting soon with our colleague Steven Rogelberg of our Organizational Science doctoral program to see whether we might take on these issues with an initial study by a couple of his graduate students.

The larger space issues that we are confronting with respect to our instructional and research space will also require continuing attention. As we have done with respect to the design of the new Science Building, our approach must be interdisciplinary and team-based. Where appropriate to the discipline and consistent with best evidence with respect to the student learning experience, we will need to continue the development of hybrid and exclusively on-line courses and degrees that are not as consumptive of space as face-to-face instruction. And, over time, we need to rethink the traditional models we use with respect to the allocation of office space, whether we are talking about faculty or staff, particularly when many of the functions that faculty and staff perform can be done so remotely. Some institutions, in fact, have created financial incentive systems to encourage employees to either voluntarily surrender their office space or to share it. I support our looking at some of those alternative models.

Now, while fully recognizing that our existing space challenges are significant, permit me to explore for a few moments the notion that this may be a very good time to begin a conversation—internally and with our key external constituents—about whether and how UNC Charlotte might grow beyond 35,000 students. As we saw in the current and ongoing national competition for the next Amazon headquarters, there is not a single city in Amazon’s list of top twenty potential sites that has enrollment in its research universities of fewer than 50,000 students. Some of these sites—notably Atlanta, Pittsburgh, and Raleigh-Durham, are fortunate to have more
than one prominent research university. But, at least in Charlotte and fully recognizing and respecting the contributions of the other higher education institutions in our region, when it comes to feeding employer needs for significant numbers of prepared degree recipients and for research and technical assistance from faculty, we’re not just the flagship; we’re the whole fleet!

Considering this question is not simply about whether Charlotte is positioned to recruit the next large company considering relocation. The issue is whether UNC Charlotte can fully deliver upon the promise of our mission statement to address the “cultural, economic, educational, environmental, health, and social needs of the greater Charlotte region.” Is it reasonable to believe that a growing region can be properly served by a University frozen at 35,000? Do we really want Charlotte to be known as the nation’s largest city most underserved by higher education?

Considering growth beyond 35,000 raises all kinds of questions. What new academic programs, both undergraduate and graduate, should we be considering? What is the appropriate mix of on-campus and off-campus delivery, including UNC Charlotte Center City and online education? Do additional off-campus sites beyond Center City make sense, particularly since the completion of I-485 and the northeast extension of light rail have shrunk the city compared to what existed in 2005? And, most importantly, because bigger is not necessarily better, how do we protect the quality that has come to characterize this institution, particularly in terms of undergraduate education?

Beyond the question of “whether” we should aspire to growth beyond 35,000 is the all-important question of “how” the resources will be assembled to make that happen. That question speaks to the importance of our beginning a dialog with the President, the Board of Governors, and leaders in the General Assembly about how another very large research institution may contribute to the accomplishment of the state’s goals for higher education, particularly the preparation of a highly educated workforce and thoughtful citizenry, and how the human, financial, and capital resources can be assembled to support UNC Charlotte’s further development.

Beyond the items I have mentioned here this morning thus far, let me mention some of the more important initiatives originating within our administrative divisions.

Provost Lorden has already given you a full run-down for Academic Affairs, but let me make special mention of the importance of the BerryDunn assessment of our IT organization. You can expect a statement from me about this early next week.

One of the major initiatives this year will be the development of a University-operated lab school to serve K-5 elementary students. Two years ago the General Assembly mandated that the University establish nine of these schools and we were chosen as one of the host institutions. The Niner lab school will not be on campus but in a CMS facility in a nearby neighborhood. In addition to providing an enhanced educational opportunity for low performing students, the lab school is intended to provide training for teachers and principals to successfully address challenges existing in high-needs school settings. Our lab school will also be a setting for faculty from across the university to provide these elementary students the opportunities we know all children should receive, such as after-school coding or robotics classes, health screenings, arts programs, and 1:1 tutoring if that is what they need. The school will also provide an existing research laboratory for those interested in teaching and learning. We will partner with CMS to develop the school, and
have hired Ms. Pamela Broome to oversee the school’s development. She has already met with some campus departments such as human resources, finance, IT, and our legal department. She will be making the rounds to the Colleges to invite your participation. Look for her email.

Student Affairs, led by Vice Chancellor Kevin Bailey, has a long list of “to do’s” this fall, but heading the list is the establishment of a center on campus to support our LGBTQ students and working with Academic Affairs to identify opportunities for further collaboration aimed at supporting our diversity and inclusion efforts.

Business Affairs, under the leadership of Vice Chancellor Beth Hardin, will be welcoming several new senior leaders in her division and recruiting for others, including welcoming back to campus our new Campus Budget Officer Ken Smith (succeeding Sherrie High who will retire soon). Beth will also be leading a search for a new Associate Vice Chancellor for Risk Management, Safety and Security following the approaching retirement of Hank James. A search is also underway for a new Associate Vice Chancellor for Facilities Management to succeed Phil Jones who leaves us in retirement after 18 years, directing more than $1.2 billion in construction and renovation. Beth’s division is also principally responsible for the second five-year capital plan that I described earlier.

Our new Division of Institutional Integrity just completed its first year under the guidance of Vice Chancellor and General Counsel Jesh Humphrey. Their primary mission is to keep me out of jail and gainfully employed and, thus far, they are batting 1000. That might be Mission Impossible in the end, but they have plenty of things to keep themselves busy by ensuring that we have effective processes for managing our legal affairs, and addressing our audit, compliance, and Title IX obligations. Jesh will be leading the recruitment of our first-ever chief campus-wide risk officer, and he and his staff will be continuing their excellent annual legal symposium and monthly training efforts to help our faculty and staff avoid legal problems through education.

Our Division of University Advancement is led by Vice Chancellor Niles Sorensen and includes responsibilities for our private fundraising, alumni affairs, institutional communications, and our external governmental and community relations. Lots to do there, for sure, including making further progress on the completion of our $200 million Exponential Campaign, currently standing at just over $160 million.

Niles has also been providing extraordinary leadership in moving us down the road toward the construction of our hotel-conference center. The Marriott at UNC Charlotte, a 226-room hotel with 24,000 square feet of conference space, will open in the fall of 2020. We are hopeful that we will receive approval from the City later this month for our rezoning request and for an $8 million investment from tourism funds as this conference center will generate demand for academic conferences and research symposiums that are not currently coming to Charlotte.

University Communications, led by Associate Vice Chancellor Stephen Ward, did a spectacular job in their treatment of our Marching Band’s Normandy trip earlier this year. Their excellent work will continue with the development of focused communications to enhance internal and external awareness of initiatives related to urban research, civic impact, diversity and inclusion, and the Exponential Campaign, which we hope to conclude by the end of 2020.
My Special Assistant for Constituent Relations, Betty Doster, also has a full plate for the coming year, with continuing attention to strengthening relationships with the Board of Governors, elected officials at all levels, and business and non-profit organizations. Betty will be particularly important in working with the Board of Governors and legislative leaders in the House and the Senate as we seek the reappointment of our trustees and identify new candidates who can be considered to fill the vacancies.

In Athletics, we have welcomed our new Athletic Director, Mike Hill and his wife, Jess, to the University community to succeed the legendary Judy Rose. We were delighted to recruit Mike from the University of Florida and he has already set about implementing a purposeful agenda for the further development of our intercollegiate athletic program.

What has most impressed me about Mike is that he knows how to establish priorities. Although we are a public institution and we must observe the separation of church and state, I have approved Mike’s proposal that he and his senior staff engage in daily prayer sessions with respect to our opening home football game against Fordham University on September 1.

Seriously, we are incredibly excited about the opening of the football season, including the sold-out game against App State on September 8, which will be our largest crowd in history thanks to additional seats we have added for that game.

After the football season is underway, Mike will be leading the development of a facilities master plan for Athletics, working to strengthen our external relations (particularly through social media and targeted communications with our fans and friends), and building upon the new “Gold Standard” motto. Mike and his staff will also continue to work on how to improve lagging student involvement and attendance at athletic events, a problem being faced across the country as college athletic events have become so widely available via television and streaming services.

In closing, I would like to encourage you all to join us again next Monday, August 20, for our “Day of Convocation” as we come together as a campus community to welcome our new students. This ceremony is truly a time of celebration, and it also provides an opportunity to lay out for our new students a clear set of academic expectations and an understanding of what it means to be a 49er. The ceremony will take place at 11:00am in Halton Arena and I hope to see you all there.

With that, let me thank you for your time and attention this morning.