

APPENDIX N

PRESIDENT BOWLES' REPORT BOARD OF GOVERNORS MEETING OCTOBER 13, 2006

As all of you are well aware, and as our policy discussions continue to drive home, we do have an awful lot on our plates. We have many irons in the fire. They include the President's Advisory Council on Efficiency and Effectiveness (PACE) initiative that will help us ensure that our limited resources are used more efficiently and effectively, and it will make sure that we keep our tuition cost as low as practical. We have submitted a four-year plan for setting tuition and fees, which you have discussed fully and will vote on today. We have developed the *guts* of our budget request for the next biennium. In that budget request we have asked for the money not only to make sure that every student who is eligible for need-based aid actually receives it, but every student who is eligible for need-based aid will also be held harmless for any increase in tuition and fees. The budget also includes a recommendation to take the faculty to the 80th percentile of their peer institutions in compensation. We have begun the process of identification, refinement, and implementation of accountability measures and we are starting the process of taking a longer-term look at North Carolina's future in the role of the University in meeting the needs of our state in the years ahead.

I know that carrying out all of these major initiatives simultaneously has taxed our staff, our chancellors, and this board to the very limits. I cannot say thank you enough to each of you for putting in the time, effort, energy, and most importantly, the careful thought that all of you have. I think it will make an extraordinary difference. We have truly worked as one team, which has been my goal from day one. I think that is why we will be successful. However, I do want to underscore one thing, none of these issues is mutually exclusive. That is what I want to

drive home. They all dovetail and they are all interrelated. My hope is that the legislature will come to understand, as I know each of you have, the direct linkage between accountability in the form of performance measures, responsibility in the form of the PACE initiative to hold down our cost and to make us as efficient and effective as possible, and affordability in the form of low tuition and appropriate baseline appropriations from the General Assembly. That is our goal and that is my job, and I thank you for giving me the opportunity to do it.

Mr. Chairman, that concludes my remarks.