

APPENDIX A

PRESIDENT BOWLES' REPORT

BOARD OF GOVERNORS MEETING

August 14, 2009

President Bowles reported that staff at General Administration and our Chancellors had worked very hard over the summer dealing with the budget cuts. He said that we have tried to prepare ourselves for reversions in addition to the budget cuts for this coming year. The University has also begun to study the policies related to retreat rights and affordable health care insurance for students. President Bowles recognized the new Board members and added that the new members have tremendous leadership experience by virtue of having served as trustees on our campuses.

President Bowles said that the Chancellors have done an incredible job managing our campuses through the economic downturn and preparing us for the upcoming year. He thanked them for their work in getting through the \$170 million worth of cuts that the campuses had endured last year.

Next, President Bowles announced three new Chancellors who have officially joined us since the last meeting. On May 22, Dr. Harold L. Martin, Sr. was elected to serve as the new Chancellor at North Carolina A&T State University. On June 9, Dr. James Woodward agreed to serve at North Carolina State University until a new Chancellor is named. On June 30, former Chancellor Meadors at the University of North Carolina at Pembroke, stepped down to return to his native state of Arkansas. On July 1, Dr. Charles Jenkins, former Provost at UNC Pembroke agreed to serve as Chancellor until a permanent leader is named. President Bowles welcomed them and thanked them for their service.

President Bowles noted some recent campus achievements. Fayetteville State University received the single, largest donation from alumnus Annette Cluff of Houston, Texas, Class of 1970. Mrs. Cluff and her husband presented the gift to Chancellor Anderson on July 18, 2009. Her donation will support a need-based scholarship at Fayetteville State University. North Carolina Central University celebrated its 100 years of service to North Carolina with its Charter Day on June 30, 2009. President Bowles, Dr. Dudley Flood, former Board member William Smith, and throngs of other North Carolina Central University alumni and supporters attended

the celebration. At North Carolina State University, Dr. Warwick Arden, Interim Provost and Dean of the College of Veterinarian Medicine, was recently named President of the Association of American Veterinary Medical Colleges. For the 16th consecutive year, the University of North Carolina at Asheville was named by “Fiske Guide to Colleges” as one of the finest colleges in the nation. The University of North Carolina at Chapel Hill was also named in the ranking. The University of North Carolina at Chapel Hill received more than \$270 million in private gifts and pledges from 75,000 donors this past year. President Bowles said these pledges are remarkable given the economy. This was the second highest total in the history of the University. The University of North Carolina at Greensboro concluded its Students First Campaign. The campaign raised \$115 million from private sources exceeding its goal by \$35 million. These funds would be used for student scholarships, academic program enhancements, and faculty resources. President Bowles said the success of the First Campaign affirmed great gratitude to Chancellor Brady and to her predecessor, Chancellor Sullivan. The Center for Marine Science at the University of North Carolina at Wilmington was awarded a \$15 million grant in competitive federal stimulus funds to construct a marine biotechnology facility. A matching grant from the National Institute of Standards and Technology would provide a new facility at UNC Wilmington that will house MARBIONC, a program that focuses on the application of marine biology, health, food, and energy. He said the grant that UNC Wilmington received was indicative of what all the UNC campuses are doing to pursue the pool of federal stimulus dollars. He remarked that the track record of success at the University, our demonstrated faculty expertise, and our focus through UNC Tomorrow will help grow the economy in North Carolina. President Bowles cited a recent article in the *Post Secondary Opportunity*, an independent research organization, which reported that North Carolina had the nation’s second highest increase in college participation rates for students from low income families from 1999-2007.

Next, President Bowles announced the promotion of Dr. Alan Mabe to succeed Dr. Martin as Senior Vice President for Academic Affairs. President Bowles said that he intends to fill the position of Vice President for Academic Planning in the near future.

Lastly, President Bowles briefly discussed the budget. He publicly wanted to thank the Members of the General Assembly and the Governor for their show of support for the University particularly considering the difficult economic environment. Ultimately, the General Assembly

funded the Board's two highest priorities – need-based financial aid and enrollment growth. The General Assembly upheld the tuition plan. They made significant investments in the University in job creating activities by strengthening programs in dentistry, nursing, biotechnology, and nanotechnology. They also provided additional resources to repair and build needed facilities on our campuses and the resources needed to compete for quality faculty. The legislators made cuts to the University budget of \$171 million or 6% of the base budget. The campuses will take approximately a 10% cut. The cuts would be directed at reversions expected from the economic environment. The budget cuts would transfer from the administrative side to the academic side. He briefly mentioned the Bain report from UNC Chapel Hill which he fully supported. The University had also worked on a test project with SciQuest. The test project would be launched at several UNC campuses in the coming months. As many of 1,877 jobs were projected to be lost. That will result in 1/3 faculty positions and 2/3 staff positions. He concluded his remarks by stating that we must be committed to the over 215,000 students and the taxpayers of this State. Again, he was grateful to the General Assembly and the Governor for all they have done for our students and because of their sustained support, our students will be able to compete successfully with the world's best and brightest.