

Molly Corbett Broad
President's Report to the Board of Governors
Broyhill Inn and Conference Center
Trillium South
October 10, 2003
11:00 a.m.

Thank you, Mr. Chairman.

**INTRODUCTION OF CHANCELLORS AND REPRESENTATIVES
OF AFFILIATED ORGANIZATIONS, INCLUDING
ACKNOWLEDGEMENT AND RECOGNITION OF RECENT
AWARDS AND ACHIEVEMENTS**

- I would like to begin by expressing my thanks to Dr. and Mrs. Durham and the ASU staff for their hospitality in hosting this week's conference and meetings.
- This marks Dr. Shelton's first meeting as interim chancellor. I would like to publicly thank him for accepting this important assignment so that we might keep ECU moving forward aggressively towards its ambitious goals while we search for a permanent replacement for Chancellor Bill Muse, who stepped down last month.
- Dr. Randy Chitwood of the ECU School of Medicine and his surgical team have performed their 100th robotic heart valve replacement using the da Vinci Surgical System, marking a milestone for robotic surgical technology and minimally invasive cardiac surgery. Over the past

three years, more than 150 heart surgeons from around the world have trained in the robotic techniques at ECU.

- Since we last met, Chancellor Renick and UNC Greensboro Chancellor Pat Sullivan formally announced plans to develop a joint Millennial Campus. As envisioned, this initiative will draw on the complementary research strengths of A&T and UNCG, and it exemplifies the growing spirit of collaboration between these important sister institutions. The research advances and public-private partnerships fostered by this initiative could play a significant role in positioning the Triad for a stronger economic future, and their proposal was approved earlier this morning by the Budget and Finance committee of the Board of Governors.
- UNC Asheville has received a \$412,000 grant from the National Science Foundation to establish a Center for Imaging and Nondestructive Chemical Analysis. It is the largest NSF award ever received at UNCA.
- This weekend, UNC-Chapel Hill will celebrate its 210th annual University Day, an important reminder of Carolina's historic ties to the people of the state. In keeping with that longstanding relationship, Chancellor Moeser announced the Carolina Covenant, a groundbreaking initiative that will enable students from families at or below 150% of the federal poverty level to graduate from UNC-Chapel Hill debt-free.

- UNC-Chapel Hill's Neuroscience Center has received a \$3.3-million federal grant to support molecular, genetic, and high-resolution-imaging approaches to neuroscience research.
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- Last weekend, we had a marvelous celebration in Greensboro as UNCG formally dedicated its new Science Building, made possible by the Higher Education Bond Program.
- The U.S. Department of Education has awarded a \$1.25-million grant to WCU to help address a shortage of educators and school staff who work with students with severe disabilities.
- WSSU has received a \$750,000 grant from the U.S. Department of Education to provide scholarships for students in rehabilitation counseling.

UNC Response in the Aftermath of Hurricane Isabel

Just over three weeks ago, Hurricane Isabel made landfall in North Carolina. UNC campuses from Wilmington to Elizabeth City to the Triangle braced for the worst: canceling classes or sending students home, implementing emergency management procedures, and preparing for significant storm and wind damage. While there was significant damage inflicted in the Outer Banks region of the state, we were most fortunate that most of our campuses emerged from Isabel relatively unscathed.

Given its proximity to the storms path, however, Elizabeth City State University found itself without power, with more than 230 trees snapped or uprooted, and with damage to roofs and other structures. I visited the ECSU campus with Chancellor Burnim last week.

I would like to express my personal appreciation for the immediate groundswell of support from sister UNC campuses that occurred when we issued a request for back-up assistance on a weekend afternoon. Offers of help started pouring in within two hours. By Monday, 60 volunteers from five other campuses—East Carolina University, North Carolina State, UNC-Chapel Hill, UNC Greensboro, and Appalachian—were on site at ECSU, bringing with them chain saws, boom trucks, front-end loaders, wood chippers, and a supply of electrical spare parts. Working long hours and sleeping on cots in they gym, these crews of campus electricians and groundskeepers made electrical repairs and tested all life safety system, removed trees from roadways and cleared sidewalks, and help make other necessary repairs. Largely due to their efforts, ECSU was able to reopen for business on that Wednesday morning.

I would be remiss if I did not also mention the central role that our Small Business and Technology Development Centers—led by Director Scott Daugherty—is playing in the hurricane recovery effort. Working closely with the State Commerce Department, Scott’s team has set up Business Recovery Assistance Centers in hard hit areas and currently has 20 staffmembers on the ground in northeastern North Carolina. They are helping affected businesses sort through their recovery options, assisting them with filing applications for disaster assistance, and taking steps to help businesses secure bridge financing to keep their operations afloat.

Update on Mold Remediation Efforts at NCCU (UPDATE)

Earlier today, the Committee on Budget and Finance heard an update on the status of mold assessment and remediation at North Carolina Central University. Chancellor Ammons reported that he will take immediate steps to begin addressing this issue—drawing on the \$10.4 million already made available to him by this Board—with the goal of having adequate residence facilities available for students by next fall. Simultaneously, we also will move forward to complete the forensic work and analysis now underway to clarify the cost implications of full remediation. It is clear that NCCU does not have adequate resources to complete essential improvements, and when we have a clearer picture of the amount needed, we will prepare a report to the Board of Governors that would likely lead to a request to the General Assembly for additional funding. Let me assure you that we are working closely with Chancellor Ammons and his staff to stay on top of this problem, and we will leave no stone unturned to ensure that NCCU secures the resources it needs to fulfill its mission and goals for the future.

I am pleased to report that an external audit of preventive maintenance practices at all 16 campuses is now underway. The consultants and teams drawn from facilities staffs across the University are now at work, and this study—which will identify best practices, offer recommendations for needed improvements and protocols, and provide an assessment of whether or not staffing levels are appropriate as we complete and begin to operate bond-funded facilities—should be completed by late December. It is clear that NCCU does not have adequate revenues to complete the essential improvements. Unless we have the dollar amount needed, we will prepare a report to the Board of Governors that may lead to a request to the General

Assembly. We will leave no stone unturned in an effort to restore both academic life and student life on the NCCU campus

Status Report on UNC Bond Program

Yesterday, the Committee on Budget and Finance received a very positive update on the overall status of our Bond Construction Program, and I would like to take just a moment to underscore a couple of key points. At this point in our \$2.5-billion program, the University has made contractual commitments—including finished projects and land acquisitions—of more than \$1 billion. And over the next nine months, we will double the amount of construction we now have under contract. When our cash flow peaks next summer, for example, we expect to spend more than \$70 million on bond projects across the University in a single month. Throughout most of our history, this sum would have been considered a sizeable capital budget for an entire year.

This is an awesome assignment. We should all be extremely impressed with what has been accomplished to date, but this unprecedented volume of construction will require that we step all our efforts up a notch if we are ultimately to deliver this bond program on time and within budget. It will undoubtedly create some disaccomodations for students and faculty on our campuses and require very careful monitoring and management by our chancellors. But we are on track and intend to stay there.

Mr. Chairman, this concludes my report.