

## **B. STATEMENT OF CONCLUDING RECOMMENDATIONS**

The team of examiners recommends that Central Michigan University be granted a license to offer the following new degree programs for civilians at Fort Bragg subject to compliance with all of the recommendations of the team of examiners.

- Master of Arts in Education degree with concentrations in Adult Education and Instruction.
- Master of Science in Administration degree with concentrations in Information Resource Management and Leadership.

If licensure is granted, a further recommendation is that a team of examiners review these new degree programs at Fort Bragg one year from the start of the first classes for compliance with all of the recommendations contained in this report and for maintenance of the licensure standards.

## **APPENDIX W**

**Molly Corbett Broad**

**President's Report to the Board of Governors**

**UNC General Administration Building Board Room**

**July 12, 2002**

**8:30 a.m.**

Thank you, Mr. Chairman.

### **1. Personnel Changes in the Office of the President**

I'd like to begin by thanking the Committee on Personnel and Tenure for its approval last month—on your behalf—of the appointment of Richard Thompson as Vice President for University-School Programs, and to apprise you of other activities within the Office of the President. Currently the superintendent of public schools for the state of Mississippi, Richard brings to the job vast administrative experience at all levels of public education, as well as a deep understanding of the daunting challenge North Carolina now faces to recruit and retain an adequate supply of high-quality classroom teachers and school administrators. He is a North Carolina native and a proud product of this University, and we are delighted to bring him home. Richard spent time at the Center for School Leadership Development earlier this week and will be on board full-time by the first of August.

As you know, the Committee also confirmed the promotion of Bart Corgnati to Secretary of the University. Bart had served ably as assistant secretary since 1991, and as interim secretary since January. We are all pleased to work with Bart in this new position as Secretary of the University.

The Committee also approved several campus administrative appointments, including the selection of Associate Vice President Donna Benson as Dean of the School of Education at Winston-Salem State University. As the Planning Committee recognized yesterday, Donna has spent the past 15 years as a member of our Academic Affairs Division, and her many contributions include service as interim chancellor at two UNC campuses—NC Central University and Fayetteville State University. We are pleased for Donna and for Winston Salem State that such an able administrator as Donna will be taking a leadership role in addressing one of the greatest

challenges facing North Carolina—increasing the supply and quality of qualified classroom teachers.

We also welcome two campus administrators who will be on special one-year assignments within the Office of the President. Under the auspices of the UNC Leadership Institute, Walter Harris, who has been serving as provost at NC Central University, is the first UNC Senior Executive Fellow. During his yearlong program of executive development, Dr. Harris will be working most closely with Vice President J.B. Milliken and his staff, assisting in activities related to federal and state relations, as well as university advancement.

In addition, Ken Swartzel, Reynolds Distinguished Professor and chair of the Department of Food Science at NC State University, will be collaborating with Vice President Russ Lea on our Technology Development Initiative, which is funded by a grant from the National Science Foundation. You will recall that an assessment conducted last year by the Research Triangle Institute found surprising potential for technology transfer on virtually every UNC campus. An accomplished researcher and inventor in his own right, Dr. Swartzel will spend the next year on sabbatical from NCSU, coordinating and leading efforts to build greater capacity across our 16 campuses to transfer faculty research and innovations to the marketplace.

## **2. Status of the University Budget**

When we last met, Governor Easley had instituted yet another round of emergency cost-saving measures to ensure that state ended the fiscal year with a balanced budget. I commend the chancellors, as well as Vice President Jeff Davies and his staff, for their determined efforts to manage these unprecedented cuts in a manner that minimized long-term damage to instructional activities.

As was discussed yesterday in the Public Affairs Committee meeting, legislators continue to deliberate the 2002-03 state budget under the specter of a projected \$2-billion shortfall. We are very grateful that the Governor and the Senate have attempted in their recommendations to protect education by fully funding University enrollment growth, limiting cuts to the University's operating budgets, and providing full flexibility to determine how best to carry out required reductions. Last month the Senate adopted a budget that calls for base operating reductions of about \$50 million for the University (roughly 2.4%).

This recommendation is much more positive than might have been predicted and I am fielding inquiries from colleagues across the country who know of the fiscal challenges facing North Carolina and yet view this University as a bell weather for higher education. The remarkable success to date is due to the strong support of our state government leaders and to the collective advocacy and support of this board, our staff and chancellors, and the many business and civic friends of the University. The House has begun consideration of its own budget proposal, and we are urging House members to adopt these same key principles with respect to the University.

In the absence of a final budget, the state is operating under a Continuing Resolution that extends through July 31. If a follow-on CR is needed, it will be vital that our enrollment-growth funding is addressed in any forthcoming resolution.

In the weeks ahead, we will continue to work closely with the legislative leadership and staff on both budget and legislative matters, and will keep you informed of new developments.

### **3. The Growing Linkage Between Economic Growth and University Research and Education**

The sobering scale of the state's budget problems—exacerbated by the unprecedented loss of manufacturing jobs across the state—has added urgency to North Carolina's efforts to make the transition to a knowledge-based economy. These lost manufacturing jobs aren't coming back, and we must find viable ways to replace them with good-paying knowledge jobs that will still be here a decade or more from now.

I've had the privilege this past year of serving as a member of the State Economic Development Board, charged by Governor Easley last fall with developing a comprehensive, strategic economic development plan for the state. The work of this Board has been both active and ambitious. One of the early conclusions reached by the board was that North Carolina's ability to compete in the new economy will hinge on developing a more highly trained workforce and the full engagement of our colleges and universities in creating and transferring new knowledge and technologies to the marketplace.

Recent national studies and reports validate this conclusion. For example:

- The recent Clusters of Innovation analysis confirmed that innovation fueled by university research and technology transfer, effective

- public-private collaboration, and an ample supply of highly skilled workers have been critical to the Research Triangle's growth and success. It also advised that sustaining and replicating that success elsewhere in the state would require ongoing commitment to university research in areas of strategic importance.
- Similarly, a new study from Brookings Institution on the growth of biotechnology centers in the U.S. (*Signs of Life*) reports that five metropolitan areas have accounted for more than half of the nation's biotech firms formed in the past decade. One of those five is the Research Triangle. The study concludes that future biotech prominence will be enjoyed only by those states that are able to combine a strong research capacity with the ability to convert research into substantial commercial activity.
  - Just last month, the Progressive Policy Institute released its 2002 New Economy Index, which ranks states according to their readiness to participate in the knowledge economy. While North Carolina ranked 26<sup>th</sup>—middle of the pack—overall, we have lost ground to other states that are making strategic investments in the research capacity of their public universities, and we scored poorly (in the bottom 10) on such indicators as education level of the manufacturing workforce, on technology usage in the schools, and on the percentage of adults in the state with Internet access.

Because of overwhelming evidence in this same vein, one of the key recommendations found in the Economic Development Board's forthcoming report is that North Carolina promote an aggressive state agenda of investment in research, support for technology development and transfer, and more effective uses of university outreach to create jobs, build economic opportunity, and provide a higher quality of life for all the state's citizens.

This recommendation is entirely consistent with UNC's commitment to expand access to qualified North Carolinians through our capital bond program and greater use of distance learning. It also underscores the long-term economic importance of the growing volume of research conducted by our faculty, most of which is funded by the federal government. In fiscal 2001, our campuses attracted nearly \$768 million in external research grants and other sponsored program awards. These research awards support thousands of projects that address human health, agriculture, education, defense, and other areas critical to our state's economy. Moreover, they support jobs! According to the U.S. Department of Commerce, research expenditures at UNC campuses generate nearly 25,000 jobs in North Carolina.

#### **4. Managerial Flexibility for Human Resources**

Turning to other matters, I'd like to comment briefly on your approval today of an amended policy on the granting of management flexibility to appoint and fix compensation. In keeping with legislation enacted last year, this policy sets the stage for a dramatic new set of delegations of authority to the boards of trustees in the area of human resources.

Universities are by their very nature people-intensive organizations, and—without doubt—this new policy offers great opportunities for streamlining and improving personnel practices. At a recent dinner with the chairs of the boards of trustees, I took the opportunity to reiterate for them the long-term importance of the significant additional duties that you are delegating to the Trustees. Delegations from this Board of Governors to campus Trustees in two strategically important areas -- appointment of personnel and implementation of a huge construction agenda – also represent a dramatic expansion of campus managerial flexibility that I consider essential to address rapid rates of growth and change. It is imperative that this expanded responsibility be carried out with the utmost fiscal integrity.

And finally, I'd like to take this opportunity to publicly thank the officers of this board—Secretary Irvin Aldridge, Vice Chairman Jack Cecil, and most particularly Chairman Ben Ruffin—for their dedicated leadership and counsel during the course of their tenure. It has been my privilege to serve this University under the chairmanship of Ben Ruffin.

Mr. Chairman, this concludes my report.