

Molly Corbett Broad
President's Report to the Board of Governors
UNC General Administration Building Board Room
March 19, 2004
10:15 a.m.

We have a very full agenda today, but I would like to take a few moments to comment on several topics of discussion in yesterday's Planning Committee meeting.

Engineering Degree Programs at ECU and UNC Asheville

Last spring this Board approved an engineering feasibility study that called for the exploration and possible development of joint degree programs involving our three existing engineering programs and certain other campuses that had identified engineering offerings as a strategic priority. At your January meeting, your authorized UNC Charlotte and Western Carolina University to establish a joint baccalaureate degree program in electrical engineering. I would like to acknowledge that two other requests that flow from the feasibility study are before you today for your consideration: (1) a request by East Carolina University to establish a bachelor's degree program in engineering; and (2) a request from NC State University and UNC Asheville to establish a joint bachelor's degree program in engineering with a concentration in mechatronics.

Task Force on Teacher Supply and Demand Concludes its Work

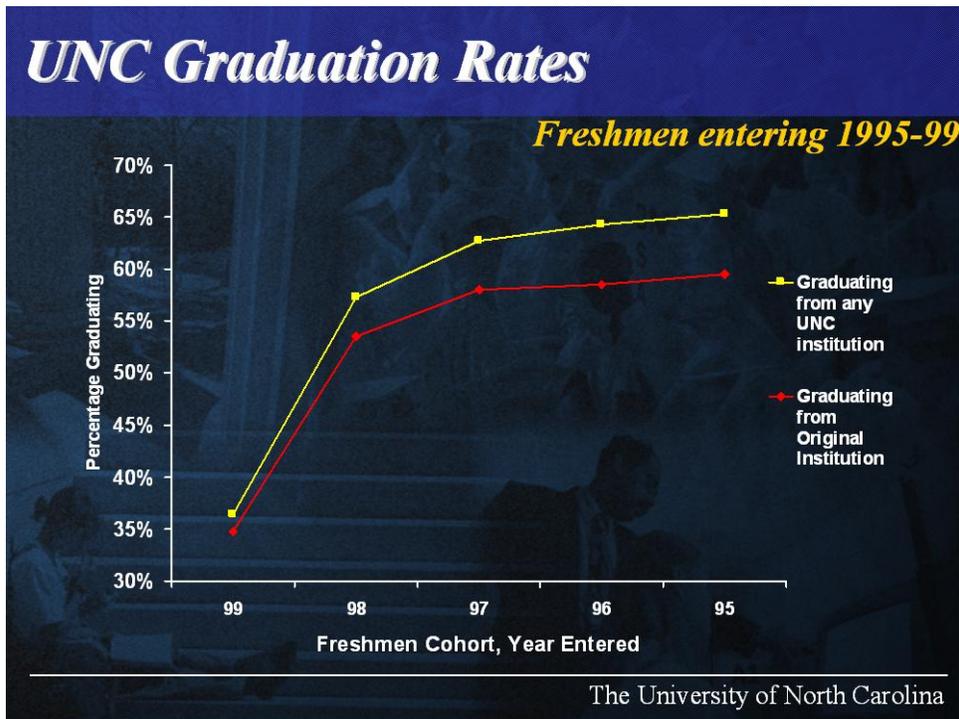
Last fall, Chairman Wilson appointed a special task force to address the state's shortage of high-quality teachers. Yesterday the Planning Committee heard the final report of Task Force on Meeting Teacher Supply and

would like to thank Chairman Willie Gilchrist, the Planning Committee, and the members of the Teaching Task Force for the very open-minded and expansive manner in which they have approached this challenging assignments. North Carolina will benefit from their efforts.

UNC Graduation and Retention Rates

Yesterday Dr. Mabe provided the Planning Committee with a summary report on student retention, graduation, and time to degree. At a time when college-level preparation has never been more vital to economic competitiveness, tracking the graduation rate of students—particularly full-time students—is one important and legitimate measure for assessing student success. Among students enrolled full-time each semester at a single UNC campus, more than 60 percent now graduate within four years. Among all freshmen enrolling on a UNC campus, about 58 percent graduate from that same institution within six years. This six-year graduation rate has become the standard national benchmark, and the vast majority of UNC campuses exceed the national average for their Carnegie classification. Consider that nationally, only 29 percent of entering college freshmen graduate within four years.

In keeping with national trends, our graduation rates are being affected by shifting demographic patterns and enrollment trends. Increasingly, our students are older, juggling family, jobs, and other responsibilities. On six UNC campuses, for example, the average age of the undergraduate population is now 24 or older. And recall that about 75 percent of all UNC students enrolled in off-campus distance-education courses are age 25 or older.



Visual 1: UNC Graduation Rates

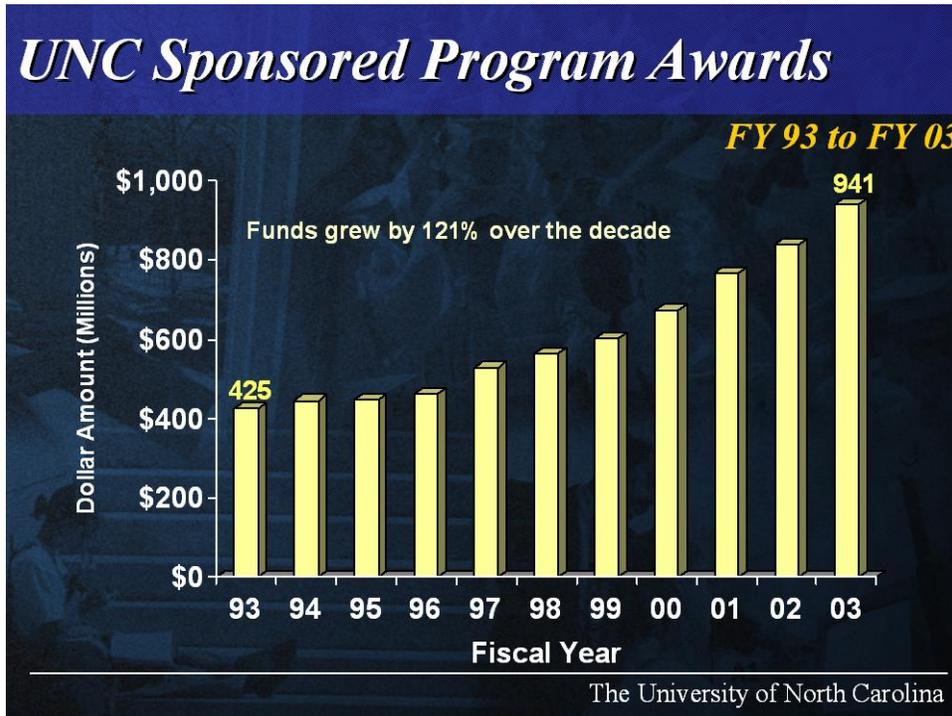
As this visual reflects, our students also are more mobile, and do not necessarily begin and complete their college education on a single UNC campus. While student mobility can suppress the graduation rate of the initial enrolling campus, students who ultimately graduate elsewhere are not “failures” and should not be counted as such. We can currently track students who stop-out and return to a given UNC campus—or who transfer from one UNC campus to another—but we are working to developing the capability to track students who transfer to non-UNC institutions, anywhere in the country.

Once that better data becomes available, we are fully committed to using it to improve efficiency, effectiveness, and accountability. We also hope to

identify and implement best practices targeted at student retention, building on our successful recruitment initiatives such as CFNC.org.

Research and Sponsored Programs Within the University

The Planning Committee also received a summary report from Vice President Russ Lea on competitive grants and contracts received by our campuses for research and other sponsored programs. While a copy of Dr. Lea’s presentation has been provided in your packets, I would like to take just a few moments to review some of the highlights.

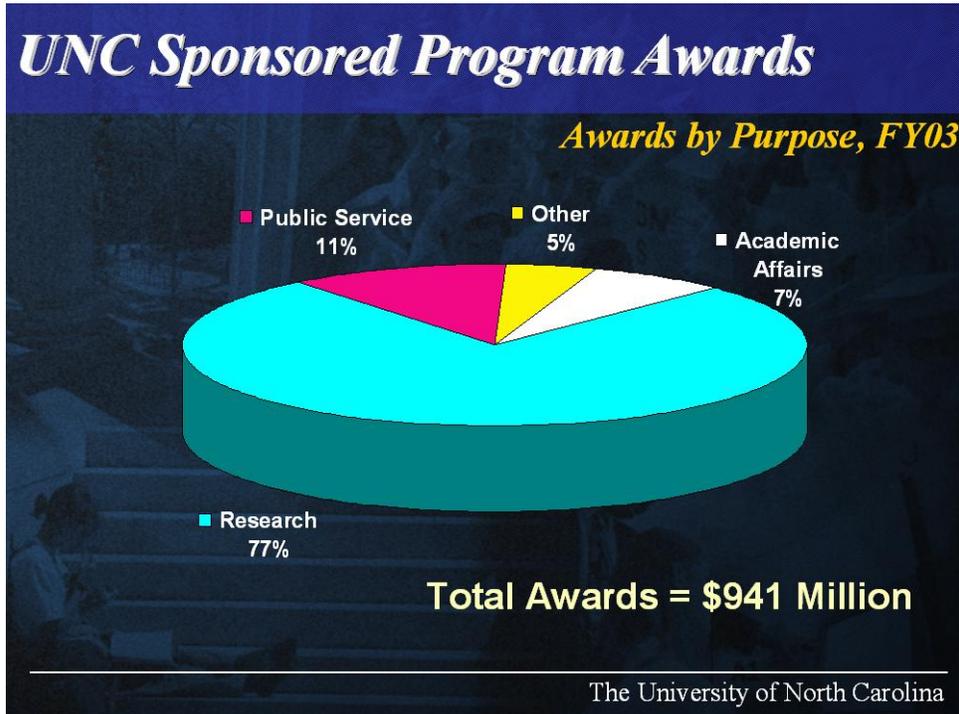


VISUAL 2: Awards FY93 to FY03

- Research and other sponsored program awards to faculty across our 16 campuses have continued to grow at a remarkable rate over the past decade, rising from \$425 million in Fiscal Year 1993 to \$941 million in Fiscal 2003. We are fast approaching the billion-dollar mark in research and sponsored program activity.
- Awards for Fiscal 2003 represent a 12% increase over Fiscal 2002.

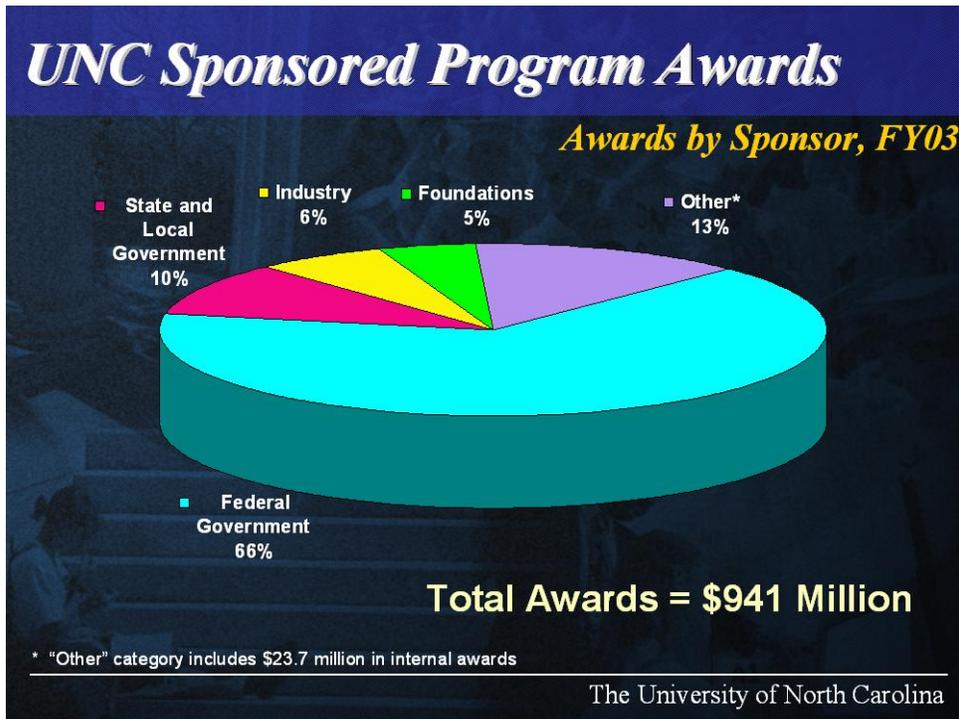
APPENDIX R

- These figures reflect only those grants and contracts won in competition with other university faculty across the nation. They do not, for example, capture direct appropriations for research (e.g., agriculture).
- Among public university systems, UNC ranks third (behind California and Texas) in external support for research and sponsored programs.



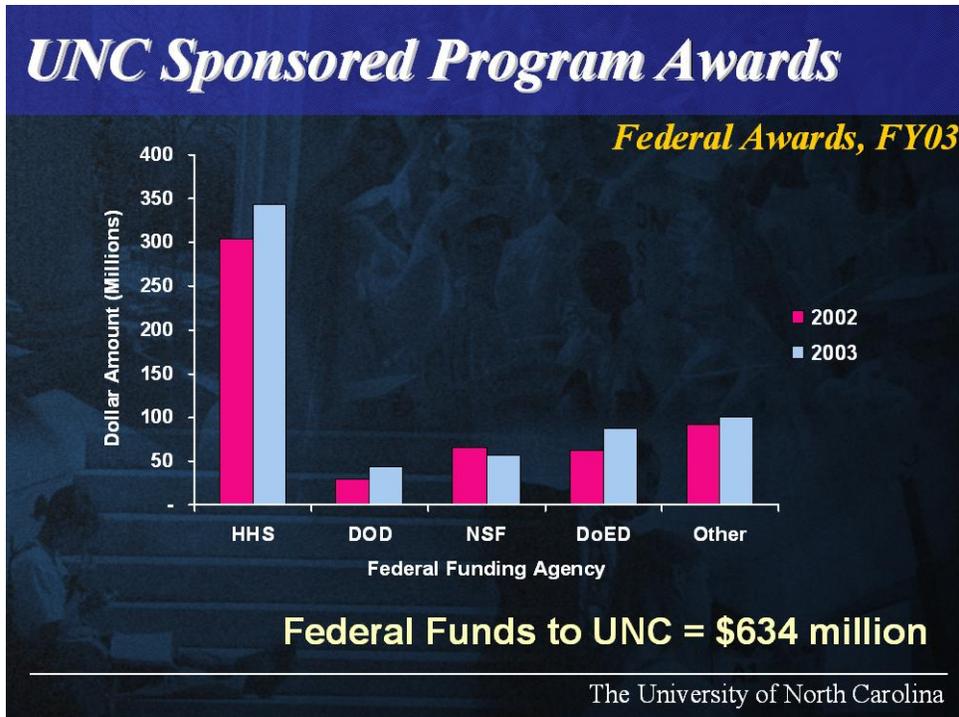
VISUAL 3: FY03 Awards by Category

- Research grants account for roughly three-fourths of the University's sponsored program activity, a percentage that has remained fairly consistent over time. While our two major research institutions still attract the majority of these funds, research activity and tech transfer is increasing across our 16 campuses.
- We also have witnessed significant increases in sponsored activities targeted at academic instruction and public service.
- The nature of university research is changing. It is increasingly multi-disciplinary, multi-campus, multi-institutional, and multi-sector.
- Indicative of the growing number of research collaborations among UNC campuses, our campuses reported 415 internal awards and inter-institutional subcontracts (portions of grants subcontracted to sister UNC campuses).



VISUAL 4: FY03 Awards by Sponsor

- Of the \$941 million awarded to UNC faculty in fiscal 2003, about 66% (\$634 million) came from federal sources.
- While they are dwarfed in total dollar value by federal awards, it is worth noting that awards and contracts from business and industry rose by a dramatic 63% last year, reflecting the increasing investment by NC industries in applied university research. Areas of focus include pharmaceuticals, high-speed computing, biotechnology, and other cutting-edge fields.



VISUAL 5: FY03 Federal Awards by Key Agencies

- Funding agencies of special importance to UNC include (FY 2003):
 - ◆ National Institutes of Health (\$305 million) –part of the Dept. of Health and Human Services
 - ◆ U.S. Dept. of Education (\$88million)
 - ◆ National Science Foundation (\$57 million)
 - ◆ U.S. Dept. of Defense (\$44 million)

Mr. Chairman, this concludes my report.