

PRESIDENT ROSS' REPORT
BOARD OF GOVERNORS MEETING

January 14, 2011

President Ross thanked the Board of Governors for giving him the opportunity to lead America's finest university. He remarked that it was a privilege for which he was grateful and a responsibility that he pledged to undertake vigorously with the highest levels of commitment, dedication and integrity. He reported that during his first couple of weeks on the job, he has spent most of his time studying and learning about the University and listening – listening to staff at General Administration, to legislators and other State leaders, to the Chancellors, and to the members of the Board.

Next, President Ross announced two new appointments at General Administration. He recognized Mr. William Fleming. Mr. Fleming was named Vice President for Human Resources. Mr. Fleming currently serves as Assistant to the Chancellor for Human Resources at UNC Wilmington. His service would begin on February 1. Mr. Charles Perusse was named Vice President for Finance. Mr. Perusse currently serves as North Carolina State Budget Director. His service would begin on or before March 1. Both gentlemen bring a wealth of professional experience to their respective jobs. President Ross noted that the search for a Senior Vice President for Academic Affairs was ongoing.

Over the past couple weeks, President Ross stated that he has gained a whole new level of respect and admiration for President Bowles as well as each predecessor who has led this University. Each has built, nurtured and sustained a phenomenal institution. President Ross said he was deeply committed to serving and was confident that this great University would thrive by all of us working together. President Ross recognized the Chancellors, who he said are the proven leaders of this University. The demands on the Chancellors are enormous and he has great respect and admiration for each.

Recognizing many recent campus achievements, President Ross announced that *Kiplinger* magazine ranked the University of North Carolina at Chapel Hill as the #1 Best Value in Public Colleges for 2011. UNC-Chapel Hill has been named *Kiplinger's* #1 best value public college for the tenth consecutive year. Other UNC institutions ranked on the *Kiplinger's* list included – North Carolina State University at 15, UNC Wilmington at 27, Appalachian State University at 35, UNC School of the Arts at 48, and UNC Asheville at 58.

APPENDIX A

President Ross reported that the State Auditor released Fayetteville State University's financial audit report for 2010. The audit report contained *no* audit findings, which was a stunning turnaround from just three years ago. He commended Chancellor Anderson and his staff for bringing fiscal order to the institution. In addition, the 2010 graduating class of nursing students scored a 100 percent passing rate on the State Licensure Exam. Fayetteville State University would be seeking reinstatement of its nursing program, which had been suspended in 2009 due to low test scores.

North Carolina State University received a \$40 million gift from Lonnie and Carol Johnson Poole, which is the largest donation ever received. The donation will fund the endowment to support NCSU's College of Management, the Carol Johnson Poole Club House and the Endowment for Humanities of Social Sciences. Mr. Poole is an alumnus from NC State.

Next, President Ross announced that Professor Chris Roush from UNC-Chapel Hill School of Journalism and Mass Communication was named the 2010 North Carolina Professor of the Year by The Carnegie Foundation for the Advancement of Teaching and the Council for Advancement and Support of Education. The University of North Carolina at Charlotte was selected by the Association of American Colleges and Universities (AAC&U) to receive a grant to design and implement a civic minor degree in Urban Education.

President Ross congratulated North Carolina State University and UNC-Chapel Hill on their football bowl game victories last month. He congratulated the marching bands from North Carolina Central University and from Western Carolina University, who both performed in the 2011 Rose Bowl Parade on New Year's Day in Pasadena, California.

Next, President Ross spoke about the challenges that the University continued to face this year due to the State's projected budget shortfall. It would be the responsibility of the University to work with the Governor and with the General Assembly to find solutions which would enable the University of North Carolina to manage through these difficult economic times and to grow stronger once the economy rebounds. It was imperative that the academic core of the University be protected because no institution is more important to the future of this State and to the people of this State than the University of North Carolina. President Ross noted that the University must be able to continue to serve and educate not only the traditional college students but also our military personnel, community college transfer students, and older students returning to college to gain new skills and retool for the job market of tomorrow. He referred to some statistics which showed that unemployment rate among workers with less than a high school

APPENDIX A

degree was nearly 15% nationally and 17% in North Carolina. The unemployment rate of workers with a 4-year college degree was 5% nationally and was 2.4% in North Carolina.

He noted that under President Bowles' fine leadership, the University had already taken the necessary steps to operate more efficiently and effectively and to redirect scarce resources to protect the academic core. President Ross stated that the University must continue to do more. The University would continue to build on the work of former President Bowles and look for even more opportunities to operate efficiently and effectively by streamlining and eliminating some antiquated State rules and regulations and by exploring areas of additional management flexibility. A set of initial recommendations would be brought to the Board at the next meeting.

Lastly, President Ross reported that he has ordered a study to find permanent savings by reviewing unnecessary duplication of existing programs offered across the University. He asked former Chancellor Woodward to lead the review. In closing, President Ross noted that he, the staff, the Chancellors, and the faculty would all work collaboratively in this effort and asked the Board for its continued support.