

Margaret Spellings
Report of the Board of Governors
Center for School Leadership Development
April 15, 2016

Good morning. It is a pleasure to be here today. As many of you know we are taking steps to make these meetings of the Board of Governors more accessible and more transparent to the citizens of this state. I am happy to report that this meeting is being streamed online. Welcome to everyone watching online. We will continue livestreaming future Board meetings and we are also preparing for our first public comment session with the Board, which will take place at the May meeting.

As has been said, today's meeting was originally scheduled to take place at UNC Asheville. I visited UNC Asheville yesterday and thank you, Chancellor Grant, for the terrific hospitality. UNC Asheville is a wonderful place and UNC Asheville is a true mark of distinction in this system and one of the many ways that sets us apart from others around the country. After visiting both UNC Asheville and Appalachian State University this week, my campus tour schedule is halfway complete. It has been a real thrill to listen to students, faculty, staff, and community leaders about what makes them proud of their institutions, what issues they think are most important, and where they think we have work to do.

Next week, I will visit Elizabeth City State University, North Carolina State University, and UNC Wilmington (this is my second visit to UNCW having attended the Chancellor's installation the previous week). The campus tours are so energizing. I can think of no better use of my first days in office than to go visit the campuses and meet the people who are so proud and so benefitted by them.

The campus tours have been a real window into the dedication of campus leaders, of faculty that are so brilliant and inspiring, and the intellect energy and creativity of our students. It is often said that we live in an age of anxiety, but if you are with me meeting young people in this state, you would not have any anxiety about the future.

I compliment the work that this Board has done in hiring an incredible set of chancellors – competent, talented, capable, compassionate, wonderful leaders. I compliment the chancellors of this system who deserve our confidence and support. I especially want to recognize them for the role they played in the Connect NC Bond Campaign – they contributed extensively to its success. The vast number of people of this state support our work and we should take comfort in that.

Regarding the BCG report that focused on the activities and organizational effectiveness of UNC General Administration, we have to make sure that it functions well. A key recommendation from the report was to elevate the role that our chancellors have in working with UNC General Administration in developing policies. I am thrilled to meet faculty and staff, who are schooled in their own disciplines, but I hear encouraging statements such as: "we are a family;" "we care about each other."

Our highest priority in the upcoming legislative session is to provide proper compensation to staff and faculty. I know that is how the Board feels and we will talk about it further. We are in a very competitive environment. We cannot operate excellent institutions without excellent people. We also have the opportunity to do additional work around our goals and priorities. We need to serve our students effectively. So, we need to get the tools and conditions right so that our system is well aligned to meet the strategic goals.

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Regarding House Bill 2, the bill has raised concerns not just for the specifics of the law, but for the climate and culture that it suggests to some and the consequences of it in the aftermath of the passage. The chancellors tell me that we are at risk of losing great students and faculty, potential business partners, and philanthropic support. I know, like you, we all believe that our University must be welcoming places for all; it is a core value of this institution and an absolute necessity if we want North Carolina to sustain the educational excellence in leadership that we treasure. As a state agency, this University and its officers are expected and will follow HB2 and every other law of this state as I made clear in my guidance memo last week.

Over the past week weeks, I've met with countless students – students who are the first in their families to attend college; students who are balancing work, school and family life; students who are volunteering their time to mentor and tutor their peers, and I'm in awe of some of the barriers that these young people have overcome to pursue their education. Our students have ideas that go far beyond anything we can often conceive – they have ideas about energy efficiencies, business development, and teaching.

I have been met by protests on some of the campuses, but I do welcome and appreciate that most students have been very respectful. Free speech and different viewpoints are hallmarks of our academic culture and celebrated aspects of American character. Public campuses and forums like this must be places where all voices welcomed, heard and respected, including ours. As one faculty member at ECU pointed out, educating students about democratic argument and civic engagement are key parts of this enterprise. But, engagement means more than making your own voice heard; it means listening to the protestors who devoted their time and energy to criticizing me, I say, I hear you and I ask you in return that you hear from me and from this Board.

There is great work happening on our campuses and I have been using my visits as an opportunity to celebrate and draw attention to that work. I have been listening to students and faculty and advocating for them. Too often the loudest voices on all sides have served to distract us from the mission rather than to elevate it, which is regrettable. The level of community support at each of these campuses has been one of the most striking aspects as I've travelled. Everywhere I have gone, I've heard variations on this theme. I simply cannot imagine western North Carolina, Roberson County, the Triad, etc. – any region – without these campuses. They are mighty engines for the economic, cultural, and civic life of these communities.

At Fayetteville State University, a campus trustee told me about attending evening classes when he was a young man based at Fort Bragg earning a long coveted college degree because FSU professors were willing to work extra hours to serve men and women in uniform. At ECU, I met with doctors and nurses who described what it means for an underserved region of the state to have quality medical care available in those communities. Sharing stories like these along with rigorous data and research about the value of the UNC system will be one of our most important tasks in the days ahead. I tell faculty, staff, and students on each of our campuses, that I am here to serve as their chief advocate and spokesperson for their work. Doing that effectively will require changes in the way General Administration is structured and I have been discussing that throughout our strategic review. The process is now complete and we have announced a new organizational structure.

I am excited to continue to build a strong team at General Administration to advance our collective success for the students we serve and the citizens of this state. I will finalize an organizational structure that supports the strategic priorities that emerged from our assessment. As a reminder, the five

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strategic priorities are – 1) access; 2) affordability; 3) student success; 4) economic impact; and 5) excellent and diverse institutions. I am confident this restructuring will strengthen General Administration's core responsibilities and we have an opportunity to more clearly define and enhance our approach to many areas including technology-based learning as proposed in the BCG report. As a result, I will create a small workgroup informed by independent, external experts to study the issue in greater depth over the next several months and provide me recommendations not only on the optimal organizational placement for this function, but more importantly for how we define expectations, maximize the technology platform, track progress, and measure success. BCG has also identified a clear need to bring our chancellors and campus leaders more fully into planning and decision-making. I look forward to drawing on their expertise as well. They further emphasized the need to draw on the Board of Governors for strategic guidance and high-level thinking.

With regard to the recodification of some of the Board's policies, four of our standing committees have started work on a Policy Review Project. Over the next several months, we will address personnel delegation, financial policies and reporting. This will help us focus on the bigger picture. You all have busy lives, important responsibilities and we need to use you on the most high-valued ways. Most of that effort in the coming years will center on a new strategic planning process. As many of you noted, our time is right to look at our strategic priorities and where we need to go as a system. Chairman Lou Bissette and Mr. Champ Mitchell have reached out to you regarding the renamed Strategic Planning Committee, which will begin next month and extend through year-end so that we will be ready for the legislative session in 2017. Your voices and ideas will be crucial to that process and I am excited to work with all of you with the faculty, staff and campus leaders in security the University of North Carolina as the nation's leader in public higher education. We will make important strides in this direction as the legislature returns for the short session. Faculty and staff pay is at the top of our priority list – on every campus I hear it – and I will go and work with the legislature.

As evidence by the discussion of the Program Evaluation Division Committee earlier this week, I am more convinced than ever that we need investments in technology and data analytics to help boost student success. I am hopeful they will lift the fundraising cap which will allow us to continue cultivating private support for the University, increase donor support, and relieve pressure on other funding sources, most critically tuition and fees, which help students and families. All of that means sharing stories of the impact our students are having on the world and I am grateful to wrap up my remarks on that note.

President Spellings introduced the winners of the 2016 UNC Social Entrepreneurship Competition hosted by North Carolina A&T State University. Now in its fourth year, the competition brings together student leaders from the UNC constituent institutions. This year, 47 teams participated. More than 400 students, faculty, staff and community leaders took part. Their ideas and business plans were judged by a panel of state leaders including Rodney Hood, Marty Kotis, Pearl Burris-Floyd and Laura Wiley. The winners won seed money courtesy of sponsor JP Morgan Chase & Co., to help launch their innovations. The winning team in the undergraduate category is from North Carolina School of Science and Mathematics. The team name is PACT (Planning and Caring Together). The presenters are Francisco Coch and Benjamin Fawcett. The winning team in the graduate category is from UNC-Chapel Hill. The team name is MedServe. The presenters are Patrick O'Shea and Anne Steptoe. *(Information about the 2016 Social Entrepreneurship Competition is located on the University's website at:* www.northcarolina.edu/content/2016-social-entrepreneurship-conference