

I was drawn to this job because I believe higher education is one of the most powerful tools we have for lifting up the citizens of our state. And I believe that smart and conscientious policy can change lives for the better. As North Carolinians, we inherited one of the strongest, most storied systems of higher learning in this country. It's our charge, it's our honor, to leave it in even better shape for generations to come.

When I look back on the last academic year, my first as UNC System President, I'm proud to say that, together, we're meeting that charge. From day one, my focus has been simple: that the University of North Carolina will deliver the best value for students of any institution in the country, and we'll do it while meeting the needs of a fast-changing state.

North Carolina's population is growing — and growing more diverse. Our economy is growing — and growing more complex. The need for affordable higher education has never been more apparent, and not just for young people coming straight out of high school. There are thousands of North Carolinians of all ages looking to change jobs, change careers, make a change in their lives. We must make those opportunities available to more people than ever before.

We have made remarkable progress over the last year, even as we moved swiftly to navigate the pandemic and provide vital support to our fellow citizens. From online learning to mass vaccinations to critical research on COVID treatments to support for mental health, we have met the largest emergency in this institution's modern history while also keeping a steady focus on our core mission.

And I applaud campus leaders who have heeded our call to use the latest round of federal COVID relief funds certainly on public health, but on minimizing the cost of attendance, boosting summer enrollment to accelerate on-time degree completion, and enrolling and retaining low income, rural, and under-represented students.

This fall will mark the fifth consecutive year with no tuition increases for North Carolina undergraduates. NC Promise, which is one of the largest public investments in affordable higher education anywhere in America, will serve more students than ever before in the years ahead. Lawmakers have continued their commitment to holding tuition at UNC Pembroke, Elizabeth City, and Western Carolina to just \$500 per semester for North Carolina residents. That's an extraordinary vote of confidence in public higher education, keeping faith with our state's long-held, bipartisan belief that everyone deserves a fair shot at a world-class education.

Keeping college affordable is the single most powerful thing this University can do to promote equitable opportunity, to build and rebuild trust in higher education, and to give a rising generation real choices about the careers they want to pursue or the public service they want to provide here in North Carolina. We have a responsibility to ensure that every one of our programs, from workforce certificates to master's degrees, leaves students better off for their time and investment, which is why we've strengthened the program review process. I want to see our students graduating on time, with a valuable degree, with modest or minimal debt. Preferably, no debt.

We will achieve that through continued generous public investment and disciplined management of our resources. We're creating the first ever comprehensive budget for the university, showing all sources and uses of funding in one place. Campus leaders and governing boards should know the full financial picture of their institutions, and lawmakers and the public must have confidence in how we're managing the public's resources. The System Office is no exception, and we've already made some major progress in how we allocate funding and track the efficiency of our work. I credit a great team here for that success.

We're also working much more closely with our partners at the community college system to get rid of barriers that raise costs and frustrate students. I believe I'm our first-ever transfer president, having started at the community college system before moving over here. I know from years of experience with both institutions that deeper coordination is necessary and right for North Carolina. Things like common course numbering and clear transfer agreements sound basic, but they make a big difference in the lives of our students and the prosperity of our state.

Today, I hope you will approve a new agreement on teacher preparation. We need more well-qualified teachers in K-12 classrooms, particularly in rural areas. That's why the community colleges created a new associate degree in teacher preparation and why universities should fully embrace it. There is a successful precedent – with nursing – of community college students studying and staying in their hometowns while working towards a four-year degree. And the need for more well-qualified teachers is clear and I would argue, urgent.

And we know that our universities, just like our K12 schools, needs to look more like the state that it serves. We've just released a six-month update on progress from the Board's racial equity initiative. I hope you and others will take time to read it and see where we're already making changes and where we still have plenty of work ahead. Our goal is a University that welcomes and celebrates the full breadth of talent and experience in our state, a University that truly belongs to every North Carolinian.

Which is another reason I appreciate you aligning the incentives for campus leaders to match our mission. Just as my compensation depends on how well I deliver on measurable goals, so will the compensation of our chancellors. I think it's important, both symbolically and substantively, that we all have a tangible stake in the success of our institutions and those they serve. What gets measured, matters. Student debt and on-time graduations matter. To everyone.

Before I conclude my report, a quick word about the events of the past few weeks. People ask me all the time if I get frustrated that the bread-and-butter accomplishments of the University are so often overshadowed by controversies and culture-war battles, and sure I am. I would love to see our early literacy initiatives go viral every once in a while.

But it's worth remembering that the entire history of this University is filled with high-profile fights over what gets taught, who gets to teach it, and who has a right to learn it. And I am so grateful to live in a state that takes those fights seriously, a place where the content and direction of higher education are front-page news and objects of major public concern. My job is to make sure this institution is performing its core mission and maintaining broad support, so I'll be truly worried on the day that a major controversy is met with a public shrug instead of a public outcry. As President Friday put it in 1970, during another era of unrest and controversy in our country, "The University has always been the object of criticism, and this is a healthy circumstance.... Our state and its old University have thrived and grown great because its people are free to have their say."

We are a state university, in a loud and energetic democracy, and that will often place us at the center of public debate. While I may not always enjoy that attention, I welcome it as a sign of real investment in this place.