President’s Report  
Delivered by Chairman Bissette  
May 19, 2017

Good morning. With the school year almost over, we turn to fall enrollment for the Class of 2021. We have good news from our institutions – applications are up by over 2,000. And we expect to see an increase in undergraduates accepted over last year by perhaps 4,000 or more, and with yield rates comparable to last year.

In addition, and in particular, ECSU is making great strides to increase their enrollment and they are looking at an increase in the size of their freshman class of 130 to 150 students.

As you all know, the Senate passed its budget last week, and we are pleased the Senate supported several of our highest priorities, including:

- Fully funded enrollment growth
- Fully funded NC Promise Tuition Program
- Significant investment in data modernization to drive institutional performance and help guide the implementation of our strategic plan

Some of our priorities didn’t make the cut — most notably, the faculty retention fund, which is nearly depleted, and operating money for newly constructed Connect NC bond projects approved last year by a majority of the electorate. We’ll work to discuss these and other critical issues with the House as they take up the budget next week and as the process moves forward.

Things are progressing with full implementation of the Strategic Plan and achievement of our near-term goals that called for action by this month. Craig Souza will speak to this as part of his committee report, but in summary:

The Access goal 2 calls on UNC General Administration to organize a multi-agency working group, including the Department of Public Instruction (DPI) and the North Carolina Community College System (NCCCS), to develop policy recommendations that can improve college readiness and smooth the transition between our public schools, community colleges, and universities.

The good folks at the Belk Endowment and the Goodnight Education Foundation hosted two very productive gatherings — one in Raleigh and one in Charlotte — to hear from education, business, and philanthropic leaders about our shared goals for North Carolina. Building on those discussions, we are creating a joint effort to set clear attainment goals for our state. You will recall that our colleagues from Gates and Lumina made clear that we are one of only 10 states that don’t have such goals.

This Commission will convene the major stakeholders to identify obstacles and propose policy reforms that can improve results for our students. I look forward to join my colleagues at DPI and the Community Colleges, among others, in early July to announce further details.
Second, in the Excellent and Diverse Institutions category, Goal 10 calls for “strengthen[ing] the reputation and accomplishments of the University by having each constituent institution identify mission-focused areas of distinction and achieve significant regional or national recognition within those areas by 2021-22.”

Each of our institutions has submitted a revised draft of those Areas of Distinction to Academic Affairs for review, and the final proposals will be submitted by the end of May and posted on the Strategic Planning website shortly thereafter.

Third, also in the Excellent and Diverse Institutions area, Goal 11 calls on us to “create an implementation plan — including the details of proposed data collection and metrics — to systematically measure, at all levels, engagement, retention, succession planning, and investment in professional development in order to promote system-wide improvements.”

In consultation with the Chief Human Resource Officers at each institution, Matt Brody and the Human Resources team here at GA are working on each of these initiatives and are making excellent progress on implementing a new system-wide employee engagement survey. They have have drafted an implementation plan and created an FAQ document to answer common questions about the employee engagement survey, which we will share with you.

I also want to commend Andrew Kelly and the Strategy and Policy team at GA, along with their colleagues from Academic Affairs. They’re visiting each institution to discuss performance agreements with the Chancellors and their leadership teams, and to collaboratively identify appropriate priority measures from the Strategic Plan for each Institution to focus on.

The team has completed 12 institutional visits with five more to follow before mid-June. The performance agreements that come out of this process will be the cornerstone of the Plan — they’ll determine whether we meet the ambitious targets we’ve set. I’m thrilled to see everyone moving with such urgency on this work.

Finally, I am pleased to announce the creation of a 13-member Funding Model Task Force led by Scott Lampe and drawing on experts from the University and across the state. My thanks to Anna Nelson and Harry Smith for agreeing to serve, as well.

The current funding model has served the University well — keeping tuition among the lowest in the country and incrementally expanding access for qualified students. But a lot has changed in the 20 years since we began using this formula, and it’s time for a thorough review. We need to make sure our incentives match up with our goals — and we need to put our money where our mouths are.

Over the next year, this Task Force is going to look closely at the strengths and weaknesses of the current approach, and make recommendations for how we can keep this critical institution strong and competitive into a new era.

This concludes the President’s Report. Thank you.