Thank you, Ann, for that introduction and your terrific leadership. SAS is a model of how a world-class University System helps build strong companies, and how strong companies give back to the public institutions that support them.

I want to recognize a few leaders here today, including members of the Board of Governors, members of the General Assembly and Board of Trustees members.

This is the seventh and final stop in our State of the University Tour, and today we’re gathered for a progress report – what is the state of the University of North Carolina System, and what is our path forward?

We have, without question, one of the finest university systems in the nation. It’s certainly one of the most diverse.

Our 17 institutions range from world-class R1s, to powerhouse regional and comprehensive universities, including 5 mighty public HBCUs. Our nationally known public residential high school, the NC School of Science and Mathematics, has a reach that spans the state and will soon reach even further west with a new campus in Morganton.

Our strength comes from our diversity. The parts fit together to serve the needs of this state.

Today, we have chancellors from four of those institutions here, and I’m looking forward to having a Q&A with them in just a few minutes about the days ahead.

They, along with their peers across the state, are making our already strong System better every day.

Our graduation rate is up more than six percentage points in the last five years. Our annual research funding is up $300 million in the same period, and we now net one and a half billion dollars in research investments every single year, with the majority of that happening at institutions represented here today.

Together, we’re filling jobs in vital fields, producing nearly 21,000 graduates each year with degrees and certificates in health sciences, engineering, and STEM, an increase of 29 percent since 2011, all while increasing our Pell-eligible graduates by more than 20 percent.

And thanks to the legislature’s commitment, tuition for North Carolinians is flat or falling at every one of our institutions.

We are getting stronger. But that’s no cause for complacency. As I like to say, we’re pleased but not satisfied.

I’ve spent the past few months outlining three big issues that we must confront as a System:
First, how do we harness our power to change North Carolina’s lagging economic mobility rates, and change the outlook on what I believe is the defining issue of our time?

Second, how do we defy the national retreat on accountability and build on our success enabling innovation and flexibility, raising expectations, and holding ourselves accountable?

And last, how do we step up at a time of uncertainty and crumbling norms to advance the public good and lead by example?

This state is where higher education can – where we must – find those answers. Our state mirrors the most significant trends affecting our country — passionate politics, shifting demographics, and an economy growing well, but unevenly.

We have, as UNC System President Bill Friday famously said, a “mighty engine” for shaping these forces. And over the years, its power and potential has come from a willingness to adapt and reinvent.

The creation of land grant universities, the passage of the GI Bill, the struggle for civil rights: each step has expanded our idea of what college is for and whom it should serve.

Today, we face another moment of reinvention, one that holds more opportunity than risk if we embrace our legacy of change and set high expectations for ourselves.

**Mobility**

Our region — from Southern Virginia to Mississippi — has a stark divide. Children born into poverty in the South have strikingly low odds of bettering their lives.

Too many of our rural counties are being left behind, despite a growing state economy. And even our cities – like Greensboro, Charlotte, Fayetteville, and Raleigh – rank among the worst in the nation for economic mobility. The pie is growing, but not everyone is getting a slice.

But as we get more data on the scope of the problem, we’re also getting a better picture of how higher education can change that opportunity deficit.

When we meet our core mission — reaching talented students from all backgrounds, getting them in the door, and helping them graduate — college changes lives and lifts families.

We know what we do improves upward mobility.

Better healthcare changes lives.

We see that when UNC-Chapel Hill’s telemedicine initiatives extend world-class medical care to rural communities, or when graduates trained there and at NC Central fill critical nursing shortages in towns and cities across the state. Our work strengthens communities and lifts families to a higher quality of life.

Jobs created by our researchers and graduates change lives.
We see that when IBM partners with NC State for a new Quantum Computing hub that will elevate our economy, or when Pfizer invests $100 million in Sanford to bring drug treatments developed at UNC-Chapel Hill to market. The new companies and even industries that emerge are the foundation for good jobs for North Carolinians.

And access to education changes lives.

We see that when NCSSM teams up with GEAR UP to provide low-income and rural high school students access to AP Classes, or NC State and Chapel Hill work together to extend the Carolina Advising Corps into struggling schools across the state. The knowledge, skills, and connections students gain when we help them through the door and into our institutions are indispensable building blocks for economic mobility.

If upward mobility is the defining issue of our time, then we have a profound responsibility to ensure more people, from every background, receive the benefits higher education offers.

In the years ahead, nearly every North Carolinian will need some form of education beyond high school whether that’s in school, on the job, or through military service.

That’s why we must do our part to meet that need.

Today, I’m announcing a new effort, the Student Success Innovation Lab. The initiative will pilot promising ideas at our campuses and connect researchers from other UNC System institutions to rigorously evaluate them.

Higher education is built around the idea that evaluation, inquiry and debate centered on facts and data advance society. We must apply that worthy approach to our own operation, and use data and research to better teach and support our students.

We know it’s not enough to get students into school; we must also provide the support and education that gets them to graduation, and the Student Success Innovation Lab is a big step forward in identifying and scaling what works.

The effort will start thanks to the generosity of the John M. Belk Endowment and the ECMC Foundation. On Friday, faculty and leaders from across the System gathered with national experts to talk through structure and design and we are excited for what’s to come.

One key area we’ll focus on is financial aid.

Thanks to the Belk Endowment’s support, we will be piloting innovative financial aid ideas like summer grants, micro-grants, and incentive-based grants.

We’ll also be launching a financial aid study group in partnership with the community college system. This effort will be a top-to-bottom look at financial aid and how to make it simpler, more accessible, and potentially more expansive.
It’s one of our most powerful tools and we must strengthen it if we are to make our nation’s most important pathway to opportunity less of a high-stakes gamble for our most vulnerable students.

Importantly, we are doing this in tandem with our colleagues in the community college system, led by their new president, Peter Hans.

Peter is here today, and I want to thank him for stepping into this role and building on his long service and commitment to this state. I’m thrilled to have the chance to work with him closely in the years ahead.

We must approach issues together, as a full continuum of learning from pre-K to the workforce.

The myFutureNC Commission, has been doing just that, taking a broad view of our entire education pipeline. The commission will be issuing recommendations along with a new statewide educational attainment goal at the end of this year.

Today, we are just one of five states that lack a statewide attainment goal, spelling out how many North Carolinians need access to some form of education beyond high school. Without a north star to guide us, we will falter.

One area where we must take responsibility is in helping our K-12 system by strengthening our teacher prep programs. The System’s report on the state of our teacher prep programs came out this spring, and its recommendations will help drive improvement for our colleges of education.

Student success depends on good teachers in the classroom. We must treat our teachers like the professionals they are, preparing them to be ready on day one to use research-proven strategies to help struggling students learn.

Getting more students to college requires getting more students college-ready. This is a personal priority for me, and I appreciate the strong support of our education deans in embracing this effort.

A student success innovation lab, a statewide examination of financial aid, the culmination of the myFutureNC commission, and a full-court press on improving our colleges of education. These initiatives will help us offer the benefits of higher education to more North Carolinians and make meaningful progress on our state’s economic mobility challenges.

But under it all, is one key question – can we keep our costs low? Because opportunity is meaningless if you can’t afford it.

Happily, North Carolina remains a national leader on college costs, and as a state, we’ve put a lid on tuition by holding it to no more than the pace of income growth, freezing it for students who remain enrolled and on-track, and thanks to NC Promise, a bold investment from the General Assembly, we’re dropping tuition to just $500 per semester at Elizabeth City State University, Western Carolina University, and UNC Pembroke.
NC Promise is a remarkable opportunity, and it’s made possible because of this Legislature’s continued support. It’s a market-driven approach to ensure college access. It’s North Carolina’s bold approach to addressing affordability, and I am excited to see the growth it unleashes.

We must continue to keep costs low while communicating to parents and students what they’re paying for and how they can get help.

**Accountability**

If economic mobility is our first big issue, accountability is our second.

For years, there was bipartisan agreement that holding schools – especially K-12 schools – accountable for their outcomes was essential to improving education for all. It was a long-needed shift and it yielded results.

But recently that momentum has stalled, and we’re seeing a deeply discouraging retreat on standards and accountability. And as we’ve seen through our state and nation’s stagnant NAEP scores, that retreat has profound consequences.

But I’m proud that North Carolina is charting a different course, creating an approach to accountability for the UNC System that is becoming a national model.

It starts with our Board’s strategic plan, continues with 17 institution-specific performance agreements bringing our vision to life, and as of last month, includes data dashboards showing each institution’s progress towards its performance agreement’s goals.

These are goals like an eight percent increase in North Carolina Central’s graduation rate, a six percent increase in rural enrollments at NC State University, a nearly 15 percent increase in low-income graduates at UNC-Chapel Hill, and a massive 50 percent increase in underrepresented minority student enrollments at NCSSM. All by 2022.

It’s a system that’s detailed, measurable, and focused on what matters.

Accountability doesn’t hinder talented leaders — it gives them the ability to pursue goals effectively and gain public support.

We’re doing great things with the data capabilities we have, but our underlying infrastructure is anemic. We’re grateful for the continued support of the Legislature during the short session to further our efforts to modernize our data systems.

If we don’t know the true cost of educating an additional nurse, or teacher, then we can’t properly steward taxpayer dollars when we’re tasked with filling those critical workforce needs.

If we don’t know the true cost of a new dorm facility, or an expanded student health service, then we can’t manage student fees responsibly.
We are managing a ten-figure enterprise with a data system that would leave a CEO of a seven-figure business feeling ashamed.

We must show leadership and step up our game. We cannot be scared about what we will find in the data. We must have the information policymakers need, when they need it.

Data modernization will continue to be a top priority in the months and years ahead.

**Public Good**

But our third and final key issue is one that’s harder to show on a dashboard.

Fulfilling our historic mission to advance the public good is in many ways, the most fundamental issue we face. It’s the reason this University exists — the bedrock of everything we do.

A great many of the people in this state who run businesses, teach our children, heal our families, enrich our culture, and set our public policy will pass through the doors of our universities.

What we teach, the behavior we expect, and the standards we model as teachers and public officials help set the tone for our graduates and the world beyond.

And that’s an enormous responsibility. It’s no secret that we live in a time of great uncertainty and for some, discomfort about national discourse and conduct. It seems like more and more, there’s an ignorance of history, a disregard for the truth and a dismissal of expertise.

In that environment, what we do every day as educators and public institutions matters. We must stand behind the core values of free expression, intellectual diversity, and patient engagement with new ideas.

Our campuses bring together people from different backgrounds to gather in the same place, debate the same books, and navigate the same social life. A college education remains one of the most integrated and intellectually demanding experiences in American life.

Our students recognize the privilege of thinking and learning. They want to live up to that gift, to leave the world in better shape than they found it. Anyone who says that college students have lost their heads or their desire to be good citizens just isn’t paying attention.

But I promise you this — our students are paying attention to us. They’re watching how we lead and govern, how we engage in public debate, how we adapt to the needs of our time.

At UNC-Chapel Hill, Chancellor Folt and her team are helping build an Institute of Politics to foster that debate. Started by students, and now supported by the institution, the IOP will be the first of its kind at a public university, joining peers at institutions like Harvard and the University of Chicago.

Over the next year, I look forward to working with the IOP to host discussions and events that advance our common goal of a strong and diverse debate on our campuses.
It’s up to us to show that public institutions are an ally in the effort to make a better world, that public service is honorable and effective, and that trust in our fellow citizens and faith in the country that unites us is vital to any vision of real progress.

**Conclusion**

This University is full of people who are here to make a difference. The folks working every day in our labs and classrooms, our police departments and maintenance crews, and our hospitals and health clinics are here because they want to be a force for good in this state and region.

And they are — all across this state — in all 100 of North Carolina’s counties.

Our job as a System is to enable their good work.

To provide economic mobility for all North Carolinians, hold ourselves accountable to higher expectations, and take ownership of our role advancing public discourse, debate, and the public good.

UNC System President Friday used to issue a powerful challenge to students.

“Every morning,” he said, “a million North Carolinians get up and go to work for wages which leave them below the poverty line, so they can pay taxes that finance the education you receive. Your job is to figure out how you’re going to pay them back.”

I’m proud to say that we have been and are answering that call. And I know I’ll be standing before you again in a few years to report an even stronger, more effective University of North Carolina System.

Now I’d like to ask our four Chancellors, NC Central’s Chancellor Johnson Akinleye, UNC-Chapel Hill’s Chancellor Carol Folt, North Carolina School of Science and Mathematics’s Chancellor Todd Roberts, and NC State’s Chancellor Randy Woodson, to join me for a conversation and Q&A.