



To the Board of Trustees

February 16, 2011

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We are entering into what I consider to be the most exciting time I have spent as chancellor of UNCSA. We seem to be in the first sentence of “A Tale of Two Cities.” It is the best of times and it is the worst of times.

Our message to the legislature, the Board of Governors and the people of North Carolina has two sides to it: One is the consistent and extraordinary excellence of UNCSA and the other is an operating budget that never was sufficient to run our school. That situation was created from the very beginning, when the euphoria of creating our school perhaps clouded the judgments of those who should have known what it costs to run a school – no matter how big or small it may be.

That underfunding began with a school that had no budget for a fundraising department. For decades UNCSA had no Office of Advancement and only created one by cannibalizing the budgets of the arts schools. Our Information Technology department has never been properly funded, though it is essential to running a school. It is, to this day, still supplemented by lapsed salaries.

During the past decade, the university system built its ever-increasing financial support to its schools by using a metric based on enrollment growth, and focused growth that would encourage enrollment growth. Millions of dollars were taken from our budget – and every other school’s budget – only to be returned, and then some, to those schools that grew. UNCSA cannot grow without adding more faculty, more staff, and more studio space, whereas other schools – the ones that have large lecture halls -- could grow. And grow they did! And during that decade their budgets grew while ours shrunk. And yet, we had the same number of students and the same mandate to train them in a mentoring environment. In short: the same mandate to be excellent.

And when you add to this situation the financial crisis of the past three years, you put our school in a place that should be unacceptable to anyone who values what we do and how we do it.

The great news, however, is that because of the extraordinary people with whom I work, UNCSA has gotten both stories – excellence and underfunding -- heard. Last year, as you remember, our across-the-board cut was mitigated by an unprecedented 33.6%. In the preceding year, we received special funds from the legislature for the whole school as well as funds specifically focused on our film school. As you recall, what was projected to be a \$1.4 million dollar permanent cut, last year became a \$148,000.00 permanent cut.

This year will bring us to a final frontier. Because we have moved below efficiency to deficiency, we are telling our story with data to back it up, and we are being heard. It is my goal to get the legislature and the Board of Governors to fund UNCSA at an operational level that is equal to the operational levels of our sister schools. Like them, we need to have properly funded support services. We need to have a properly funded and staffed IT Department. We need to have money for recruitment materials. We need a properly staffed Advancement Department. And the chancellor needs a fulltime administrative assistant, not someone shared with two other offices.

The last four years of clean audits, fiscal controls and transparency have gotten everyone's attention. So has being recognized by Kiplinger's as number 48 of the Top 100 best values for public colleges in the nation – a ranking, by the way, based on academics! Needless to say, we are the only public arts conservatory on the list.

It has been noted that our school was visited by the Chairman of the National Endowment for the Arts, and that our private fundraising goals – set by G.A. – was exceeded by 50% last year. The \$3 million of private monies we raised exceeded the annual yield of schools many times our size and with staffs far bigger than our hardworking team of ten.

Our deans and faculty continue to serve the Piedmont, the state, the country and the world, with books, performances, broadcasts and outreach.

Yes, one of our deans is completing a major motion picture and another has been elected to the board of the nation's number one institute of theater technologies. Another recently danced with our country's national ballet company and another directed a play at one of our nation's greatest and most respected regional theaters.

And then there are our students, one of whom was just judged to be the finest undergraduate scenic designer in the United States, and another, who has just won the North Carolina Symphony composition competition. These are just two of the thousands of stories we are telling about our young people and our alumni.

Unlike other universities, our students share their learning process with our community. Our all-school production of *The Nutcracker* brought in over \$200,000.00 this past December, most of which went into our scholarship fund. Because of the generosity and vision of Jim and Barbara Goodmon, UNC-TV and WRAL Raleigh broadcast our *Nutcracker* to an audience of hundreds of thousands of North Carolinians. And our all-school production of *Oklahoma!* has already brought in \$300,000.00 at the box office and for the gala, and when all is said and done, it is not unreasonable to expect *Oklahoma!* to clear \$400,000.00 for scholarships. That means that our students' performances – their final exams, as it were – will raise more than a half a million dollars for themselves to support their education at UNCSA. What school in the university system can make such a claim?

During the past three weeks, our elected officials have kindly paid a visit to my office. George Burnette, David Nelson, Jim Decristo and I have met with Representatives Womble, Parmon, McGee and Folwell; senators Brunstetter and Garrou. I have spoken with US senator Hagan, US Congresswoman Virginia Foxx, and Mayor Joines. Last week Governor Perdue sent two representatives from her office to visit our film school, and they were amazed at what they saw. Community leaders such as Dr. John McConnel and Kelly King, along with members of our Board of Governors – first among these being Paul Fulton – have been in conversation with us. I have had private conversations with President Ross – well known to many of you and who will pay a personal visit to our campus next week. We have already received assurances that our unique story – a story of financial need – minimal in terms of the total budget, but essential to maintain our viability – has been heard. The first sign of this was the approval last week of an increase in tuition for UNCSEA of \$409, which exceeds the 6.5% limit given to every other university in the system.

Indeed, many of our longtime supporters and a significant number of new supporters are showing their faith in us and their optimism in our future. We have, with two recent events, (a gift from the Browns and an anonymous planned gift of \$1 million dollars), closed the gap on the Fletcher match bringing the total to \$3.5 million dollars raised in the past three years, equaling the \$3.5 million already received from the A.J. Fletcher Foundation. In addition, we will be announcing a multi-million dollar endowment gift earmarked for merit based scholarships within the next few weeks along with a five year grant to extend UNCSEA's media outreach on an unprecedented level.

We have brought UNCSEA five one million dollar endowed professorships during the past four years. And that is just the beginning, as we approach next year and the two-semester UNCSEA and its first full summer school in 2012.

Our fiftieth anniversary celebrations begin in 2013, and during that calendar year, there will be four new buildings to serve our students, faculty, staff and community.

But we have to get through this next year safely. We will be carrying a three-year average in endowment yields, so that while the economy improves, we will feel the pull of the past. That is where we need you to help us build a bridge – a financial bridge – to the future. Without it, and without the unique support of our state and our Board of Governors, all this great news will be compromised.

We are too great not to be able to print recruitment materials. We are too precious not to be able to answer our e-mail. We cannot afford to have insufficient contingency monies because we are using contingency money for general operations. And we will be far more efficient and far more successful in bringing in new and passionate financial support if we can get our story out and follow up on every person we meet and everyone who just might be the next member of the chancellor's circle or, even better, someone who wishes to name our new library or our new summer school activities.

UNCSA continues to amaze and astonish. We still have never canceled a single performance – over 300 this year, just like last year and the year before. The artists - our young wards - continue to inspire and lead us forward. You, as our major partners; you, whose very name is built on the word trust, you are the ones we ask to recommit to this miracle school, this great and impossible dream of a place which is in the best of hands at the worst of times. Time, however, is an illusion. Art, which masquerades as an illusion, is our truth, is our humanity and is worth every ounce of our commitment to keep it, to nourish it and to let it soar.

Thank you.