Gov. Pat McCrory’s University Day Speech
UNC-Chapel Hill - Sunday, October 12, 2014

It was 1974.

In 3 short years, Jim Hunt would begin his first of four terms as governor.

I was a senior at Ragsdale High School in Jamestown. My brother Phil was an incoming freshman at Carolina.

A buddy of mine from high school gave me a ride to Carolina to visit my brother.

As he dropped me off on Franklin Street, I proceeded to get in my brother’s 1972 128 Fiat. I told him to turn on the air conditioner. It was hot.

He said, “Brother, we are in Chapel Hill. Here, we roll down the window, enjoy the fresh air.”

We proceeded to drive around the campus and he showed me Carmichael auditorium where my hero Charlie Scott, wearing number 33, had played. Scott was the first African-American basketball player welcomed to the ACC.

We visited the planetarium and watched the stars. We took pictures of the Old Well and the Davie Poplar, of which we celebrate the history today.

We walked down Franklin Street and enjoyed the restaurants.

The only thing that ruined the day was when we visited his freshman dorm - Hinton James. And I think the dorm looks just as bad from the outside as it did 40 years ago.

I was in awe, however. This campus was the most beautiful University I’d ever been to.

It was an environment that was second to none. It was a place I respected and a place I wanted to return to many times throughout my life. And today I return as the 74th governor of North Carolina with the same awe and respect for this beautiful campus as I did as a teenager back in 1974.

**Chapel Hill As The Brand**

Chapel Hill is the pinnacle. It is the benchmark for all of education in North Carolina.

It is the place where the brightest from across the state... the nation...and the world come to learn. It is where the best of the best come to fulfill their potential.

It’s where our future scientists, lawyers, teachers, inventors, entrepreneurs and leaders, formulate their initial dreams and visions.
It’s the job of this governor, your wonderful new chancellor, and each of you to strengthen, reform and adapt the UNC brand to the ever changing competitive environment of the 21st century.

Yet, both your chancellor and I first had short term obstacles that we had to fix and reform.

As governor, I inherited the 5th highest unemployment rate in the country, a debt of more than $2.5 billion owed to the federal government, a $530 million misforecast for Medicaid, teachers who hadn’t had a decent pay raise for more than 5 years and an empty rainy day reserve account that needed replenishment.

Due to some very tough decisions, these problems are now being resolved. We’ve had one of the largest drops in unemployment in the country. We’ve paid down most of our debt. We now have a surplus in Medicaid. We’ve replenished our reserve accounts, and yes, teachers now have a substantial pay raise for the first time in many, many years. Now we focus on long term strategies to fulfill our state’s potential in areas like health care, commerce, transportation, and of course, education.

Your new chancellor also inherited the consequences of pockets of bad policy, fraud and oversight that did not meet the standards or ethics of this great university.

She has done an excellent job in listening, taking charge and making much needed change. One shining example is working with the faculty to end grade inflation.

This new policy attains the goal of our state motto. - Esse quam videri - To be, rather than to seem.

Honest grading should now be the standard on all our state campuses, with Chapel Hill again showing the positive way.

**The University Function**

Before we finalize our vision for our universities, we must first come to an agreement as to what the purpose and function of our university system is, and what it should not be.

First, we should demand that universities be universities. We should not support using our limited public resources for remedial course work.

We should only accept students ready for the collegiate level. Especially here at Chapel Hill. We must invest in the best that are ready for college academics at the time of high school graduation.

High school graduates who did not learn at the same pace need to be offered other more efficient and targeted options to give them the same opportunity of success in the future.

Our universities should not be used to indoctrinate our students to become liberals or conservatives, but should teach a diversity of opinions which will allow our future leaders to decide for themselves.
We can also no longer afford to have our universities be used as an illicit drug and alcohol playground that leads to substance abuse, danger and harm.

This ‘rite of passage’, which my generation, and even myself sadly helped initiate when much younger, continues to inflict tragedy on students and families and also causes serious, long-term health and addiction consequences on our communities. We must immediately educate and help students who are dealing with addiction.

Chancellor Folt, I want to thank you for allowing new initiatives of education, counseling and enforcement on your campus that will combat the scourge of substance abuse.

Let me be frank about another sensitive rite of passage.

Although athletic programs are an important part of campus life and culture. We must follow the advice of Dr. William Friday as quoted by Professor Hodding Carter at Dr. Friday’s memorial service. “People do not want their lifetime measured by how much their football team won or lost. There is something valuable they want measured on their intellectual tombstone when the time comes, and it will come.”

Dr. Friday said this days before he passed away. He was right then and his words still ring true today for all of our Universities.

**Providing A Return On Investment For Students and NC**

So what should the intellectual purpose of our universities be and what return should they generate to justify the public’s investment of approximately $22,500 per student per academic year here at Chapel Hill?

First, our universities must continue to be an environment where our students can exercise their brains and be free to think, explore, solve problems, adapt and innovate.

Regardless of major, we must teach knowledge that is essential for a free person to actively participate in civic, professional and family life.

This is the definition of liberal arts, history, language, literature, religion, philosophy, the sciences, mathematics, business and political basics.

Our students must develop and build their intellectual capacity for logic and judgment. Chapel Hill must continue to provide the environment and requirements to fulfill this important mission.

This knowledge, however, is not the only criteria that must be attained for the monetary investment made by students, parents and taxpayers.

To ensure we get a return on our investment - and more importantly - to ensure no more students graduate with a huge debt and no job comparable to their investment. Universities
must help decrease the job gap by honing in on skills and subjects employers need while also stimulating a student’s passion and interest.

My own opportunities were enhanced when I not only obtained a B.A. in political science at Catawba College, but a North Carolina teacher certification that helped my marketability to get a job right out of college.

**Closing The Skills Gap**

Let’s be honest about the skills gap in our nation and our state. First, we must face up to the degree that it exists.

Earlier this year, the Commerce Department surveyed nearly 800 North Carolina businesses ranging from 10 to 500 employees.

Forty percent of those businesses said the lack of experience, lack of skills and education credentials were the biggest obstacles to hiring workers. To compensate, some were increasing overtime for existing employees, changing job duties or simply not filling critical jobs.

My friends, these findings are a wake-up call. If employers in North Carolina can’t find qualified graduates and workers to meet their market needs, they will move elsewhere and everyone will lose: students, taxpayers and the future of education funding.

We must encourage and reward those universities that place more students in high-demand fields. Universities and students must quickly adapt to ever changing market movements and limited public dollars.

Now we are almost there, but there is one important ingredient that for the past fifty years and next century must continue to be a major part of this university. That ingredient is innovation and research.

**Innovation and research**

Innovation is the fuel of the modern American economy.

Between one-third and one half of U.S. economic growth comes from the products, services and practices spawned by innovation.

Innovation lives at UNC because at its core, innovation is nothing more than the application of creativity, science and technology.

We have the ingredients to grow North Carolina’s economy, particularly in the high-tech sector. North Carolina is above the national average in terms of academic research and development dollars. However, the state is below the national average in the percentage of its businesses in the high tech sector.

To address this, I convened an Innovation to Jobs Working Group and here are the three major challenges they cited for North Carolina:
First: **Translation** – Insufficient development and/or dissemination of university-based structures and practices for technology commercialization.

Second: **Capitalization** – Insufficient funding for technology proof of concept, validation, IP protection, commercialization, early and mid-stage product development/production, and business expansion.

Third - **Operation** - Insufficient number and utilization of seasoned, mature, business professionals to run startups and guide companies through growth and expansion.

My goal is for North Carolina to become the third vertex of what I now call America’s Innovation Triangle. We must build strong connections to the other two vertices of research, the Silicon Valley and Boston and New York. To make that happen, we here in the North Carolina need to become teammates with our athletic rivals- Wake Forest, NC State, and yes, even Duke- to share talent, resources and innovations.

**Meeting the Challenge**
Our state faces significant challenges. But I’m confident North Carolina will not only meet these challenges, but thrive because of people like Zach Clayton.

I met Zach at the Governor’s Mansion about a week ago. He is a graduate of the University of North Carolina at Chapel Hill.

As an undergrad, he started his own web and mobile application development company. Upon graduation, he went on to found and serves as the CEO of a data-driven, digital marketing company.

That’s two companies created by the time he was 25 years old.

This is a Carolina graduate that was taught the basics and skills and understands the type of innovation that will fuel North Carolina’s future economic growth.

As an institution, I’m confident UNC-Chapel Hill will respond to the institutional challenges of lowering costs, using technology to distribute education more efficiently, and digitally expanding the campus boundaries to rural North Carolina.

I’m confident that the University of North Carolina at Chapel Hill will be at the forefront of a new paradigm in which universities are judged by the qualitative outcomes produced by their students and not by the number of students enrolled.

In 1984, when refereeing an ACC All-star game, I called traveling on the greatest basketball player ever, Michael Jordan. It was a tough and unpopular call. But it was the right call. All the leaders and future leaders in this auditorium must make tough calls and decisions to ensure future generations can fulfil their potential in North Carolina.

**Conclusion**
I’m confident we will, and when I leave this campus as governor today, I will continue to be in
awe and proud of the University of North Carolina at Chapel Hill, as much as I was in 1974 when my brother gave me a campus tour in his 1972 128 Fiat.

And when I leave, I will take the same advice he gave me 40 years ago.

As I get in the Governor’s vehicle, I will turn off the air conditioner, roll down the windows, take in the beauty and enjoy the fresh air of Chapel Hill

Chancellor Folt, may God Bless you and the university and may God Bless the people and great state of North Carolina.