

UNIVERSITY OF NORTH CAROLINA



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INTERIM
REPORT
JANUARY
2015

OUR TIME

NORTHCAROLINA.EDU

STRATEGIC
DIRECTIONS
2013-2018

OUR FUTURE

THE UNC COMPACT WITH NORTH CAROLINA





“On a daily basis, we are making significant and strategic investments of time, energy and resources...”

A MESSAGE FROM PRESIDENT ROSS

In February 2013, the University of North Carolina Board of Governors adopted *Our Time, Our Future: the UNC Compact with North Carolina*, a plan that articulates a five-year vision for the University and lays out the strategy by which to achieve it. At its heart, the plan is designed to serve the people of North Carolina — to discover, create, transmit and apply knowledge in ways that address the needs of both individuals and the state as a whole.

Over the past two years, I have been working with our 17 chancellors and our faculty, staff, students, affiliate organizations and the UNC Health Care System to pursue the five core goals set forth in the plan. We have made significant and strategic investments of time, energy and resources to positively affect a greater number of North Carolinians and improve the quality of the education we deliver.

I have provided the Board quarterly updates on our progress. But at this two-year milestone in the five-year plan, I welcome the opportunity to provide an overview of our achievements thus far to a wider audience. We have responded to significant funding and resource challenges by focusing available resources on the academic core, growing our research enterprise, maintaining affordable access for North Carolina students and working to improve the graduation success of our students. We have made notable headway toward the accomplishment of many of our goals.

I invite you to explore this booklet and to see selected examples of the progress we have made and the current status of our important work. *Our Time, Our Future* is ambitious, but we believe in the goals and strategies in the plan, and we are dedicated to seeing it fully implemented. As you will see in the pages that follow, we are continuing to move forward in many positive ways.

Sincerely,

THOMAS W. ROSS
President
The University of North Carolina



“A covenant with the people of North Carolina, the plan embodies UNC’s commitments as a public institution — to teaching, research and public service and engagement.”

UNC STRATEGIC DIRECTIONS: HISTORICAL PERSPECTIVE

Since the Board of Governors was created by the North Carolina General Assembly in 1972, it has been responsible both for adopting strategic directions and overseeing and evaluating the University’s progress toward its goals. From the outset, UNC’s long-range planning has been guided by a set of strategies recommended by the President and adopted by the Board. The first such plan was adopted in 1976.

The Board of Governors adopted the University’s current five-year strategic plan, *Our Time, Our Future: the UNC Compact with North Carolina 2013-2018*, in February 2013. A covenant with the people of North Carolina, the plan embodies UNC’s commitments as a public institution — to teaching, research and public service and engagement. Building on previous long-term planning efforts and the UNC Tomorrow initiative, the current plan serves as a touchstone as the University makes decisions about resource allocations, program development, campus academic missions and strategic planning. ■





INTRODUCTION TO THE FIVE GOALS

To fulfill its long-standing commitment to serving the citizens of North Carolina — and to address both the challenges facing the state and the changes taking place in higher education — the strategic plan focuses on five core goals:

1 Set degree attainment goals that are responsive to state needs
By 2018, UNC will help North Carolina increase the percentage of state residents with bachelor's degrees or higher from the current 26 percent to 32 percent. By 2025, UNC will help North Carolina become one of the ten most educated states in the nation, with 37 percent of the population holding a bachelor's degree or higher.

2 Strengthen academic quality
UNC is committed to maintaining the highest academic quality and continuously assessing student learning. The University will support its faculty in developing new methods of instruction, including an ambitious program of e-learning, and in evaluating student learning in ways that respect the depth and complexity of the knowledge it expects its students to master.

3 Serve the people of North Carolina
Service to the state has always been a core part of the University's mission. With North Carolina in the midst of a stubbornly slow economic recovery and a broader structural shift toward a knowledge-based economy, it is critical that UNC makes strategic investments in areas where North Carolina can best compete and build on a long history of engagement across the state. The University's faculty are engaged in the kind of research, scholarship and public service that makes the University an integral part of the state's economic and cultural life.

4 Maximize efficiencies
As a public university system, UNC takes enormous pride in its careful and effective stewardship of the resources entrusted to it. Amid constrained state budgets and demand throughout higher education for greater productivity and accountability, UNC will make every effort to streamline operations and focus resources on its core mission of teaching, research and scholarship and public service.

5 Ensure an accessible and financially stable university
A fundamental part of the University's mission is to place a world-class education within reach of every qualified North Carolina resident. With a constitutional mandate of low tuition, UNC must honor its commitment to accessibility without sacrificing educational quality or the financial stability on which it depends. ■



GOALS, STRATEGIES AND ACHIEVEMENTS

The University has made meaningful progress toward each of the five goals laid out in *Our Time, Our Future*. Two years in, it has fully executed numerous projects and made significant headway on a number of others. This interim report highlights selected achievements toward each of the goals.

Please visit the *Our Time, Our Future* tab of the www.NorthCarolina.edu website for more comprehensive information on the University's progress and achievements, including detailed quarterly reports. ■



GOAL 1: SET DEGREE ATTAINMENT GOALS THAT ARE RESPONSIVE TO STATE NEEDS

STRATEGY A:

Reach out to active-duty military and veteran students with more targeted recruitment, more flexible course delivery and academic advising designed specifically for military personnel.

ACHIEVEMENT: Expanded services to military-affiliated students

Guided by the action plan UNC SERVES, the University is working to improve access, retention and graduation rates for active-duty service members, veterans and their families at UNC institutions.

It recently launched the North Carolina Military Educational Positioning System, or “NCMEPS,” a website that enables military-affiliated students to explore North Carolina’s two- and four-year public and private higher education options. In addition to offering resources that help military students navigate the application, admission and enrollment processes, the site provides tools that help them stay in school, graduate and pursue their career goals afterward.

In June 2013, the Board of Governors approved a Military Student Success Policy

that established a common framework for implementing a comprehensive network of campus services for military-affiliated students. In accordance with the policy, the University added questions about military status to undergraduate applications in fall 2014 to begin collecting data on military-affiliated students, including academic performance and graduation rates. In short order, the University will adopt rules and regulations necessary to fully implement the policy, such as those regarding admissions, residency for tuition purposes and call to duty.

Additionally, the University has positioned UNC military academic advisors at Fort Bragg and Camp Lejeune to represent all 16 UNC universities and serve as recruiters, academic advisors and ambassadors to the military communities. It has also begun promoting self-paced distance education classes offered through UNC-Chapel Hill’s William and Ida Friday Center for Continuing Education. These flexible college-credit courses, which meet general education requirements, enable military-affiliated students to earn credits while on active duty that they can then transfer to any UNC institution.

Finally, through its Joining Forces initiative, UNC is partnering with industry and

non-profit organizations to help provide high-quality and affordable education to service members, veterans and their families; to develop capacity in science and technology support for the special operations community; to transition veterans and their families into employment and to create a thriving military economy in North Carolina.

STRATEGY B:

Create a seamless transfer process for community college students, especially those who have already completed an associate degree.

ACHIEVEMENT 1: Revised Comprehensive Articulation Agreement

The University partnered with the North Carolina Community College System to devise a more defined, easier-to-follow Comprehensive Articulation Agreement (CAA), which enables seamless transitions for students between the state’s 58 community colleges and UNC’s 16 universities. For example, students are able to earn an associate degree at Wake Technical Community College and then apply those credits toward a bachelor’s degree at North Carolina State University.

University Academic Advisors Establish UNC Presence on Military Bases

Ashley Adamovage understands the military experience. Her husband served four deployments in Iraq and Afghanistan before retiring in January 2013 due to combat-related injuries.

As UNC's Military Academic Advisor at the Marine Corps Base at Camp Lejeune in Jacksonville since summer 2013, Adamovage helps those affiliated with the military navigate the UNC system — and negotiate many of the same issues she has faced as a military-affiliated person herself.

"I love my job," Adamovage said. "I say it on a daily basis. I love the fact that I get to come in and work with our service

members, because at the end of the day, we owe them everything."

In an effort to reach out to the state's military-affiliated population — to improve their access to higher education and help them stay in school and graduate — UNC has placed liaisons at Camp Lejeune and Fort Bragg.

"These are two of the largest Army and Marine Corps bases in the United States, both in terms of acreage and population," said Ann Marie Bell, UNC Director of Military Education. "It's important to have boots on the ground where the students are. It is not as effective to have

someone going up there twice a year."

Adamovage advises Marines and Sailors and their families on subjects like how to apply, enroll, secure tuition assistance and select courses within all 16 UNC institutions. She advises 23 to 28 current and prospective students each day, about 400 a month, and holds periodic office hours at the Marine Corps Air Stations Cherry Point and New River, as well.

"Education is important for success, whether you're in the military or in the civilian world," Adamovage said. "I truly believe the greatest weapon our service members can have is their minds."



While the previous CAA agreement, adopted in 1997, still functioned, it had become outdated. Not all general education courses transferred, and students often made uninformed choices that required them to repeat courses or lose credits. The revised 2014 agreement reduced the credit hours from 64–65 to 60–61, which aligns with most universities' 120-credit-hour degree. It also provides a much more clearly structured Universal General Education Transfer Component (UGETC) with fewer electives and guarantees that all lower division general education courses will transfer to meet a requirement.

To make the process more transparent for students, the 2014 CAA also requires colleges to publish clear four-year CAA Baccalaureate Degree Plans that show which courses universities require for each major and how courses at their community college will transfer.

In addition, the University is working to develop articulation agreements that would simplify the transfer process for community college students with associate degrees in nursing or engineering who are looking to pursue nursing or engineering programs on UNC campuses.

ACHIEVEMENT 2: Reverse Transfer

Another way the University has tried to serve transfer students — and partner with the NC Community College System — is by offering a reverse transfer option. Through reverse transfer, students who transfer to the University before earning associate degrees from community colleges can have their credits reported

back to the community colleges for the potential awarding of the two-year degree. Fifteen community colleges and eight universities have piloted the project, and by the end of 2015, all UNC campuses and 58 community colleges will be participating.

The reverse transfer program minimizes barriers to postsecondary education and maximizes student success by helping keep students engaged in the university and propelling them toward their four-year degree. Additionally, the associate degree gives transfer students who aren't able to finish their university coursework a credential to carry into the workforce.

Because of this program, as of December 2014, more than 600 students had received a community college credential that would have otherwise been unavailable to them.

STRATEGY C:

Improve graduation and retention rates and time to graduation through expanded summer school offerings, better monitoring of academic progress and early warning systems for struggling students.

ACHIEVEMENT: Early Warning System

UNC's 16 universities are in the process of implementing automated yet personalizable academic early warning systems that flag students who are showing early signs of trouble — whether they fail a mid-term, have a certain number of absences, don't pay their tuition or fail to fill out their financial aid form in time.

In addition to sending alerts to the students, the automated system contacts the network of people invested in the students' well-being, including faculty, academic advisers, residential life officers and tutoring centers. Once informed, faculty and staff follow up with the student to put interventions in place.

While some campuses had employed formal early warning systems before, others had not. To help the institutions in the earlier stages of development, the University dedicated \$100,000 to pilot programs at three institutions — Elizabeth City State University, North Carolina Agricultural and Technical State University and Winston-Salem State University — during the 2013–2014 academic year. It also provided eight other institutions \$13,000 each to enhance the systems on their campuses.

As of fall 2014, all campuses had implemented early warning systems. Over the next several years, each will be responsible for strengthening its system, expanding the number of students it targets and adding intervention strategies. ■



UNC Schools Alert Students Early About Their Academic Performance

Several times near the beginning of each semester, East Carolina University engineering professor Ricky Castles sends email alerts — both praise and warnings — to students performing especially well or especially poorly in his classes.

If students have attended class consistently and scored well on quizzes and tests,

they receive a “kudos” email. If they have missed class, not turned in satisfactory assignments or scored poorly on exams, they receive a “flag,” accompanied by suggestions of steps to improve.

“This is a one-stop-shop that sends one alert to as many support resources as the student has — and that’s really the beauty of it,” Castles said. “As a faculty member, I would never have the time to send an individual email to the tutoring center, to academic advisors, to residential life.”

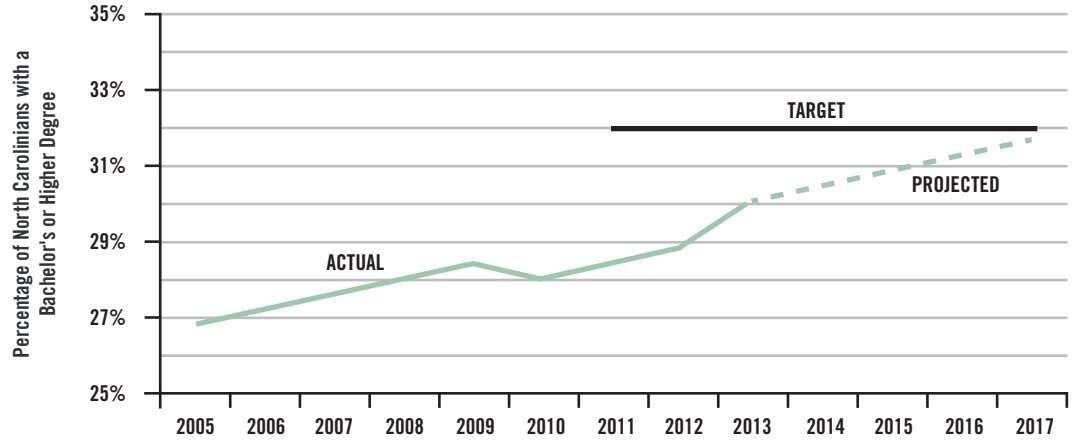
ECU found that students are, in fact, responding well to the alerts. In a survey conducted at the end of fall 2011, 85 percent of students said they changed their study habits when they received academic difficulty flags.

“The follow-up is the most important,” said John Trifilo, who manages the ECU system. “If you don’t have the follow-up to go with the early alert, you’re just sending out an email.”

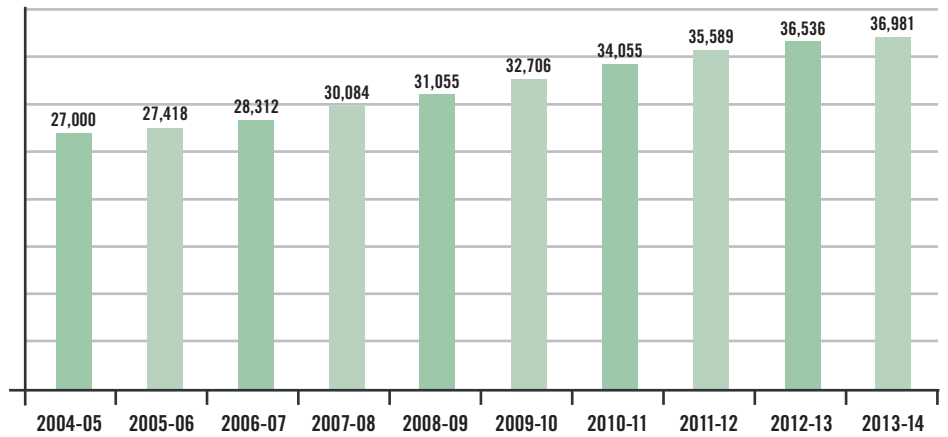
Castles examined the effect of the early warning system in his own classroom — specifically, in his mechanics class, one of the engineering program’s foundation courses. After he began sending early warnings, the percentage of students receiving A’s increased from 19 to 26 percent, and the percentage of students receiving F’s decreased from 18 to 5 percent.

“The early alert system,” Castles said, “is helping students know about the opportunities to get help sooner than they would otherwise, while there’s still time.”

BACHELOR'S AND HIGHER DEGREE ATTAINMENT IN NORTH CAROLINA



BACHELOR'S DEGREES AWARDED BY THE 16 UNC INSTITUTIONS 2004-05 THROUGH 2013-14



GOAL 2: STRENGTHEN ACADEMIC QUALITY

STRATEGY A:

Develop and implement a comprehensive e-learning and distance education strategy.

ACHIEVEMENT 1: Develop online courses for distance education students

In response to the growing number of students who have families and/or jobs and cannot attend traditional residential programs, the University is boosting the quantity, quality and accessibility of its online offerings.

The University hired a Vice President for Technology-Based Learning and Innovation in January 2014 to lead the development of UNC's online and blended learning efforts.

In spring 2014, UNC began allowing students to take online courses offered by their home institution without paying extra, which significantly increased online course enrollment. Starting in fall 2015, students will be able to enroll in online courses at other UNC campuses, as well, without facing extra charges.

The improvements in online course accessibility have already had an impact. Last academic year, more than 10 percent of UNC system students — between 21,000 and 22,000 — completed their coursework fully online, and 37 percent — or approximately 82,000 students — took at least one course via the web. For the first time in University history, this academic year more part-time UNC students are enrolled in online than on-campus classes.

To serve the growing numbers and ensure the academic integrity of their exam results, the University is increasing the number of qualified proctors available to oversee exams. It launched a proctoring network in the fall of 2010. The network has grown by about 23 percent annually, and more than 95,600 proctoring appointments have taken place across eight campuses. In 2013, the WICHE Cooperative for Educational Technologies (WCET) awarded UNC the WCET Outstanding Work (WOW) award for the innovative use of technology in its proctoring network.

Additionally, the University unveiled the newly redesigned UNC Online website this past September. The site boasts an

expanded search function for candidates considering one of the University's 324 online degree and certificate programs and allows users to search by degree level, UNC campus and area of interest.

So far, the new site has performed extremely well. While UNC Online has consistently received 10,000 unique visitors per month, only 150 of those visits translated to an actual inquiry before the redesign. Now, campuses across the system receive approximately 1,000 inquiries per month.

ACHIEVEMENT 2: Redesign courses to incorporate technology

In an effort to increase the quality of instruction across the campuses, the University is supporting faculty in adopting proven models to help students learn more effectively, like incorporating technology outside the class to make in-class, face-to-face time more productive.

In this new model, often referred to as the "flipped classroom," students watch video lectures and complete online critical thinking exercises for homework so they are prepared to actively engage with their instructor and classmates around the course material during class time.



UNC Professors Craft Online Courses at Summer Innovation Incubator

North Carolina State University professor Alton Banks, who has taught chemistry for the last 39 years, has big plans for the “Chemistry and Society” class he’ll offer online for the first time this fall.

Banks will introduce concepts using video clips and ask students to post written, audio or video comments in response to online discussion boards. His students will conduct experiments like sampling the ozone in the air and then convene virtually in small groups to present their data to the rest of the class.

“The online environment has the potential for being as rich as the face-to-face

environment if you think carefully about the presentation and the tools,” Banks said.

Banks adapted the course to an online format during the Instructional Innovation Incubator (i3 @UNC), a 10-day fellowship hosted in Asheville last summer by the University’s new Office of Learning Technology and Innovation. In disciplines ranging from design to psychology, the 24 participants — tenured and tenure-track professors from 10 UNC campuses — developed online courses for their respective institutions under the guidance of instructional technology experts.

Though the University currently offers 324 online degree and certificate programs, it

is working to expand its online offerings to reach more non-traditional students.

“For many of our online students, the alternative isn’t a residential degree; the alternative is no degree at all,” says Matthew Rascoff, UNC’s Vice President for Learning Technology and Innovation.

Banks said the process of converting his chemistry course to an online format has caused him to rethink all of his teaching methods.

“This has transformed not only how I think about teaching online, but also face-to-face,” he said. “It’s shaken up everything.”

To produce the highest impact possible, the University is focusing redesign efforts on high-enrollment courses (i.e. more than 300 students annually) with DWIF rates of more than 20 percent (rates of students who receive D's, F's or incompletes or withdraw completely).

During the first year, 72 instructors across the system redesigned a total of 32 courses. This year, the University is focusing on empowering more faculty across the system to implement comprehensive, systemic e-learning strategies on their campuses.

STRATEGY B:

Develop enhanced assessments of student learning across UNC campuses.

ACHIEVEMENT: 2014 UNC Alumni Survey

Distributed to a representative random sample of 50,000 alumni from select graduating cohorts dating back 20 years, the 2014 UNC Alumni Survey polled UNC graduates from the 16 university campuses on the value, quality, affordability, influence and rigor of their UNC education. Respondents shared their opinions on their education — especially regarding skills like written communication and critical thinking — and the role it's played in their lives since, as well as in their employment, career mobility and civic engagement post-graduation. The survey found that overall, alumni are extremely satisfied with their experience at UNC schools.

SELECTED FINDINGS:

More than 90 percent of UNC alumni reported being either “very satisfied” (50 percent) or “satisfied” (44 percent) with the quality of education they received.

Nearly three quarters of alumni “agreed” when asked whether the benefits of

attending a North Carolina public university exceeded the costs.

Eighty percent (80 percent) of undergraduate alumni either “strongly agreed” (31 percent) or “agreed” (49 percent) that the school they attended prepared them well for life outside of college. ■





Redesigned Physics Class at Western Carolina University Engages Students

You won't find Western Carolina University physics professor Enrique Gomez lecturing in front of the classroom much this term.

In response to a body of research that says students learn best when they engage with the material, Gomez has "flipped" the classroom of his algebra-based physics course.

This term, Gomez's students prepare for classes by completing readings and watching videos Gomez created to

introduce key concepts, then taking comprehension quizzes.

In the classroom, they build on what they learned at home through exercises that require them to engage in discussion, problem solving and projects with their classmates.

"This is a drastic change from what students are used to," Gomez said. "Thus far in their careers, they're used to being passive learners, where someone talks to them and they take notes. But what students do in the classroom matters. They have to expend time and mental energy to acquire the material."

As of this past year, UNC is supporting faculty in redesigning courses to incorporate an at-home technological component meant to enhance in-person time. The University funded 12 institutions in redesign efforts, supporting 72 instructors in redesigning 32 courses.

"It takes an enormous amount of effort to really thoughtfully examine what could be changed in a course as big as an intro physics or English composition course to more deeply engage students," said Katharine Stewart, UNC Vice President for Academic Planning and Quality. The campuses that participated in the first round of system-supported redesign, she said, "got some really impressive results and have a lot of momentum."

Kirkpatrick Hicks, a senior in Gomez's class in fall 2014, said the flipped model benefitted his learning.

"My understanding is greater than in a typical class," Hicks said. "For a normal class, you take notes on a lecture and memorize them, then you take an exam and they're gone. In this class, you're understanding the concepts behind what the teacher is teaching you, so you're able to keep them longer."

GOAL 3: SERVING THE PEOPLE OF NORTH CAROLINA

STRATEGY A:

More readily apply the research and scholarship carried out on our campuses to the state's economic, civic and social challenges.

ACHIEVEMENT: **REACH NC resource finder portal**

The Research, Engagement and Capabilities Hub of North Carolina, or REACH NC (www.reachnc.org), is a publicly searchable web portal that contains the profiles of 10,000+ research experts and almost 1,750 resources representing 20 universities and research institutions across the state.

A partnership of UNC, Duke University and state economic development organizations, the REACH NC web portal makes the University's expertise and assets — including researchers, published research, lab facilities and equipment — both visible and accessible to researchers seeking collaborators, businesses seeking partners or employees, organizations seeking speakers, members of the media seeking sources, etc.

First piloted in 2010, REACH NC won the national University Economic Development Association award for leadership and collaboration in 2013. As the largest such multi-institutional and multi-disciplinary statewide researcher networking portal, REACH NC is also a model for similar initiatives emerging in other states and communities around the country.

STRATEGY B:

Support game-changing research and scholarship that solves the problems of North Carolina — and the world.

ACHIEVEMENT: **Game-Changing Research/ Research Opportunities Initiative**

The 2014 General Assembly made the legislature's first financial investment in the University's strategic plan, providing a \$3-million recurring appropriation for what it called "Game-Changing Research." The funds will enable focused investments in faculty, research and scholarship in one or more of six priority areas: advanced manufacturing; data sciences; defense, military and security;

energy; marine and coastal science; and pharmacoengineering.

The University developed the UNC Research Opportunities Initiative (ROI) to invest the new pool of money. The initiative has accepted proposals for projects requiring one to three years of funding and will begin disbursing the money in February 2015 at the earliest. Projects are being selected on their potential for near- and long-term impact and the degree to which they could significantly advance UNC research and scholarship in one or more of the six identified areas.

STRATEGY C:

Serve the needs of our state, regions and communities through active engagement.

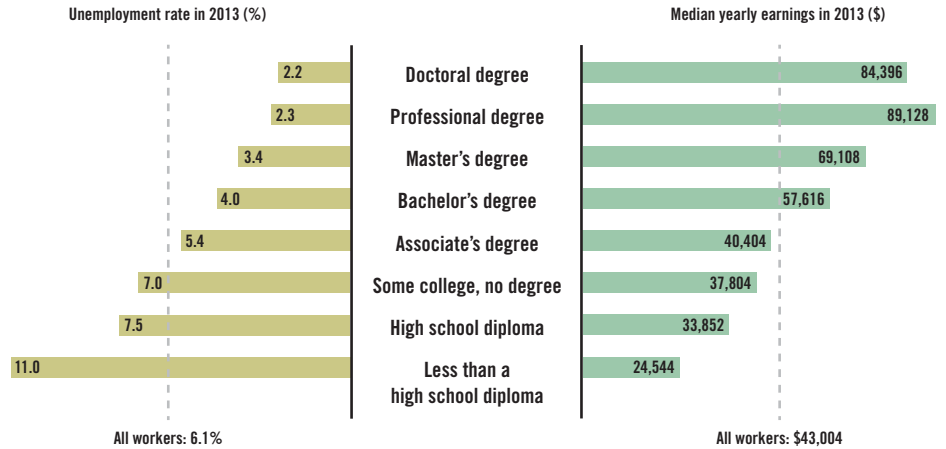
ACHIEVEMENT: **External review of UNC-TV**

In light of changing digital media trends and practices, UNC General Administration undertook a six-month external review of UNC-TV. After hiring external consultants, conducting 10 focus groups across the state and distributing online member and non-member surveys,

EARNINGS AND UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT

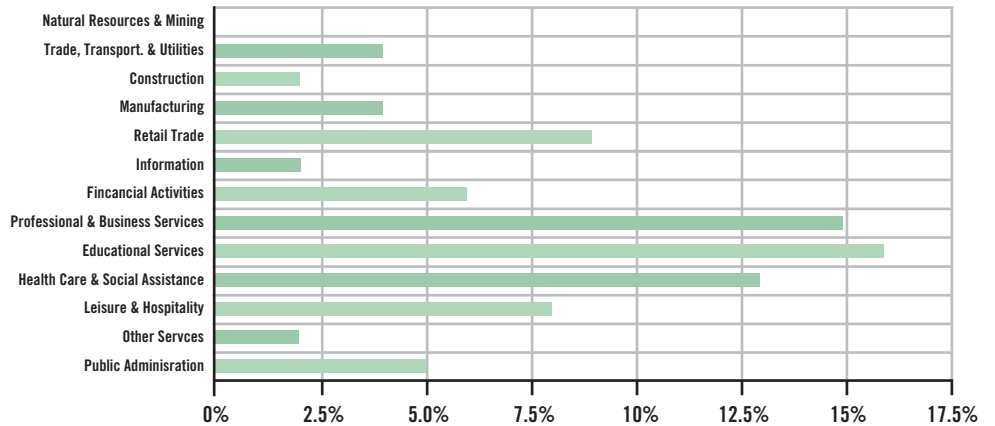
Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: Current Population Survey, U.S. Bureau of Labor Statistics, U.S. Department of Labor.



INDUSTRIES IN WHICH UNC BACHELOR'S RECIPIENTS ARE EMPLOYED THREE YEARS AFTER GRADUATION

■ Bachelor's Degree in All Subject Areas at All Public Universities



the UNC-TV study panel offered recommendations in multiple areas, including UNC-TV's brand and mission, production, technology, fundraising and revenue diversification.

Recommendations included increasing programming for new audiences like the "missing middle" between the ages of 18 and 49, developing a localized

relationship with viewers in different parts of the state, increasing viewership of UNC-KD, UNC-EX and UNC-MX (as opposed to the main channel UNC-TV), increasing the amount of original content produced and distributed to state and national audiences and designing more content for multiple platforms. In addition, the study panel advised that UNC-TV continue developing an overall

technology strategy, adjust development staffing to expand fundraising, sponsorships and partnerships, and increase partnership activities with local businesses, merchants and nonprofits in the state.

UNC-TV will begin implementing the findings early in 2015 and is using the recommendations to guide its search for a new director and general manager. ■



REACH NC Helps Establish Tobacco-Based Bioenergy Company in Hoke County

Wanting to identify a biorefinery that could convert sugars from its proprietary tobacco into ethanol, Virginia-based Tyton BioEnergy Systems executives turned to the Economic Development Partnership at NC State for help. They had their eye on an idle commercial-scale facility in Hoke County and needed assistance establishing a showcase operation.

In response, Economic Development Partnership Director Thomas White turned to the web portal REACH NC, which contains profiles of University experts and resources, to identify biomaterials experts and crop and soil scientists with relevant experience.

“I took a referral from our UNC-Chapel Hill colleague Don Hobart and used two resources, REACH NC and the considerable knowledge of my colleague Brian Smith, to identify an assortment of accomplished content experts who might be appropriate sources for technical assistance,” White said.

REACH NC, he continued, is a “wonderful tool to complement existing economic development knowledge and expertise.”

Having purchased the Hoke County facility, Tyton will be working with farmers to start growing its non-food tobacco, which Tyton NC Biofuels will be refining. Over the next five years, Tyton will

employ 79 people — paying them an average annual wage of \$43,671 plus benefits — and invest \$36 million in Hoke and other counties.

In his work recruiting businesses and helping existing businesses expand, White turns to REACH NC quite frequently.

“It’s helpful to have an internal team use it before we start making phone calls,” he said. “It saves time and energy.”

REACH NC Director Sharlini Sankaran said unlocking the expertise within the universities directly benefits the state’s economy. In 2013, in fact, REACH NC earned a national Award of Excellence from the University Economic Development Association for its positive impact on economic development.

“We are really on the cutting edge of this,” Sankaran said. “Many other states are hot on our heels, trying to figure out what we’ve done.”

GOAL 4: MAXIMIZE EFFICIENCIES

STRATEGY A:

Collect better, more comprehensive data to allow for closer assessment of academic operational processes.

ACHIEVEMENT: Student Data Mart

A modernized University-wide shared central data system, the Student Data Mart is a flexible, timely and accessible means of collecting, storing and sending data on students, instructors, courses, facilities, financial aid and admissions. Once fully implemented, the Student Data Mart will enable the University to more efficiently and effectively meet reporting requirements at national, state, system and institutional levels and will greatly expand its analytical capacity.

Two years into the three-year implementation process it began in early 2013, the University is on schedule, sending and receiving data through the Data Mart for the majority of campuses. By mid-February, all 16 university campuses will be in various stages of implementation, and by fall 2015, the University will be able to produce system-wide analysis from the new data system.

Campuses are already realizing benefits of the Data Mart. The new system has

been instrumental in the successful implementation of the Reverse Transfer program and has enabled hundreds of community college transfer students to retroactively earn their associate degrees once they earn enough credits in the university system.

In addition, UNC-GA staff are collaborating with public schools, community colleges and independent colleges and universities, as well as the SAS Institute, to connect the Data Mart to a longitudinal data system that will allow policy makers and researchers to examine student success over time and across institutions. That work is expected to conclude during 2015 or early in 2016.

STRATEGY B:

Create operational efficiencies.

ACHIEVEMENT: Produce operational and administrative savings by centralizing some back-office services, expanding joint purchasing of commodities, conserving energy, and continuing regular reviews of administrative and personnel processes

As a public system, UNC is making every effort to use its resources efficiently. It

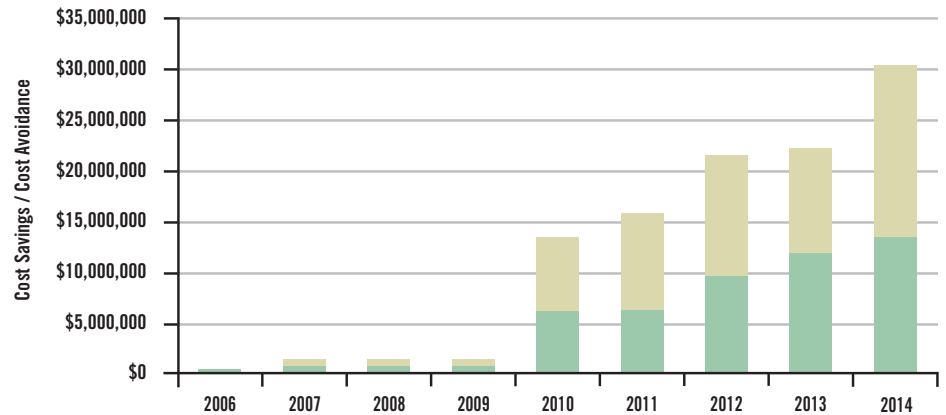
consolidated back-office services by implementing a shared hosting environment for the Banner enterprise information systems on a number of campuses, a shared pool of Banner administrators and a shared payroll center. These measures save \$890,000, \$510,000 and \$1 million, respectively, per year.

To take advantage of its combined purchasing power, UNC has also launched combined pricing and collaborative sourcing initiatives, which have together saved the University almost \$5.7 million per year. Leaders negotiate system-wide contracts with vendors for commonly used products and software maintenance agreements and purchase in bulk commodities related to information technology, science, maintenance and operation and audio/visual equipment and supplies.

Additionally, UNC has implemented a number of energy conservation measures, such as replacing aging and inefficient equipment and improving building system controls and infrastructure. Once all approved measures are complete, the University will save an estimated \$17 million per year, which it will use to pay for the installation of the conservation measures. Additional projects, such as a system-wide lighting performance contract, are planned for 2015.

MAJOR UNC SYSTEM EFFICIENCY INITIATIVES: STRATEGIC SOURCING AND ENERGY PERFORMANCE CONTRACTS

- Strategic Sourcing
- Energy Performance Contracts



Finally, the system has begun to regularly review administrative personnel and processes. First, it established a compliance program to ensure proper accountability and internal controls, focusing first on the areas of general accounting, contracts and grants, financial aid, student accounts and capital assets. The internal control program produces approximately \$1.1 million in cost avoidance each year system-wide.

Secondly, because many students apply to more than one UNC institution, more than 25 percent of all residency reviews performed across the system are redundant, and more than 6 percent yield inconsistent results, leading to confusion. To reduce this type of duplication, UNC has completed the initial steps of a shared Residency Determination process. In collaboration with the state's community colleges and independent schools, it has developed a centralized process to be implemented for all higher education.

Implementation of the strategic plan was to be funded through a combination of self-identified efficiency savings and additional investment by the state. By increasing its efficiency, the University was able to realize \$38 million per year in savings to be re-prioritized. Faced with a budget shortfall, however, the state cut the \$38 million of savings intended for plan implementation in 2014-2015 from UNC's budget — and did not provide the requested state investment.

Despite these funding challenges, the University has managed to make remarkable headway toward its goals.

STRATEGY C:

Create incentives for campus efficiencies.

ACHIEVEMENT: Put in place efficiency policy and metrics, as well as increase performance funding and carry-forward authority

In August 2014, the Board of Governors adopted a Policy on Efficiency and Effectiveness for the UNC system, as well as a set of academic and operational efficiency metrics to use in funding decisions and to improve transparency. UNC-GA is working with campuses to identify a process by which to establish the metrics and regularly monitor them.

Additionally, current North Carolina statutes governing the carry-over of General Fund appropriations to the next fiscal year provide little direct incentive for campuses to spend taxpayer dollars wisely at the end of the fiscal year. The UNC 2014 Policy Agenda called for the expansion of efficiency incentives through carry-forward reform. Though such reform was not adopted, campuses continue to implement efficiencies and have submitted a similar request for 2015. ■



Light Bulb Replacement Project Reduces Campus Energy Consumption

Hopefully, it takes just one University contractor to replace a light bulb.

Because over the next year, UNC will replace 52,000 light bulbs and 104,000 light fixtures in 364 buildings across the system with more energy-efficient setups.

Once the project is complete, 12 educational institutions, UNC General Administration, UNC-TV and the North Carolina Arboretum will benefit from more efficient lighting.

Amounting to 41.6 million kilowatt hours per year, the energy savings the project

produces will be enough to power 3,842 American homes for the same amount of time (based on average usage rates). Plus, within seven years, the light replacement project will have saved the University enough money to cover the \$26.5 million cost of its installation.

“You’re saving money, and you’re saving energy,” said Miriam Tripp, the special projects officer with UNC-GA overseeing the project. “It’s better for all concerned. It’s the ultimate win-win.”

In 2007, the General Assembly mandated that state buildings (including universities) reduce their energy use per square foot by 30 percent by 2015 from the 2002-2003 baseline. The Governor’s Energy Policy Council has recommended that the new goal, likely to be approved next session, be a 40 percent reduction over the same baseline by 2025. The University and state agencies are close to meeting the current goal, which has resulted in close to \$1 billion in avoided energy costs.

While the light bulb swap is the only system-wide energy savings project in place, all campuses are engaged in their own energy-saving initiatives, whether they involve tuning automated thermostats for maximum efficiency or establishing campus-level energy performance contracts (i.e. energy savings measures that eventually pay for themselves).

The money these projects save — expected to be just over \$17 million per year — will expand universities’ ability to manage their current energy-saving projects and develop new ones.

Jonathan Pruitt, Vice President for Finance, emphasized the importance of energy savings from a strategic standpoint.

“Efficiencies are of critical importance to us in this time of scarce resources,” Pruitt said. “Being able to reduce expenses in areas that do not impact the quality of students’ education or our research endeavors is really important.”

GOAL 5: ENSURE AN ACCESSIBLE AND FINANCIALLY STABLE UNIVERSITY

STRATEGY A:

In keeping with the state's history and constitutional mandate, maintain low tuition and fees and ensure adequate financial aid.

ACHIEVEMENT: Maintain low tuition and ensure adequate financial aid

To help ensure that the cost of higher

education remains affordable and predictable for students, University leaders adopted a four-year plan that sets a 5 percent cap on tuition and fee increases for resident undergraduates beginning in 2015. Tuition did not increase at all for resident undergraduate students in 2014-2015.

In 2014, the Board of Governors also established a Financial Aid and Tuition Working Group to develop a common

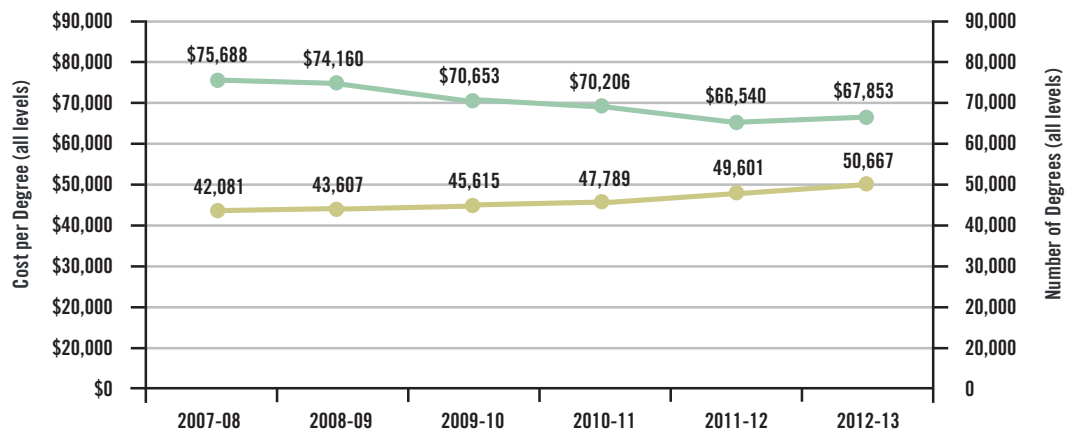
understanding of the need-based financial aid available. The group determined a maximum percentage of total base tuition revenue that can be used for need-based aid, identified other potential sources of aid and considered ways to ensure the most deserving and needy students receive assistance. In the process, the group found that all students would benefit from restraining the growth in the cost of tuition, which contributes to increases in the amount of student debt.

EDUCATION AND RELATED SPENDING PER DEGREE

- Cost per Degree
- Number of Degrees

Change in cost per degree:
10.4 percent decrease

Change in number of degrees:
20.4 percent increase



STRATEGY B:

Invest in personnel and technology to enhance UNC's fundraising capacity.

ACHIEVEMENT: Enhance development capabilities across the University system

Since 2013, the University has heightened its emphasis on raising funds through philanthropic giving — through annual gifts, major donations, planned giving and corporate and foundation support. Ultimately, its two primary goals are: 1.) To increase UNC total gifts by a minimum of 25 percent (\$125 million) by 2018, and 2.) To move all UNC campuses to at least the 50th percentile in the amount they produce in annual gifts as compared to their academic peers. (As of fall 2014, only

four of the 17 campuses — Appalachian State University, NC State, Winston-Salem State University and University of North Carolina at Asheville — met this criteria.)

The University created the University Advancement Strategic Plan 2014-2018 to outline its strategy for achieving these goals. One of the primary methods is implementing advancement-related shared services. Using the system's branding power, it has centralized contracts for prospect management software and other advancement products and services.

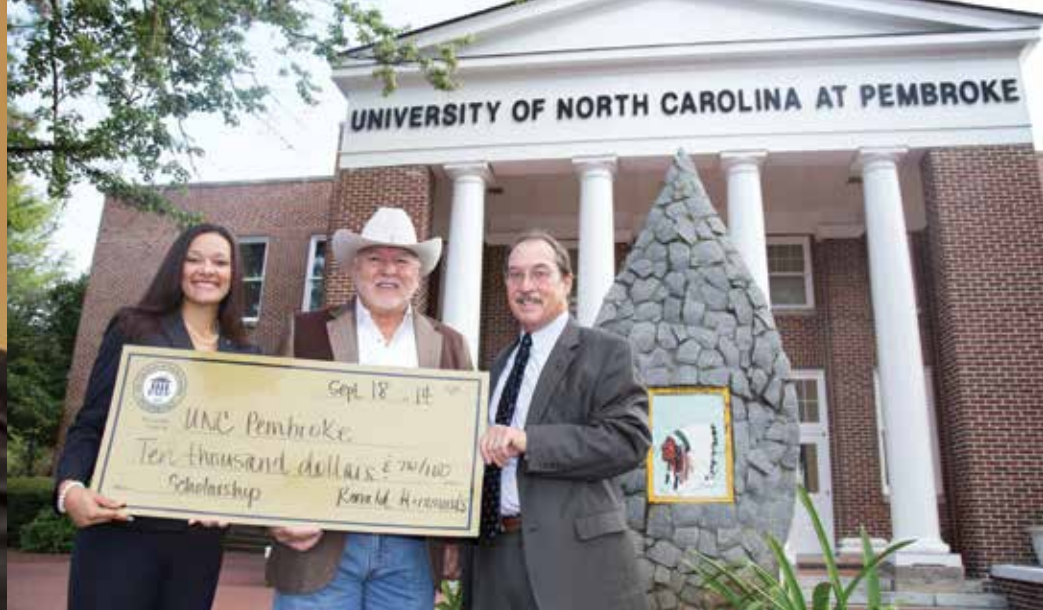
The University is also providing centralized prospect research analysis to help campuses, especially those with less developed fundraising initiatives, identify potential donors. To support campuses' efforts to obtain planned gifts

like bequests, retirement plan beneficiary designations and real estate, the University has launched nine dedicated planned giving websites and is supporting the campuses as they establish or continue planned giving programs.

The Division of University Advancement is also creating a University-wide resume repository and executive search function to aid campuses in acquiring and managing high-quality advancement staff. In addition, it is establishing professional development opportunities, such as webinars on shared services, consulting visits from planned-giving experts and the UNC Advancement Symposium held in June 2014.

UNC General Administration has itself also submitted fund-development proposals totaling more than \$4 million. ■





UNC-GA Office of Advancement Builds Capacity to Aid Campuses in Fundraising

In the face of uncertain state appropriations, private philanthropy has become more critical than ever to the University's ability to maintain high-quality education at low cost. As a result, UNC General Administration rebooted its advancement strategy over the last year to build its capacity to support its constituent campuses in their fundraising activities.

It started by hiring Timothy Minor to serve as Vice President for Advancement in September 2013 and then adding five new advancement positions.

Before the reboot, Minor said, the central Office of University Advancement was "more administrative than it was collaborative." He and his team set out to change that.

After creating University Advancement Strategic Plan 2014-2018, the team worked to establish a pool of shared services to increase efficiency, eliminate duplication and supply smaller campuses with resources they might not otherwise be able to afford.

Wendy Lowery, vice chancellor for the Office of Advancement at the University of North Carolina at Pembroke, said General Administration support has been instrumental in the relatively small and rural institution's recent fundraising efforts.

"Our relationship with the General Administration has helped us tremendously," Lowery said.

With the system's backing, UNC Pembroke has gained access to a data system that

enables it to collect and analyze data much more thoroughly than before. UNCP has also gained the capacity to research prospective donors and accept certain planned gifts, which it was not equipped to do in the past.

"We're a young institution as far as fundraising," Lowery said. "Being able to reach out to Tim and his team whenever we have a question, that's huge. We are part of the conversation, and we haven't been before."

Minor said attracting private gifts throughout the system is vital because it enables campuses to enhance education in ways not tied to the state budget.

"Private fundraising is not a gap-fill for budget shortfalls," he said. "It supports programs, creates scholarship opportunities for students and establishes professorships so the universities can compete for top faculty. It enhances the margin of excellence for the campuses, enabling them to go from great to greater."

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* Original members who contributed to the creation of *Our Time, Our Future: The UNC Compact with North Carolina*. These members no longer serve on the Strategic Directions Committee.



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