



# The University of North Carolina

GENERAL ADMINISTRATION

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

JEFFREY R. DAVIES, *Vice President - Finance*

Telephone 919 962-1591

Fax 919 962-0008

e-mail: jrd@ga.unc.edu

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RESEARCH DIVISION

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the Arts

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North Carolina  
at Asheville

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North Carolina  
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Western Carolina  
University

Winston-Salem  
State University

February 26, 2004

## MEMORANDUM

TO: Joint Legislative Education Oversight Committee  
Senator A. B. Swindell, Chairman  
Representative Robert Grady, Chairman  
Representative Doug Yongue, Chairman

FROM: Jeff Davies 

SUBJECT: Strategic Initiatives Reserve Report, 2002-03

The Joint Conference Committee Report on the Continuation, Expansion, and Capital Budgets, 2001 Session, directed the University of North Carolina to report to the Joint Legislative Education Oversight Committee annually on how funds appropriated to the Strategic Initiatives Reserve are spent.

The Strategic Initiatives Reserve was established by the General Assembly in 1999 to be used by the University to capitalize on system-wide opportunities and address system-wide issues and concerns. This funding enables the President to explore new initiatives and foster collaboration and partnerships among the campuses. The North Carolina General Assembly appropriated \$3,000,000 for fiscal year 2002-03 to the University of North Carolina, Office of the President, for this purpose.

We appreciate the General Assembly's decision to appropriate these funds and the decision to allow management flexibility to the University. We will continue our effort to be fully accountable for this delegation of authority. A detailed report is attached.

Enclosure

cc: Ms. Charlotte Todd  
Fiscal Research Division

**Report to the  
2004 North Carolina General Assembly  
Joint Legislative Education Oversight Committee**

**The University of North Carolina  
Strategic Initiatives Reserve  
2002-03**

**March 1, 2004**

### **Strategic Initiatives Reserve, 2002-03**

First appropriated in 1999, the Strategic Initiatives Reserve is used by the University to capitalize on system-wide opportunities and address system-wide issues and concerns. This funding enables the President to explore new initiatives and foster collaboration and partnerships among the campuses. The North Carolina General Assembly appropriated \$3,000,000 for fiscal year 2002-03 to the University of North Carolina, Office of the President, as a Strategic Initiatives Reserve. Projects and collaborative efforts funded from this Reserve are identified below.

### **UNC Bond Program – Oversight and Compliance – \$2,250,550**

In the 2000 Legislative Session, the North Carolina General Assembly authorized a referendum on the November 2000 ballot for voters to approve \$3.1 billion in higher education construction bonds, \$2.5 billion to be invested in the 16 UNC campuses and affiliated entities. Seventy-three percent of North Carolina's voters offered a clear-cut expression of their values and their priorities for North Carolina by approving the proposed bond issue. The statutorily created Bond Oversight Committee, the UNC Board of Governors, the President, and the 16 Chancellors stand accountable for the construction dollars that have been provided by the voters of this state. They have resolved to execute UNC's \$2.5-billion capital program *on time and on budget*. Toward this goal, funds from the Strategic Initiatives Reserve were allocated to secure oversight and expertise for the bond program, ensuring that projects are on schedule and that cash flow availability is matched to campus needs. Improving opportunities for Historically Underutilized Businesses is also an important goal for the University and funds are directed towards this goal. The Strategic Initiatives Reserve has funded four construction audits to ensure that funds were spent appropriately and that campuses are effectively utilizing the improved construction delivery methods authorized by the General Assembly.

### **Unified Data Model – \$300,000**

The University provided funding for the development of a University of North Carolina Unified Data Model for executive information and decision support functions, to serve all sixteen campuses as well as the President's Office. The data warehouse consolidates financial

data from SCT Plus and Banner, and PeopleSoft product lines – the financial systems in place or soon to be in place at all sixteen campuses. The data warehouse will serve UNC executive, senior financial, and research staff members in analyzing the University's overall performance and program outcomes.

**UNC Disaster Preparedness Plan – \$275,000**

Strategic Initiatives Reserves were used to launch a University-wide initiative for disaster preparedness. The scope of the initiative includes defining baseline specifications for higher education DPP plans, auditing existing plans, proposing a UNC disaster preparedness plan model, and identifying an enterprise web-enabled DPP software solution.

**UNC Internationalization Initiative – \$100,000**

Funding from the Strategic Initiatives Reserve was allocated to support and foster UNC internationalization initiatives. The funding supported faculty through the development of UNC consortia activities and courses, specifically support for the Brazil program; for support for visiting representatives of the international state-to-state programs, specifically the German program; and, for needs assessment for capacity building activities for international activities on UNC campuses.

**UNC Focused Growth Campus Development – \$50,000**

The University provided funding for UNC-Asheville to enhance its Development Office to improve financial returns, consistent with strategies employed by the seven focused-growth institutions.

**UNC Learning and Technology Initiative – \$3,000**

Strategic Initiatives Reserves were used to support the University of North Carolina's participation in the "Learning and Technology Study" conducted by the American Council of Education.

**Reversion to General Fund – \$21,450**

As a result of the budget shortfall in the State in North Carolina's budget for FY 2002-03, \$21,450 reverted to the General Fund to help reduce requirements for the University of North Carolina.