

**Report to the
2009 North Carolina General Assembly
Joint Legislative Education Oversight Committee**



**The University of North Carolina
Strategic Initiatives Reserve
2007-08**

First appropriated in 1999, the Strategic Initiatives Reserve is used by the President of the University to encourage multi-campus initiatives, take advantage of promising opportunities, and address system-wide issues and concerns. Beginning in the 2005-07 biennium the previous annual appropriation of \$4 million was reduced to \$3.3 million. Projects and collaborative efforts funded from this Reserve during the 2007-08 fiscal year are identified below.

UNC Enterprise Resource & Planning System Support Group – \$291,587

UNC Operational Assessment – \$1,657,110

In response to continuing and deepening financial audit findings of UNC institutions cited by the North Carolina State Auditor, the President provided funds to create a systems support team (the Enterprise Resource and Planning System Support Group) to provide assistance to the campuses, primarily the fourteen institutions that use the Banner Higher Education Enterprise Resource Planning solution. The team is composed of individuals with both functional and technical expertise and focuses its efforts on standardizing business best practices across the University. When situations arise at the campuses that require immediate corrective attention, the team is available to meet this need.

The success of the team, coupled with the identified need to embark on a project of a much larger scale to ensure the financial integrity of all UNC institutions, led to an operational assessment of financial risks within the University. The assessment, conducted by Ernst and Young (E&Y) working closely with university personnel, encompassed all financial areas including general accounting, financial reporting, and budgeting; financial aid and student accounts receivable; accounting for contracts and grants; payroll; and the full range of procurement processes from issuing a purchase requisition to paying for the merchandise. High risk processes within each financial area were identified and each process at each campus was assessed. The President was provided with a scorecard identifying the financial processes by campus that should be addressed immediately (high risk), those that should be addressed over a longer time frame, and those that were operating at an optimal level. Key positions required in all financial operations were identified and campus personnel worked with E&Y to outline the needed competencies required by the personnel functioning in those positions. Chancellors were provided with information that would help them in structuring their organizations to ensure that

all financial processes were performed effectively with personnel with the right competencies. E&Y identified best practices for all of the financial areas and, based upon the best practices, outlined standardized procedures to be followed by all campuses to ensure that all financial operations are carried out effectively. E&Y also provided the President with a “future state” plan for University financial operations that recommended a shared services center for financial operations that would combine campus resources (both financial and personnel) for operating UNC most efficiently and effectively. E&Y further provided a “roadmap” for transitioning UNC from its current state to its future state. As a result, in the 2008-09 fiscal year, the President established a Project Management Office for implementing the E&Y recommendations. The end result will be University-wide improvements in all financial processes, standardization of best practices at all campuses, the establishment of a shared services center, and full accountability and transparency in all financial operations.

Math Science Pre-College Programs – \$150,000

Strategic Initiatives funds provided matching funds for Math Science Education Network (MSEN) Pre-College Program Centers at East Carolina University (ECU) and Western Carolina University (WCU). MSEN Pre-college Programs provide meaningful weekend experiences for underrepresented middle school students with strong aptitudes for mathematics and science. During the 20-year history of the program, 97 percent of the program participants complete high school and enroll in colleges and universities; 80 percent major in mathematics, science or related fields; and 85 percent enroll in North Carolina institutions of higher education. In 2008, approximately 215 public school 6th and 7th graders were served by the MSEN Pre-College Programs at ECU (65 students) and WCU (150 students). In the east, students from Washington, Wayne, Edgecombe, and Lenoir counties participated. In the west, students from Swain, Jackson, Haywood, Cherokee (county and reservation), and Macon counties participated – the students in the west received a 1st place Technological Innovation Award in the Junior Solar Sprint Competition.

Public Health Satellite Video Conference – \$4,000

Strategic Initiatives Reserves were used to support a satellite broadcast of the 13th Annual Videoconference on Minority Health by the NC Institute for Public Health at UNC-CH. The conference reviewed research on specific topics including: 1) Racial Discrimination in the Coronary Artery Risk Development in Young Adults Study; 2) Discrimination and the Health of Asian Americans; 3) Historical Trauma, Discrimination, Health Risks and Outcomes Among American Indians and Alaska Natives; and 4) Racism and Health: Understanding Multiple Pathways.

Masters Degree Program in Climate and Society Planning Funds – \$80,000

Strategic Initiatives Reserves supported the study of the feasibility of creating a Master's Degree Program in Climate and Society at UNC Asheville. The study outlined proposals for the program's creation, defined job opportunities available to those who engage in this field of study, developed a business plan, determined curriculum requirements, identified research opportunities, and defined an approach for leveraging the intellectual capital and collaborative partnerships with the National Climate Data Center, the National Environmental Modeling and Analysis Center, the Renaissance Computing Initiative, and the Air Force Combat Climatology Center in Asheville.

UNC Tomorrow – \$508,413

The President used Strategic Initiatives Reserves to continue an eighteen-month initiative to determine how the campuses of the University of North Carolina can best meet the needs of the State and its people both currently and over the next twenty years. The University of North Carolina Tomorrow Commission was composed of many of the State's leaders in business, education, government, and nonprofit sectors. The Commission's final report was issued in January 2008. The UNC Tomorrow Scholars Council, a panel of UNC faculty experts, provided research expertise and guidance to the Commission on major trends and issues facing the State. Public input was solicited through an online survey and a series of eleven Community Listening Forums held across the State. Now that the needs have been identified, work is underway to determine how the University will meet them.

Virtual Computing Laboratory (VCL) – \$125,000

Strategic Initiatives funds were provided to North Carolina State University for the continued development of the Virtual Computing Laboratory (VCL), a “cloud” computing architecture designed to meet the next generation computing needs of UNC institutions. The funding was used to upfit the power and cooling infrastructure at MCNC to accommodate equipment donated to the VCL project by Intel, IBM, and Netapp. The infrastructure work was completed and the equipment became fully operational in January 2009. Throughout the 2008-09 academic year NCSU engaged with other UNC institutions, as well as campuses of the North Carolina Community College System, to advance the capacity of virtual computing. The economic downturn has created heightened interest in new and expanded usage of the VCL.

UNC Acceleration of Technology Project (ACT) – \$125,000

Final funding was provided to NCSU for a three-year project for the acceleration of technology. The purpose of this initiative was to create an improved roadmap for UNC campuses to follow in commercializing promising intellectual property (IP). The project provided: (1) training for personnel in campus technology transfer offices that focused on the analysis and identification of emerging technology applications; (2) support in the evaluation of campus IP portfolios to determine properties ripe for start-up ventures; and (3) technical support in the development and implementation of ACT business and academic models. The project has focused on eight UNC campuses: Appalachian State University, East Carolina University, North Carolina A&T State University, North Carolina State University, UNC Asheville, UNC Charlotte, UNC Greensboro and Western Carolina University. Scientists, industry experts, and entrepreneurs have assisted in a systematic assessment of potential innovations at the campuses. Those technologies that appear to have commercial potential are being further evaluated for specific product and service applications. Recommendations for licensure and/or spin-out potential are being prepared and delivered in an ongoing fashion. ACT is now beginning the next phase of commercialization by helping each campus build a network with local businesses, government agencies, and non-governmental support agencies.

Institutional Research Collegiate Learning Assessment (CLA) Study – \$266,500

The President provided funds for the CLA study, consistent with the University's plan for increased accountability and performance. In the CLA study, a cohort of freshmen and seniors are tested in the same academic year to assess academic growth from the first to last year of college across a section of students. Longitudinal studies are also conducted that test a cohort of freshmen students, then retest the same students at the end of their sophomore and senior years to measure personal academic growth and achievement. In FY 2008, CLA testing occurred at eleven institutions: Appalachian State University, East Carolina University, Elizabeth City State University, North Carolina Central University, North Carolina State University, UNC Asheville, UNC-Chapel Hill, UNC Greensboro, UNC Pembroke, UNC Wilmington and Western Carolina University. For FY 2009, additional CLA assessments will be completed at Fayetteville State University, North Carolina A&T State University, UNC Charlotte, and Winston-Salem State University. The data captured from cohort student populations will establish baseline standards for academic achievement and a means to develop improvement standards for academic performance and growth at the constituent institutions.

NC Rural Economic Development Center, Inc. – \$75,000

Strategic Initiatives Reserve funding was provided to the Small Business & Technology Development Center (SBTDC) at North Carolina State University to enable NCSU, in cooperation with the North Carolina Rural Economic Development Center, to engage graduate business students from six campuses (Appalachian State University, East Carolina University, North Carolina A&T State University, North Carolina Central University, UNC Pembroke, and Western Carolina University) to provide services, analysis, proposal development, and support to small to medium-sized businesses seeking funding from the Rural Venture Fund.

Unobligated Fund Reversion to General Fund – \$17,390

The University of North Carolina reverted \$17,390 to the General Fund from the Strategic Initiatives Reserve.