

**Report to the
2011 North Carolina General Assembly
Joint Legislative Education Oversight Committee**



**The University of North Carolina
Strategic Initiatives Reserve
2009-10**

First appropriated in 1999, the Strategic Initiatives Reserve is used by the President of the University of North Carolina to encourage multi-campus initiatives, capitalize on promising opportunities, and address system-wide issues and concerns. Beginning in the 2005-07 biennia, the previous annual appropriation of \$4 million was reduced to \$3.3 million. For fiscal year 2010, the NC General Assembly mandated a one-year non-recurring reduction of \$1 million; therefore, funds available for allocation were \$2.3 million. Projects and collaborative efforts funded from this Reserve during the 2009-10 fiscal year are identified below.

UNC Financial Improvement and Transformation Project (UNC FIT) – \$1,575,036

Initially launched by UNC President Erskine Bowles in 2008, the UNC FIT initiative continued to implement best business practices and common financial standards to strengthen the fiscal integrity of all UNC institutions and to generate system efficiencies. A dashboard of key financial indicators was developed and implemented in FY 2009-10 to provide the President and Chancellors a snapshot of financial performance so that issues can be addressed before they become critical problems. Business process standards, associated monitoring efforts, and internal control assessment tools were initiated to ensure successful financial performance. The UNC FIT project also developed a university-specific payroll shared services operating environment that is integrated with the financial software for nine of the UNC campuses as a payroll solution when the State's central payroll system was no longer available for University usage.

Specifically, in the 2009-10 fiscal year the UNC FIT project team worked:

1. to implement a dashboard of key performance indicators for reporting financial compliance
2. to conduct campus monitoring site visits to review compliance with standards
3. to develop action plans for corrective actions in areas of weakness
4. to develop a reporting template for self assessment of internal controls for university financial operations
5. to perform a risk analysis to identify gaps in coverage and additional process areas to address (i.e., fixed assets, student accounts receivables)

6. to migrate nine of the campuses from the State's central payroll by implementing the Banner Human Resources/Payroll module to a prescribed standard
7. to implement a shared services center for payroll operations with the capacity to serve nine UNC campuses
8. to define a Human Resources Data Mart to monitor, assess, and report UNC system-wide human capital data

The UNC FIT Project Management Office worked in conjunction with the Office of the State Controller to ensure that the practices and standards being addressed through the FIT initiative meet the requirements of the Statewide Accountability Act.

The decision to establish a shared services center to process payroll for nine UNC campuses was made when the Office of the State Controller converted to the BEACON system. These campuses were required to utilize BEACON or convert to an alternative payroll system. Based upon a business case analysis led by President Bowles, UNC chose to convert to a payroll solution that was fully integrated with the financial software already in place at the nine campuses and established a shared services environment. A standard model that included a data quality plan, standard interfaces for payment processing, a formal change management process, service level agreements, and a cost recovery model was developed and implemented first at UNC Pembroke. During fiscal year 2009-10, three additional campuses (UNC Asheville, North Carolina A & T State University, Western Carolina University) were fully implemented. The remaining five campuses (Elizabeth City State University, Fayetteville State University, North Carolina Central University, UNC School of the Arts, and Winston Salem State University) are scheduled to go live on staggered schedules with the goal to have all nine campuses fully migrated to the shared services model by the end of March 2011.

As the UNC FIT project evolves, UNC will continue to see system-wide improvements in all financial processes, continued standardization and use of best practices, expansion of the efficiencies gained through sharing services, and greater accountability and transparency in all financial operations.

Teacher Quality Research Initiative – \$368,940

UNC General Administration leaders and the Carolina Institute for Public Policy at UNC Chapel Hill have developed a collaboration to assess the impacts of teacher preparation programs on student achievement. The purpose of this effort is to assess the impacts of graduates of the 15 UNC teacher preparation programs on student achievement. In addition, the research assessed the impacts of other sources of teachers, such as those who pursued “alternative” routes into the teaching profession and those who come from other states to teach in North Carolina’s public schools. The findings and results are enabling campus leaders to identify areas of strength, potential areas of weakness, and areas where the graduates’ performance is comparable to the performance of teachers from other educational and training programs. Three research models have been developed as part of the Teacher Quality Research Initiative: Entry Model, Persistence Model, and Impact Model.

Accomplishments to date include:

1. Analysis in five initial areas (elementary, middle school grades, high school levels, Master in School Administration principal preparation, teacher entry portals) for the Impact Model.
2. Initial analysis from the Persistence Model identifies variables that predict the retention of teachers in addition to the differentiated retention of teachers by school type.
3. Ongoing development of the Entry Model to identify the entry patterns and distribution of teachers that have been prepared by the UNC System (and other portals of entry-dependent upon availability of data) to their employment in North Carolina public schools.
4. Regularly scheduled discussions to guide analysis, promote discussion and understanding, and gather input on research methodology.
5. Research results communicated through discussions with campus leadership, statewide and national education leaders, and policy briefs.

The research has shown the following: 1) UNC trained teachers outperform teachers educated in out-of-state institutions and teachers that entered the profession through a lateral entry program, 2) UNC trained teachers as a whole underperform relative to teachers trained by Teach for America (TFA) and those teachers that participated in the North Carolina Teaching Fellows

Program, 3) UNC trained teachers achieve higher rates of National Board Certification, and 4) the effectiveness of UNC trained teachers increases substantially between the first and second year of teaching.

E-Procurement (SciQuest) – \$151,024

In November 2009, UNC General Administration signed a system-wide Master Agreement to license and implement the SciQuest e-procurement and supplier enablement solution on most UNC campuses. President Bowles' Advisory Committee on Efficiency and Effectiveness (PACE) Report had previously recommended a system-level e-procurement initiative as one of the University's greatest opportunities for potential cost savings. The SciQuest solution provides strategic spend management software and services including e-procurement, supplier enablement, and spend analysis reporting at both the campus level and the system level.

During years one and two of the implementation, the Strategic Initiatives Reserve will fund the UNC System Higher Education Market e-catalog server license and software maintenance services. Thereafter, campuses savings will be realized and utilized to fund the license agreement.

Community Campus Partnership Program for Tomorrow – \$115,000

In response to the UNC Tomorrow Commission's recommendation that UNC play a greater role in terms of economic transformation and community development, particularly in rural and underserved areas of the state, UNC-Chapel Hill launched the Community-Campus Partnership (CCP). CCP is an initiative to form effective partnerships with economically-distressed communities in North Carolina. It brings together community-based organizations and multi-disciplinary teams of UNC-CH faculty, students, and staff, to help meet local challenges in a comprehensive way. CCP launched on July 1, 2009, and program resources have focused initially on two "Tier I" counties, Lenoir and Caswell.

In fiscal year 2009-2010, UNC General Administration provided \$115,000 to support CCP. These funds were matched with \$175,000 from the Office of the Chancellor at UNC-Chapel Hill. Together these resources supported more than a dozen multi-disciplinary projects involving UNC-CH faculty, students, staff and community partners in Caswell and Lenoir Counties.

Project examples include an innovative poverty alleviation project in Lenoir County, a healthcare career ladders project in Lenoir County, a STEM (Science, Tech, Engineering, Math) education hub design and business plan in Lenoir County, the development of an artisan gallery in Caswell County, an obesity reduction public health initiative in Caswell County and others. Outcomes include increased financial planning capital for low-income women in Lenoir County, grant funds to support new road and sidewalk infrastructure in Kinston, grant funds to support STEM education in Kinston, an actionable plan for improved sidewalk infrastructure in Yanceyville, a monthly downtown celebration in Yanceyville and increasing trust and shared priorities between UNC-CH faculty and local community leaders.

Cumulative Effects Mathematics Project – \$60,000

The University of North Carolina General Administration, the University of North Carolina at Greensboro, North Carolina A&T State University and Guilford County Schools are collaborating on a six-year (2006-2012) math pilot program that focuses on developing the content knowledge and pedagogical skills of high school math teachers through professional development, intensive mentoring, and incentive pay. The core program goals are to increase the recruitment and retention of qualified mathematics teachers to ten low performing high schools in Guilford County and to increase student performance at these schools for End-of-Year examinations in Algebra I, Algebra II, and Geometry. The project has five components – Teacher Compensation, Mentoring, Summer Mathematics Institutes, Professional Development Seminar Series, and Technology. Each year an evaluation is conducted using student end-of-course test data and participant surveys and a report prepared that addresses each of the five components. Funds were provided to UNC Greensboro to support data collection, survey compilation and analyses, statistical analysis, evaluation of the project, and report preparation.

For the period 2007-2010, results indicate Algebra I, Geometry, and Algebra II student enrollment, test proficiency, and percent of students proficient on the end-of-course tests have all increased by 22%, 64%, and 33% respectively in the low-performing high schools. Furthermore, the number of teacher applications submitted for high school mathematics positions has doubled. As a result, administrators have a larger applicant pool and can select the most qualified candidates while achieving a 83% teacher retention rate.

Expand Global Partners in Education – \$30,000

The UNC China Technology Learning Grants were provided to Fayetteville State University, UNC Pembroke, and UNC-Chapel Hill to demonstrate the effectiveness of using technology to increase the number of students who interact with students in foreign countries by replicating the award winning Global Understanding course at East Carolina University. In order to streamline delivery and eliminate logistical barriers, the Office of Emerging Initiatives at East Carolina University received a technical assistance grant to develop instruction in appropriate pedagogy, align technical platforms, and train faculty for this initiative.

Fayetteville State University students interacted with their counterparts at the Baotou Teachers College in Inner Mongolia, China for the seminar, Theories and Principles of Teaching English as a Second Language. Students also had the opportunity to learn about Chinese culture through written communication and synchronous classroom learning. Students at UNC-Chapel Hill collaborated with Peking University's School of Urban Planning and Design in Beijing to create Development and Environmental Management, a curriculum which is designed to survey and evaluate a broad array of measures to achieve public policy goals. Interactions include summary reporting, presentations on regulation tools and group projects addressing environmental management issues in both the U.S. and China. UNC Pembroke and the School of Economics at Guangdong University of Business Studies in China utilized technology through Blackboard, blog postings, and synchronous learning sessions for the coursework in Asian Economics. Students also compared learning styles of the U.S. and Chinese students, which contributed to the appreciation of cultural differences. Faculty and students at all campuses found the experience very positive and effective with a goal of using this technology in future course offerings.