

The University of North Carolina

Focusing on Performance & Efficiencies in the UNC System



Efficiencies in State Government Committee
February 16, 2012

UNC Focus on Performance

- Since 2006, Board of Governors and the President have placed greater emphasis on campus performance.
 - **Efficiencies**
 - ❖ PACE
 - ❖ UNC FIT
 - ❖ Emphasized in 2012-13 Tuition Resolution
 - **Student Success**
 - ❖ Increasing Academic Standards
 - ❖ Establishing Key Performance Measures
 - ❖ Setting Targets (Retention, Graduation)



UNC Efficiencies (2006-2011)

- **President's Advisory Committee on Efficiency and Effectiveness (PACE)**
- **UNC Finance Improvement & Transformation Program (UNC FIT)**
 - **Business process improvements in accounting, financial aid, contracts & grants**
 - **E-procurement & information technology**
 - **Shared services for payroll**
- **Exploring additional “back office” consolidation opportunities (financial aid, residency)**
- **Bain evaluation at UNC-Chapel Hill**



UNC Focus on Performance

- **Fall 2006 – Board of Governors and President initiated a renewed focus on student success:**
 - **Campus targets for retention and graduation established for 2008-09**
- **Campus targets for retention and graduation were set individually with each institution – by evaluating historical performance, campus mission, and performance of peers.**



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Focus on Student Success

The Board of Governors has increased minimum admission requirements for the UNC System.

Students Entering in Fall	Minimum GPA	Minimum SAT	Minimum ACT
2009	2.0	700	15
2010	2.0	700	15
2011	2.3	750	16
2012	2.3	750	16
2013 (<i>& beyond</i>)	2.5	800	17

UNC Policy Manual – 700.1.1



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Performance Incorporated into the 2011-13 Enrollment Process

- **Before a campus could increase the size of its freshman class:**
 - **Retention rate must be above 80%; or**
 - **Meet two of the following:**
 - ❖ **Improvement in 3-year rolling average retention rate**
 - ❖ **Within 1% of meeting the agreed-upon retention goal**
 - ❖ **Meet or exceed average retention rate for its peer institutions**
- **Performance Factors in 2011-13 Enrollment Funding Model:**
 - **Retention—compared to campus goals & to peers**
 - **Degree Efficiency – bachelor's degrees produced per 100 undergraduate FTE students, compared to peers**
- **Graduation performance to be included in 2013-15 biennium**



Performance Factored into 2011-12 UNC Management Flexibility Reduction

- In July 2011, the Board of Governors approved the methodology and allocation of \$414M management flexibility reductions to campuses.
- Six measures were factored into the reduction methodology:
 - Freshman to Sophomore Retention
 - Degree Efficiency
 - Percent of Students on Need-Based Financial Aid
 - Diseconomies of Scale
 - Ability to Charge Tuition
 - Availability of Other Fund Sources



2011-12 Performance Funding

- **2011 General Assembly provided \$1 million for the performance component of the Board of Governors 2011-13 Budget Priorities.**
- **Two-thirds of the funding was distributed to high performing institutions and one-third was targeted for campus initiatives to improve retention rates, graduation rates, and efficiency.**



2011-12 High Performance Funds

- High performance was defined as meeting or exceeding both retention and degree efficiency measures:
 - Retention – as compared to campus goals and as compared to their peers (Fall 2009 freshman who returned in Fall 2010)
 - Degree Efficiency – defined as bachelor's degrees produced in 2009-10 per 100 undergraduate FTE students as compared to peers
- Appalachian State University, East Carolina University, UNC-Chapel Hill, and Winston-Salem State University received high performance funds.



Campus Programs to Improve Retention & Graduation

- Institutions/programs that received funds targeted for improvements to retention and graduation rates:
 - **FSU – Improving Graduation Rates and Reducing Time-to-Degree**
 - **NCA&T – Using the Math Emporium Model to Improve Retention & Progress to Graduation**
 - **NCSU – Using Technology to Improve Retention & Graduation Rates in STEM Disciplines**
 - **UNCC – Regroup, Rebound, Return: Assisting Students at Risk of Attrition**
 - **UNCP – Improving Retention Rates for Freshman Students**



UNC's Continued Efforts to Focus on Performance

- **President charged a group of campus leaders with developing strategies to further enhance the focus on performance**
 - **Greater emphasis on student success and resource management**
- **Additional review of academic policies to strengthen focus on student success (retention, graduation)**
- **Recommendations forthcoming to General Assembly**



