



UNC GREENSBORO

**TASK FORCE ON FINANCIAL SUSTAINABILITY:
ADMINISTRATIVE INNOVATIONS**

MAY 2023

Table of Contents

Table of Contents	2
Executive Summary	4
Financial Sustainability Task Force Overview.....	6
Background	7
Task Force Criteria	13
Recommendations.....	14
I. Primary Recommendations	15
1. Reduction Through Strategic Reorganization.....	15
2. Centralize Reallocation of EHRA Non-Faculty Lapsed Salaries.....	19
3. Reinstitute Review of Unrestricted and Obsolete Endowments.....	21
II. Secondary Recommendations	22
1. Eliminate the MCD Program.....	22
2. Eliminate the Internet Allowance	22
3. Eliminate Passport Services.....	23
III. Recommendations for Workflow Improvements.....	24
1. Prioritize Upgrade to Banner 9 Self Service	24
2. Increase the Use of Purchase Cards for Travel Expenses.....	24
3. Inventory, Evaluate, Prioritize, and Digitize Processes and Workflows.....	25
IV. Suggestions for Exploration	27
1. Evaluate Opportunities in Student Health Services.....	27
2. Evaluate Building Space Use to Identify Potential Energy Savings.....	27
3. Increase Summer Use of University Buildings for Conferences and Events	28
4. Increase Digital Commerce	28
5. Monetize the University’s Physical Plant.....	28
6. Outsource University Assets to Private Management Companies.....	29
7. Review All Segments of Facilities Operations.....	29
8. Eliminate Physical Parking Permits & Automate Parking.....	29

Conclusion.....	30
Appendix A.....	31

Executive Summary

Task Force Composition and Charge

In February 2023, UNC Greensboro Chancellor Dr. Franklin D. Gilliam, Jr. appointed a Financial Sustainability Task Force (Task Force) and charged it with identifying near- and long-term strategies for fiscal sustainability to help develop informed recommendations to make the University more efficient and cost-effective.

The Task Force is composed of representatives from across the University who brought a diversity of perspectives as well as a wealth of experience and expertise. Over the course of four months, Task Force members were engaged, innovative, and committed to serving the best interests of the University.

Background

Declines in enrollment, coupled with a new System-wide funding model, mean that for the foreseeable future, UNC Greensboro's expenditures will have to be significantly lower than in recent past years. Fall 2022 enrollments dropped by more than 2,300 students compared to the Fall of 2019—the year UNC Greensboro welcomed its largest student body. With less revenue coming in from enrollments and a dramatic reduction in state allocations for the majority of graduate student credit hours, the institution prepared for an \$8.4 million permanent reduction for fiscal year 2024; and must be prepared for future permanent cuts. However, these changes also provide UNC Greensboro an opportunity to realign its budget priorities, policies, and practices with its mission and goals.

As a Minority-Serving Institution and Emerging Hispanic-Serving Institution that enrolls high proportions of students who are the first in their families to attend college, come from low-income backgrounds, or both, UNC Greensboro's financial planning takes on a special urgency. Even as we confront new fiscal realities, campus leadership, faculty, and staff are deeply aware that UNC Greensboro must continue to be the kind of institution that invests in success for students from all walks of life and be a significant driver of social and economic mobility for its students, their families, and our state.

Like the majority of U.S. universities, UNC Greensboro cannot recruit its way out of current budget challenges and is unlikely to cut its way out. Instead, the University must find ways to innovate and reinvent—saving where it can and investing in new opportunities for growth and revenue generation where it should.

Criteria

The Task Force established criteria for identifying near- and long-term strategies for financial sustainability that considered:

- Short- and Long-term Impact
- Cost Savings, Revenue Generation, or Investment Required
- Implementation

Recommendations Overview

The Task Force developed three primary recommendations and three secondary recommendations that could, in the coming two to three fiscal years, amount to between \$10 million and \$18 million in cost savings and between \$10 million and \$12 million in revenue reallocation. These reallocations are important because they can be used to close budget gaps, fuel innovation that generates new revenue, or both.

The Task Force also identified a set of suggestions for improving workflows and operational efficiencies, thereby easing the administrative burdens on faculty and staff. Most of these involve updating the University's digital environment so it better meets the needs of those who are charged with efficiently completing administrative tasks.

Finally, the Task Force is offering ideas for exploration, drawn from its own discussions as well as suggestions from the broader campus. These ideas require more engagement with experts on and off campus. After an initial vetting, the Task Force believes they may hold significant value and is offering them for further consideration.

It is worth noting that the Task Force's primary recommendation in terms of reductions in expenditures has to do with staffing levels—by far the single largest expenditure category at the institution. It is the consensus of the Task Force that the reductions be made to the extent possible by reallocation of staff resources (made possible through attrition)—including workloads—rather than position reductions, and that an assessment of how faculty and staff are currently deployed be pursued with the help of an independent consultant. Employee attrition is occurring on the UNC Greensboro campus at levels that should mean that reduction in force (RIF) actions will not be needed as a primary cost-saving measure, though RIFs may occur in particular units as a way of managing work and budgets in those units.

Financial Sustainability Task Force: Overview

UNC Greensboro Task Force to Focus on Financial Sustainability

In February 2023, Chancellor Franklin D. Gilliam, Jr. charged a Financial Sustainability Task Force (TF) with identifying near- and long-term strategies for fiscal sustainability to help develop informed recommendations to make the University more efficient and cost-effective.

The Task Force included representatives from across the University who brought diversity in perspectives, a wealth of experience and expertise, and who were engaged, innovative, and committed to serving the best interests of the University:

- Jerry Blakemore, Vice Chancellor for Institutional Integrity and General Counsel (chair)
- Cathy Akens, Vice Chancellor for Student Affairs
- Karen Blackwell, Director of Institutional Research and Enterprise Data Management
- Randy Elder, Chair and Professor, Accounting and Finance, Bryan School
- Paul Forte, Associate Vice Chancellor for Finance and Administration
- Andrew Hamilton, Associate Vice Provost for Academic Affairs and Dean, Undergraduate Studies
- Amy Harris-Houk, Assistant Dean, Libraries; member, Faculty Senate
- Michael Hemphill, Associate Professor, Kinesiology, School of Health and Human Sciences
- Jeff Kaplan, Assistant Professor, Philosophy, College of Arts and Sciences
- Joel Lee, Associate Vice Chancellor for Enrollment Management
- Jeanne Madorin, Associate Vice Chancellor for Human Resources
- Ryan Milligan, Staff Senate chair-elect; Associate Director, Beyond Academics, Office of Research and Engagement
- Scott Milman, Associate Vice Chancellor for Campus Enterprises and Real Estate
- Chris Waters, Director of Enterprise Application Development and Delivery
- Lori Wright, Chief of Staff, College of Arts and Sciences
- Waiyi Tse, Chief of Staff, Office of the Chancellor (ex-officio)
- Katherine Skinner, Director of Internal Audit (ex-officio)

The Task Force Timeline:

- February 2023: Kick Off and Data Discovery
- March 2023: Data Collection and Stakeholder Interviews
- April 2023: Data Analysis
- May 2023: Report and Recommendations

Background

The State of Higher Education

The higher education enrollment crisis has been well documented and shared with campus stakeholders. As the *Chronicle of Higher Education* reported in “The Shrinking of Higher Ed” (August 2022),¹ college attendance fell almost 10% since 2020 with the onset of Covid; and higher education, as a sector, will not be able to grow its way out of this enrollment crisis. Every year, the Education Advisory Board (EAB) presents a higher education “State of the Sector” Report. In its 2022 report,² it warned “the pool of higher education consumers is shrinking, as demographic declines reshape the enrollment and labor landscapes.” The Chancellor invited experts from EAB to present their findings to the UNC Greensboro Board of Trustees and to select members of the campus community on September 29, 2022.

EAB shared national data showing enrollment stagnation from 2018 to 2024, with an expected steep 10% decline from 2025 to 2034 (Figure 1).

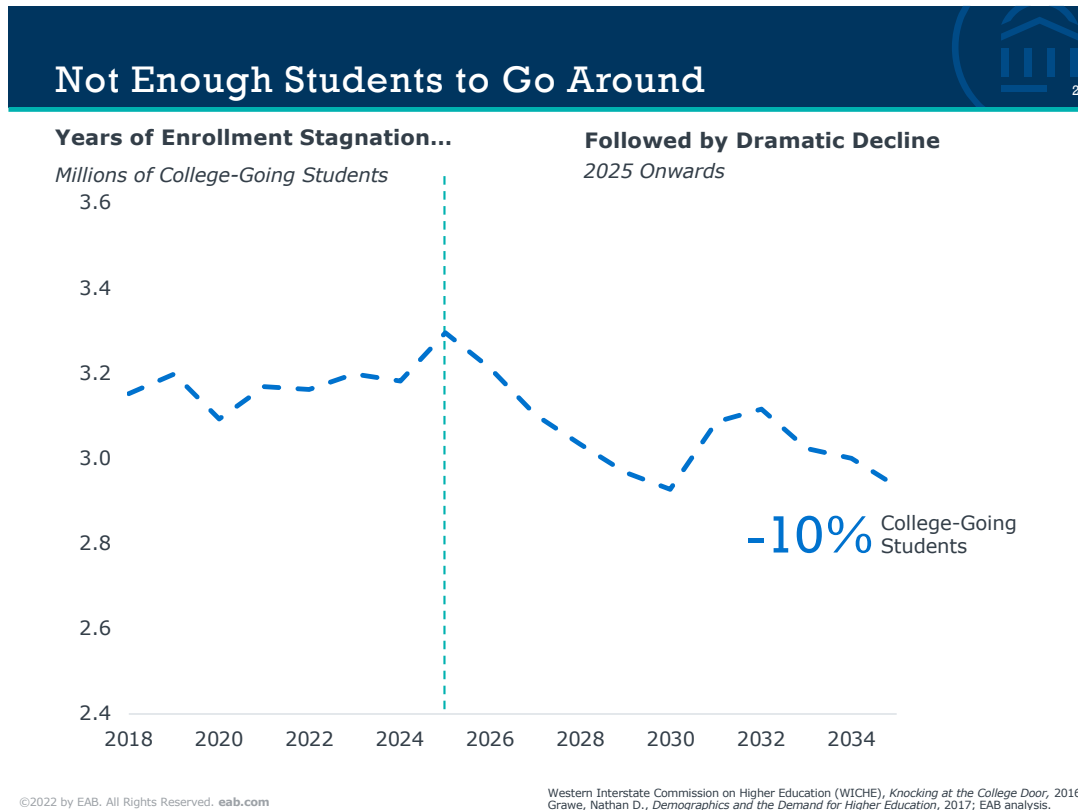


Figure 1. EAB Projections of College Enrollment, 2018-2034.

¹ <https://www.chronicle.com/article/the-shrinking-of-higher-ed>

² EAB’s Higher Ed State of the Sector 2022, Larisa Hussak, Brian Schueler, page 4

Even more salient are projections that indicate regional public institutions, like UNC Greensboro, will be hit the hardest (Figure 2).

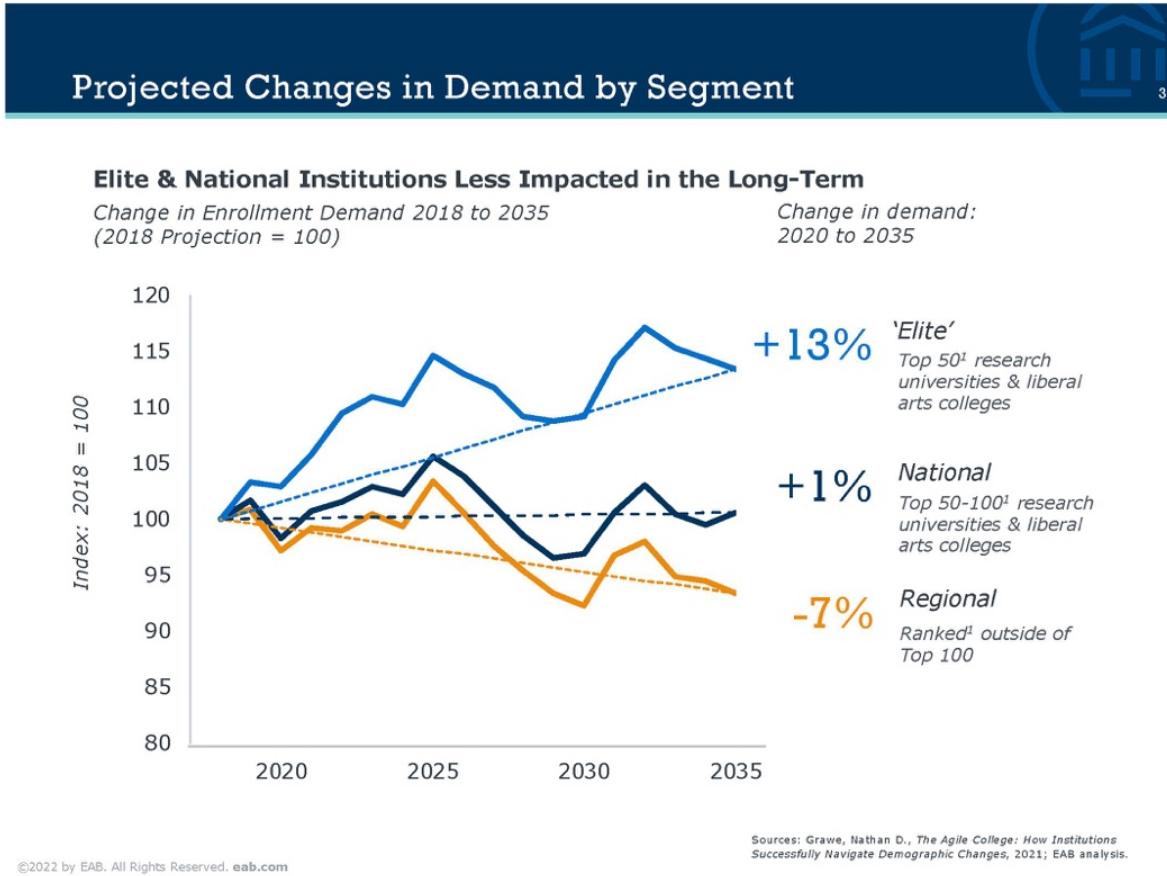


Figure 2. EAB Projections in Enrollment Demand by Sector, 2018-2035.

In Fall 2022, the UNC System Office shared data on state universities, filling out the picture EAB offered. Twelve of the 16 System institutions of higher education experienced enrollment decline year over year, with UNC Greensboro showing the highest losses (Table 1). At the September 22, 2022, Board of Governors meeting, the System President indicated that higher education should prepare for “seismic changes.”

UNC Greensboro’s enrollment decline can, in part, be attributed to the University’s unique student body: over half are first generation, around half are Pell-eligible, and 80% work (many more than one job). Our students are talented, but also vulnerable. The data show that pandemic-related enrollment declines have been most prominent among those that are economically disadvantaged—the students we proudly serve. We have been consistently ranked number one in the state for achieving social mobility for our students, a metric that speaks to the economically disadvantaged backgrounds of those who enroll and graduate from the University.

Table 1. UNC System Enrollments by University, Fall 2021-Fall 2022 (Census Data).

Comparison of UNC System Schools - Census Snapshot

Enrollment as of Census Snapshot			
	Total Enrollment		
Institution	Fall 2021	Fall 2022	Change
NCSU	36,831	36,745	-86
UNC-CH	31,641	31,705	64
UNCC	30,448	29,551	-897
ASU	20,641	20,436	-205
ECU	28,021	27,152	-869
NCA&T	13,322	13,530	208
UNCW	18,030	17,843	-187
UNCG	19,038	17,978	-1,060
WCU	11,877	11,637	-240
NCCU	7,953	7,553	-400
WSSU	5,226	5,004	-222
FSU	6,748	6,787	39
UNCP	8,318	7,667	-651
UNCA	3,233	2,914	-319
ESCU	2,054	2,149	95
UNCSA	1,371	1,351	-20
	244,752	240,002	-4,750

Implications for UNC Greensboro

Accounting for enrollment decline and the new funding model, UNC Greensboro prepared for an \$8.4 million permanent reduction for fiscal year 2024. Despite promising numbers for first-time freshman for Fall 2023, given the cohort drag effect and overall enrollment projections, UNC Greensboro needs to be prepared for another permanent cut.

After record enrollment in 2019-2020, the 2020 pandemic accelerated challenges facing higher education nationally and locally, namely the changing demographics in the U.S. and North Carolina, proliferation of for-profit and not-for-profit online universities, public perception of higher education as no longer

relevant, the labor market, competition for in-state students with the Promise Schools, the move to test-optional admissions, and the unsustainable business model of higher education (Table 2 and Figure 3).

Table 2. UNC Greensboro Enrollment Change, 2018-2019 to 2022-2023.

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Total Headcount	20,106	20,196	19,764	19,038	17,978
% Change from Prior Year	0.9%	0.4%	-2.1%	-3.7%	-5.6%

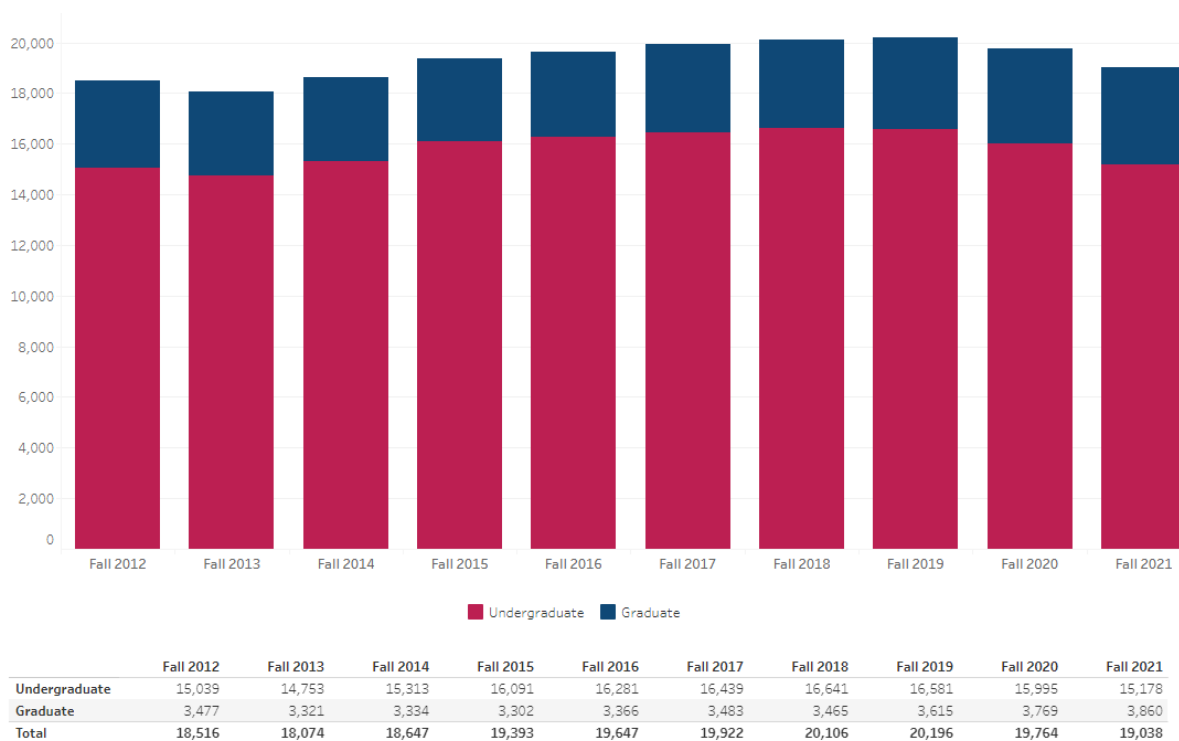


Figure 3. UNC Greensboro Fall Enrollments for Ten Years, Showing Composition of Headcount.

While UNC Greensboro and other state universities were experiencing enrollment declines, the Board of Governors approved a new funding model³ that heavily weights in-state undergraduate student credit hours over graduate student credit hours. Given the mix of UNC Greensboro’s academic portfolio as a Carnegie-designated Research II (R2) institution and the decline in undergraduate enrollment, UNC Greensboro’s budget challenges were exacerbated by this formula change. It is expected to be offset (at least in the first year) by the System’s performance-based funding metrics⁴. The funding model goes into effect for FY2023-2024. It should be noted that under the UNC System’s previous strategic plan—*Higher Expectations* (and before state appropriations were attached to performance)—UNC Greensboro met or

³ <https://www.northcarolina.edu/apps//bog/doc.php?id=66781&code=bog>

⁴ <https://www.northcarolina.edu/apps//bog/doc.php?id=67197&code=bog>

exceeded its annual targets on all five of its priority metrics from 2017-2021. In 2021 UNC Greensboro was the only university to do so.

The financial implications of enrollment declines and changes in the funding model are significant. Eighty-seven percent (87%) of UNC Greensboro’s 2022 revenue was enrollment dependent, coming from state appropriations, tuition and fees, student financial aid, and associated sales and services.⁵

Chancellor’s Call to Action

In his March 29 and October 3, 2022 State of the University addresses, Chancellor Gilliam outlined the “headwinds” facing the sector and shared on-going campus strategies to help increase revenue: enrollment and retention strategies; modernizing administrative operations; investments in the research enterprise and programs; advocacy among the UNC Board of Governors and NC General Assembly; and philanthropy and the *Light the Way Campaign*.⁶ But he also warned that though these ongoing efforts are essential, UNC Greensboro can’t price (tuition is fixed, fees are highly regulated), fundraise (despite record fundraising, gifts are donor directed and over 98% of these gifts are restricted—i.e., donors have directed them towards student scholarships, faculty professorships, specific programs), or recruit (national demographic cliff) our way out of this crisis.

The Chancellor challenged the campus to work together to **innovate**—generate new ideas, taking advantage of opportunities to create new and sustainable revenue streams for the University; and to **reinvent**—evaluate what we do, how we do it, and how we can do it better, all while remaining true to our mission of access and excellence. We strive to be a model of the university of the future and an example of what a modern R2 should be: a university with a high level of basic, applied, and community-engaged research and creative activity that makes a difference in the lives of its students and the communities it serves; a university that fuels innovation and equips leaders with the skills, confidence, and perseverance needed to tackle societal challenges; and a university that trains career-ready talent to excel in critical segments of our workforce. These institutions need to help grow local economies while providing a reasonable standard of living and quality of life for all.

The establishment of the Task Force on Financial Sustainability and the Provost’s Academic Portfolio Program Review initiative are examples of reinvention and innovation. The portfolio review of academic offerings will help the University identify areas where we can:

1. Strengthen academic programming to build upon academic distinction and strengths;
2. Be more efficient in resource use;
3. Better align academic portfolio with student demand and workforce needs; and
4. Enhance accessibility for and academic success of students.

⁵ Enrollment decline costs UNC Greensboro approximately \$20,000 per student.

⁶ <https://www.uncg.edu/campus-weekly/2023-24-budget-reductions-and-our-path-forward/>

This is a best practice as universities across the country, portfolio review occurs on a regular basis, helping higher education institutions align programming with their academic missions and values. This work will continue into the 2023-2024 academic year.

In the October 2022 State of the University address and in his campus engagements, the Chancellor asked for the help of the coalition of the willing: “those that recognize that change is hard, but inevitable, to ensure this University is here for future generations of Spartans, providing access to academic excellence for all”—and those, like him, who are resolved to fight and work together to be a part of the reinvention and innovation that shapes the future of this University.

Against this backdrop, the Task Force went to work.

Campus Feedback and Process

The Task Force on Financial Sustainability focused on identifying near- and long-term strategies for fiscal sustainability to help develop informed recommendations to modernize University operations and functions, thereby maximizing savings. The Task Force was not responsible for examining the University’s academic program portfolio, but instead directed its energy to examining operations in both administrative and academic units.

In addition to the faculty and staff expertise of its members, the Task Force also relied on input from the entire UNC Greensboro community collected through various mechanisms. Over the past 18 months, the Chancellor and Provost (joined by other University leaders) have had over 100 engagements of different types and sizes, ranging from Faculty and Staff Senate meetings, School/College/Divisional forums, open staff forums, roundtables, and “Open Space”⁷ meetings—a new opportunity the Chancellor provided, which allowed various campus stakeholders to participate in a facilitated conversation without leadership in attendance, about our collective future. Participants generated innovative and actionable ideas at all levels of the organization that were then collected, passed on to relevant decision-makers, and shared with the Task Force.

The campus community had additional opportunities to submit and suggest ideas related to administrative efficiencies, revenue generation, staff support, workflows, and other fiscal sustainability strategies through the Task Force’s online portal and campus-wide survey. To assist with this endeavor, UNC Greensboro engaged the rpk Group (rpk), an experienced higher education management consultant, to provide data analytical support to the Task Force. With input from the Task Force, rpk Group developed and launched the campus-wide survey, then analyzed and presented the results to the Task Force. As of March 3, 2023, there were 195 unique survey submissions with 780 question responses. All survey responses and portal submissions were reviewed and considered.

⁷ <https://openspaceworld.org/wp2/what-is/>

Task Force Criteria

Using a collaborative and mission-oriented approach, the Task Force identified the criteria for financial sustainability recommendations.

One of the first priorities of the Task Force was to establish the criteria it would employ in developing recommendations for the Chancellor to consider. Across stakeholders and through various engagement opportunities, the consistent feedback has been that decisions must be grounded in our mission and values, support strategic priorities, and protect student success outcomes. With that feedback, the Task Force unanimously agreed on the following criteria:

Impact

- Minimal, if any, adverse impact on student success, service delivery, or UNC Greensboro mission or strategic vision
- Consistent with the University's strategic priorities/moves the University forward
- Has a visible impact
- Likely to gain employee support
- Sustains (or improves) sound internal controls
- Minimal, if any, adverse impact on employee morale

Cost/Amount of Investment Required

- Cost savings or revenue generation
- Cost/investment must be evaluated against relative value generated

Implementation

- Long term or short term
- Sustainable
- Does not require legislation or Board of Governors approval
- Must comply with regulatory, statutory, policy, and accreditation requirements

The Chancellor's charge to the Task Force was to develop realistic, actionable recommendations that result in immediate, short-term, and mid-term savings with a clear understanding that the University will need to address challenges in FY 2023-2024.

Recommendations

The Task Force organized its recommendations in the following fashion:

- I. Primary recommendations are those ideas with the highest potential to elicit the most savings but that also require an investment in administrative time;
 - II. A set of secondary recommendations are smaller in scale and require little or no investment, but also have the potential to make important differences in the near term and long term;
 - III. Suggestions for workflow improvements; and
 - IV. Ideas that merit further exploration.
- I. The Task Force offers three primary recommendations with potential cost savings of \$10 million to \$18 million and revenue reallocations of \$10 million to \$12 million:
 1. Reduction Through Strategic Reorganization (\$10 million to \$18 million)
 2. Centralize Allocation of EHRA Non-Faculty Lapsed Salaries (\$9 million to \$10 million annually in re-allocable funds)
 3. Reinststitute Review of Unrestricted and Obsolete Endowments (\$1 million to \$2 million annually in re-allocable funds)
 - II. The Task Force is also making three secondary recommendations that, if implemented, could lead to an annual cost savings of \$210k to \$230k:
 1. Eliminate Mobile Communication Device (MCD) Allowance (\$150k to \$160k permanent reduction)
 2. Eliminate Internet Allowance (\$35k to \$40k permanent reduction)
 3. Eliminate Passport Services (\$25k to \$30k permanent reduction)
 - III. Suggestions for workflow improvements:
 1. Prioritize Upgrade to Banner 9 Self Service
 2. Increase the Use of Purchase Cards for Travel Expenses
 3. Inventory, Evaluate, Prioritize, and Digitize Processes and Workflows
 - IV. Ideas that merit further exploration:
 1. Evaluate Opportunities in Student Health Services
 2. Evaluate Building Space Use to Identify Potential Energy savings
 3. Increase Summer Use of University Buildings for Conferences and Events
 4. Increase Digital Commerce
 5. Monetize the University's Physical Plant
 6. Outsource University Assets to Private Management Companies
 7. Review all Segments of Facility Operations
 8. Eliminate Physical Parking Permits & Automate Parking

I. **Primary Recommendations**

The Task Force offers three **primary recommendations** with potential cost savings of \$10 million to \$18 million and revenue reallocations of \$10 million to \$12 million:

1. Reduction Through Strategic Reorganization (\$10 million to \$18 million)
2. Centralize Allocation of EHRA Non-Faculty Lapsed Salaries (\$9 million to \$10 million annually in re-allocable funds)
3. Reinststitute Review of Unrestricted and Obsolete Endowments (\$1 million to \$2 million annually in re-allocable funds)

1. Reduction Through Strategic Reorganization (RTSR)

Talent management is and has been a priority of the Chancellor and the University. In fact, it is one that undergirds all of the University's strategic priorities. Recruiting and retaining exemplary faculty and staff have been increasingly difficult in a competitive labor market and during enrollment and budget challenges. The Task Force recognizes that the University is only as strong as its people, and that any changes to the workforce must be coupled with an updated compensation policy and an investment in our staff to be better equipped to deal with a changing higher education landscape. The following set of recommendations are inextricably linked to talent management.

Sixty percent of our state operating budget is labor. Revenues must match operational costs and this can only be done through personnel adjustments. There is no way to achieve financial sustainability at 2022 staffing levels. Employee attrition is occurring on the UNC Greensboro campus at a rate that should mean that reduction in force (RIF) actions will not be needed as a primary cost-saving measure, though RIFs may occur in particular units as a way of managing work and budgets. Comparative data indicate, however, that UNC Greensboro has more employees per student than close System peer institutions. The Task Force recommends that the University employ a strategy of reduction through strategic reorganization (RTSR), moving toward a more typical ratio of employees to students while reorganizing and restructuring the remaining campus workforce in ways that make their roles clear and their work rewarding.

The RTSR approach recommended here includes (i) cognizance of staffing levels relative to close UNC System peer institution as a flexible benchmark going forward, (ii) a thorough evaluation of current organizational and workload structures involving outside experts and on-campus committees of those who hold similar roles, so reorganizational decisions are maximally strategic while also honoring the experience and expertise of those who do the work, (iii) the adoption of an updated and modified compensation policy, and (iv) a set of actions that will improve staff agility and readiness, especially including training and onboarding for new employees. It should be noted that there are examples of this happening on campus (e.g., Compliance, UNC Greensboro Online, Institutional Research), but the Task Force suggests a more intentional, University-wide process be deployed, with the expertise of an experienced consultant.

The Task Force estimates that the University could realize cost savings between \$10 million to \$18 million.

i. Staff Ratios and Target Levels

Task Force members conducted a detailed review of data that was reported to the Board of Governors on employee headcount. Their analysis revealed that UNC Greensboro has a lower ratio of staff employees to students than four other campuses in its UNC System peer group. For example, UNC Greensboro has one staff employee per 10.54 students while peer universities have the following: NCA&T has one staff employee per 12.83 students, UNCW has one staff employee per 12.21 students, UNCC has one staff employee per 12.14 students, and App State has one staff employee per 10.82 students. We recognize that there may be local contexts explaining these ratios.

Table 2. UNC System: 2023 Enrollment & Staff Headcounts

University	Enrollment	2023 Staff Headcount	Staff to Student Enrollment Ratio
NCA&T	13,487	1,051	12.83
UNCW	17,843	1,461	12.21
UNCG	17,978	1,706	10.54
App State	20,436	1,889	10.82
UNCC	29,551	2,435	12.14
ECU	27,151	2,726	9.96

However, using these numbers at a starting point, UNC Greensboro could potentially reduce its staff/student ratio to between 10.9 and 11.7 via RTSR, by reducing staff employee positions by approximately 150 to 250, assuming the predicted enrollment of approximately 17,000 students for the coming fiscal year. Doing so would put UNC Greensboro in the middle of the per-student staffing range of close System peer institutions while providing a target wide enough that the reductions can be made in ways that are responsive to real needs on the ground.

With the average (mean) salary⁸ of \$52,069 and benefits estimated at 40% of salaries, the University could save between \$10 million and \$18 million, less costs of the reorganization necessary to make sure work is distributed appropriately by implementing this strategy. RTSR, however, will have to be very carefully managed. There are one-time costs associated with this effort which include retaining an independent consultant familiar with the organizational analysis and human resources processes required to reallocate job duties and portfolio items to make roles and duties manageable.

⁸ Excluding research positions

ii. Evaluation and Reorganization of Roles and Positions

It will be necessary to review UNC Greensboro's organizational structure as well as staff and departmental workloads to determine if there is additional capacity, redundancy, or elimination of non-essential functions. It is clear to every member of the Task Force that workloads are high in pockets all over campus, largely because of unfilled vacancies. The solution to this workload challenge cannot be hiring more staff, so the Task Force is recommending very careful attention to *how* workloads are distributed, to whom, and under what structures. If UNC Greensboro is to have a smaller workforce, the work must be apportioned appropriately.

To achieve reduction through reorganization strategically, the University, in collaboration with a consultant, will need to perform an analysis of the current organizational structure that includes:

- Spans and layers – determine optimal supervisor-to-staff ratio.
- Identify functions that may be duplicated across the organization and investigate the efficacy of the core functions in areas such as Human Resources, Marketing/Communications, Finance, Advising, Student Success, IT.
- Map activities of different organizational units to determine any overlap.
- Identify opportunities for centralization such as:
 - Review positions common to multiple departments for possible centralization (i.e., institutional, divisional, and departmental level).
 - Review staff/departmental workloads and make realignments based on capacity.
 - Prioritize staff workload issues (i.e., what type of work is priority and what may be dropped or done in other ways).
 - Explore advantages of a “call center” approach in schools, colleges, and other larger organizational areas to reduce on-site staffing required, as positions are vacated.

In tandem with a comprehensive organizational analysis with an outside consultant, the Task Force recognizes that the running of the University must go on and that open positions must still be evaluated, reclassified, filled, or paused. We recommend that small committees of employees from across campus representing the different types of staff positions be created and review similarly situated position-posting requests to determine if the position needs to be filled as is, or if the duties of the position should be realigned, redistributed, or centralized. This way, the position is evaluated by those who do the same type of work and best understand the nature of what needs to be completed and on what timelines. This work should inform the efforts of senior leadership and that of the outside consultant and vice versa.

iii. Update & Modify Compensation Policy

At present, the University does not have an agile and flexible compensation process. The Task Force recommends the establishment of a committee to develop and communicate a revised compensation philosophy that incorporates non-salary compensation in addition to the use of sign-on, retention,

and performance bonuses. But make no mistake, this is dependent on the RTSR process, which will free up funds to meet the University's structural deficit and support a new compensation system.

- The new compensation philosophy should focus on establishing salary placement within the salary range based on the established market levels for positions (i.e., staff positions will pay at least 95% of the Triad market). Positions that are difficult to recruit or have a higher prioritization for the University (i.e., student support positions) may have an established market level that is higher than others, such as 100%.
- Salaries will be based on position benchmarking and market.
- Utilize bonuses for sign-on, retention, and performance as a way to recognize effort, pay higher than market, or attract and retain employees.
- Move toward using recurring funding for market-driven salaries and non-recurring funding for increases in compensation that are outside the market-based increases.

There are cost savings to be realized here, because this method helps avoid spikes in compensation due to short-term labor market fluctuations. It will allow more employees to receive additional compensation and will not incur future liability of higher leave payouts. By providing performance-based bonuses, employees who are in the same salary range, but performing better than others, receive financial recognition for their contributions. Add-pays can also be avoided, as employees who are doing more work than is within their duties and responsibilities can receive bonuses while employees who are not doing more work will continue to receive their market-based salary.

This new approach to compensation will not result in additional funding; lapsed salary dollars may be used for the bonuses and the centralization of that funding will allow for distribution at an institutional level. It could take six months for the sign-on and retention bonuses process to be developed, and twelve months to design and implement a performance bonus process.

iv. Improve Workforce Readiness and Agility

Because RTSR has a significant reorganization component, the University will need to pay particular attention to workforce readiness and agility, investing in programs and processes that increase the ability of the workforce to perform responsibilities, become more agile, and reduce fatigue and morale issues resulting from constant pivoting and inconsistent or nonexistent training.

In particular, the University should:

- A. Revamp new employee orientation programs to include acclimating employees to the culture of UNC Greensboro with its focus on student success.
- B. Improve training for Business Officers/Administrative Support Staff by working with campus partners and subject matter experts on building online training modules and offering regular workshops on various topics (e.g., digital systems, processes, etc.).
- C. Provide and critically review exit interviews to determine why people are leaving University employment.

- D. Develop and provide additional mentorship programs for new employees and high potential employees and partner with Staff Senate on these efforts.
- E. Provide additional tuition waivers to employees.
- F. Remote work and flexible work schedules are now a reality (with a policy in place), and the University should be flexible based on the business needs of the operation, the purpose of the position, and expectations of the supervisor. For consideration: train supervisors on how to “manage by results”; and create opportunities for flexible work weeks (e.g., 4-day, 40-hour work week; 40 hours over 7 days).

These efforts will generate cost savings through increased employee morale and job satisfaction and will result in less turnover, thereby decreasing the costs of replacing employees. The College and University Personnel Association (CUPA) estimates the average cost of turnover to be 33% of the employee’s salary and the Society of Human Resources estimates the average cost to be 20% of the employee’s salary. In recent years, turnover among peers is 12% to 14%. Given our twelve-month staff turnover rate of 20% and based on the average staff salary, the estimated cost to the University is \$3,124,140 in both hard costs (i.e., criminal background checks, leave payouts) and soft costs (i.e., staff time to interview, hire, on-board, set up system permissions, etc.). These costs do not include search firm expenses, which can be considerable.

Some investments in training opportunities and programs will be necessary. These include certification programs for current training staff (i.e., situational leadership, teaching supervisors’ leadership skills); and outsourcing the building of training modules for finance and administrative support. Efforts should be made to ensure that these training programs are high quality, giving team members the support, information, and skills they need.

2. Centralize Reallocation of EHRA Non-Faculty Lapsed Salaries

There is a pool of approximately \$10 million annually that is held and managed in administrative and academic departments when EHRA positions are vacant. These funds are used for many purposes, but the expenditures are not centrally or strategically coordinated. Because these expenditures do not match the category for which they are budgeted, it is difficult for anyone to have a “line of sight” into how they are used. The committee recommends that the University review lapsed salary amounts semiannually and hold EHRA non-faculty lapsed salaries centrally for strategic reallocation in accordance with a new suggested process that allows unit leadership to identify priorities and make budget requests. This practice will provide consistency in the treatment of lapsed salaries between faculty and staff and provide senior leadership with another means to close institutional budget gaps as necessary.

Background

Lapsed salary funds are the budgeted amounts for faculty, administrative, and staff positions that are not expended by filling the positions on a temporary (terminal) or permanent basis. The amount of the salary that is lapsed is the monthly amount unused over time. Lapsed salaries may be the result

of unfilled positions or filling positions on a temporary basis at salary rates less than the budgeted amount. The lapsed salaries:

- Cannot be used to build permanent positions,
- Cannot be used for giving salary increases,
- Create temporary one-time funding in current fiscal year, but are not permanent.

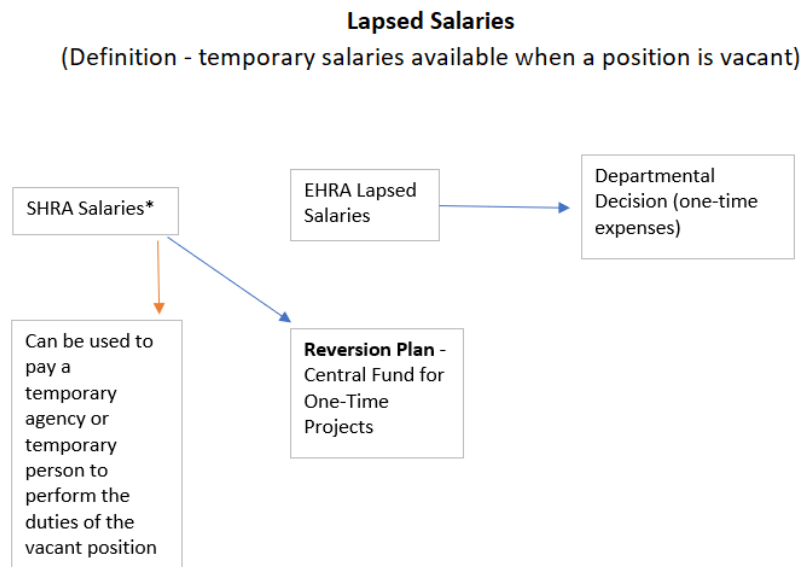
Permanent funding is recurring amounts that happen from fiscal year to fiscal year—e.g., salaries and benefits. Temporary funding is one-time amounts in the current fiscal year.

“EHRA” stands for Exempt from the State Human Resources Act and generally covers faculty, research and instructional personnel, and senior officers of the University. These positions are primarily overseen by the UNC System Office and Board of Governors.

“SHRA” stands for Subject to the State Human Resources Act. These positions are closely governed by the NC Office of State Human Resources and apply across all agencies of state government. This employee category includes most staff positions.

Current Lapsed Salary Process

- I. Faculty (EHRA) lapsed salaries are managed by academic divisions and departments for reallocation for one-time temporary funding in current fiscal year.
- II. EHRA Non-Faculty lapsed salaries are managed at the unit/departmental level for reallocation for one-time temporary funding in current fiscal year.
- III. SHRA lapsed salaries can be used for temporary coverage (agency or person) to perform the duties of the vacant position and/or used in University-wide reversion plan centrally to cover one-time projects or expenses.



*Traditionally, if Spring enrollment is adequate up to 50% of the SHRA lapsed salaries have been returned to the division that has generated the lapsed salaries.

The **recommendation** is to review lapsed salary amounts on a semi-annual basis. While the current process for faculty and SHRA lapsed salaries would remain unchanged, 100% of the EHRA non-faculty lapsed salary availability will be communicated to the Chancellor and at the Chancellor's discretion reallocated back out across divisions through a new process (explained further in this section).

The Task Force is aware that many units have come to rely on EHRA non-faculty lapsed salary dollars as a funding source for operational shortfalls and important projects and programs. This practice presents a significant accounting and strategic planning challenge. These monies are often not spent in the way they are budgeted, which gives the incorrect appearance that there are large pools of unused salary resources held at the department and divisional levels. It also muddies the relationship between allocations and outcomes, making review and evaluation difficult. Finally, this practice makes it very difficult to understand the true operational needs of units or to compare across units.

Given the importance of these funds to some units on campus, the Task Force recommends the development of a new process for units to submit their top funding priorities with descriptions, amounts, and justifications. Once approval is given, funds will be allocated to cover these one-time temporary costs in the appropriate budget categories. Then, units will provide follow-up to the budget office to ensure use of the lapsed salary reallocation in the appropriate fiscal year.

The Task Force recommends that a separate process be developed to evaluate any permanent positions that remain vacant from the previous fiscal year, so these funds are appropriately budgeted, either at the unit level or centrally.

3. Reinstitute Review of Unrestricted and Obsolete Endowments

The Task Force recommends that the University resume its review of unrestricted and obsolete endowments, a project that began in 2018.

The Divisions of Business Affairs (now Finance and Administration), General Counsel (now Office of Institutional Integrity and General Counsel), and Advancement were tasked to review "all remaining endowments and annual gifts to ensure compliance with North Carolina's Uniform Prudent Management of Institutional Funds Act (UPMIFA)."⁹ Their initial review identified over 1,600 potential University endowment funds (of all types including regular and quasi)¹⁰ and they began by examining 49 of these funds. Based on a financial, legal, and advancement (for donor intent) examination, it was determined that 17 of these 49 funds could be dissolved and reallocated (totaling around \$1 million).

As the review project continued, it was also determined that the University had 939 endowment funds that were individually valued at less than \$100,000 in March of 2020, which may meet the criteria

⁹ See Uniform Prudent Management of Institutional Funds Act, [N.C.G.S. Chapter 36E](#).

¹⁰ Endowments are funds gifted with the intent that the principal will be invested perpetually, and the recipient will use the income either for a specific purpose set by the donor or for any purpose the recipient selects. In contrast, quasi endowments are created by an institution, which then has the discretion to change any restrictions it initially established for spending the income, if any, as well as the ability to spend the principal *and* income.

that would allow the University to reexamine the use of these funds. Additional endowment review projects were ready to move to the next phase in March of 2020 when the COVID-19 pandemic began, but they were put on hold indefinitely at that time. The Task Force recommends that the University resume its review of endowment funds, thus potentially freeing up funds that were originally intended for programs that are now obsolete.

Until the review of these endowments is complete, it will not be possible to indicate precisely the value of funds to be reallocated. The Task Force conservatively estimates, however, that the unrestricted endowment review effort may make between \$1 million to \$2 million available annually in investment returns.

II. Secondary Recommendations

The Task Force offers three secondary recommendations that, if implemented, could lead to between \$210k to \$230k annually in cost savings:

1. Eliminate Mobile Communication Device (MCD) Allowance (between \$150k to \$160k permanent reduction)
2. Eliminate Internet Allowance (between \$35k to \$40k permanent reduction)
3. Eliminate Passport Services (between \$25k to \$30k permanent reduction)

While these secondary recommendations are smaller in scope and scale than the primary recommendations, they are also the proverbial low-hanging fruit. They concern legacy expenditures attached to policies or processes that were previously important, but no longer speak to widespread business or service needs of the campus community. These recommendations can be implemented immediately, with savings realized right away.

1. Eliminate the MCD Program

The University has maintained a Mobile Communication Device (MCD) program for many years. The MCD is a holdover from the days when cell phones were not common. With phones now ubiquitous and service providers offering unlimited talking and texting options, the MCD no longer serves the campus's needs. A business phone, instead of a subsidy for a private phone, can be provided to those few employees who have critical business needs.

The University can save approximately \$150k to \$160k per year in direct payments. The University will also save time and the related costs (direct labor hours and printing) of administering the program. These costs are not readily determinable.

2. Eliminate the Internet Allowance

The Task Force recommends the elimination of the Internet Allowance program, through which some employees receive direct payments for home internet services. This program is also a holdover from a time when broadband internet services were not ubiquitous. There are ample spaces and resources on campus where employees can use University facilities for business purposes. If employees choose

a work-at-home schedule, they should be responsible for maintaining internet service, given that most employees also have the opportunity to work on campus, where sufficient data infrastructure is provided.

The University can save \$35k to \$40k annually by eliminating the Internet Allowance. This change can be implemented immediately.

3. Eliminate Passport Services

The US State Department's regulations for providing passport services limits staffing flexibility and will require the hiring of a position that is currently being held vacant if UNC Greensboro is going to continue to provide passport service on campus. There are three other locations within ten miles of the University that are passport application acceptance facilities. The Task Force recommends that University discontinue its passport services. This will allow for a vacant position to be eliminated (or reallocated for another use) immediately, saving the costs of salary and benefits. Eliminating passport services would save approximately \$25k to \$30k annually.

Recommendations for Workflow Improvements

III. Suggestions for Workflow Improvements

The following recommendations address workflow improvements and operational efficiencies that will ease the administrative burden on faculty and staff:

1. Prioritize Upgrade to Banner 9 Self Service
2. Increase the Use of Purchase Cards for Travel Expenses
3. Inventory, Evaluate, Prioritize, and Digitize Processes and Workflows

1. Prioritize Upgrade to Banner 9 Self Service

Banner 9 Self Service contains important upgrades from Banner 8. Prioritizing the Banner 9 upgrade would provide UNC Greensboro with new capabilities that improve tedious, error-prone manual processes like Web time entry, grade submission, and many others. The upgrade to Banner 9 Self Service will simplify the work needed to broadly implement workflow improvement for the University. Implementation of Banner 9 Self Service will better align UNC Greensboro's digital operations with other universities in the UNC System. The cost of this recommendation is staff time, but it will lead to reduced and streamlined workloads.

2. Increase the Use of Purchase Cards for Travel Expenses

Increasing Purchase Card (P-Card) usage for airfare, ground transportation, hotels, and conference registration will benefit the University and its employees in several ways. First, the University will generate about \$40,000 annually in rebates from its card vendor.¹¹ Second, employees will no longer have to use personal cards and wait for reimbursements. Third, travel advances will be virtually eliminated. The team will need to work with departments on their unique travel needs and offer departmental P-Cards to handle travel and registration for those whose travel is infrequent or singular in nature.

This practice will also reduce errors on travel reimbursement forms, reduce the amount of time spent preparing and reviewing them, and reduce the administrative burden on Accounts Payable and administrative staff.

¹¹ Rebates are essentially cash paid back to the University from the card vendor, Bank of America, for use of the purchase card.

3. Inventory, Evaluate, Prioritize, and Digitize Processes and Workflows

Inventory, Evaluate, & Prioritize

The Task Force has been presented with many examples of redundant and unneeded steps in current processes and recommends that the University assess them campus-wide for possible automation and updating.

In particular, the Task Force suggests the creation of a working group to create an inventory of processes and workflows in current use and develop assessment criteria to determine those that should be reviewed.

Such criteria might include:

- Potential for decreasing work time and manual processing time by automating the process.
- Evaluation of whether current systems can be better utilized to eliminate manual and/or redundant processes/workflows.
- Possibility of system consolidation (reducing the number of systems/software).

Once the inventory is complete, processes/workflows with the greatest institutional impact and those that can be implemented quickly with minimal resources will be given the highest priority. Decentralized and manual processes may be redundant, outdated, and/or non-value-added.

Cost savings would be realized via reduction in errors, consistency in application of processes/workflows, and reducing manual labor, thereby increasing capacity in different positions and allowing staff to broaden their skills, which can be repurposed for higher level activities. Realized cost savings would be achieved through system consolidation.

The inventory and prioritization phases of this recommendation could begin immediately and take as long as six months to complete. Implementation could begin within six months and continue for up to eighteen months. A standardized process review should be scheduled on an ongoing basis.

Analyze Financial Services Processing Time

Define standard delivery times for Financial Services Processes. Finance and Administration should identify major administrative processes and establish cycle-time standards, specifying how long each major process should take. For instance, through our Jaeger system we can determine that 98% of all purchase orders (Pos) are issued within two days. Standards can be established in Accounts Payable, HR, and Purchasing.

Focusing on the customer service side will change the discussion from “we don’t have enough staff” to developing ways to improve service within existing budgets. This supports continuous improvement and can be started beginning in fiscal year 2024.

Digitize Processes or Workflows

Increase Operating Efficiency by Digitizing Processes or Workflows. An example is implementing new systems like Paymode X which moves us from paper checks to ACH, payment cards, and outsourced paper check printing. Many existing processes utilize paper or PDF forms (time reporting and EAPF as examples). The move to Banner 9 Self Service will facilitate using Banner workflows to eliminate forms that are currently processed manually. We can begin documenting existing manual processes to be ready to allow ITS to plan workflow implementations strategically.

This should result in reducing staff time across the organization. This can begin (planning) concurrently with the Banner 9 Self Service implementation.

Suggestions for Exploration

IV. Suggestions for Exploration

The Task Force also identified some ideas that are worthy of consideration for exploration to determine potential cost savings, enhanced profit opportunities, or other improvements.

The following ideas are briefly presented in the sections that follow:

1. Evaluate Opportunities in Student Health Services
2. Evaluate Building Space Use to Identify Potential Energy savings
3. Increase Summer Use of University Buildings for Conferences and Events
4. Increase Digital Commerce
5. Monetize the University's Physical Plant
6. Outsource University Assets to Private Management Companies
7. Review all Segments of Facility Operations
8. Eliminate Physical Parking Permits & Automate Parking

The Task Force recommends further exploration of these ideas by those with the relevant experience and expertise, noting that some will require significant investment and long-term implementation.

1. Evaluate Opportunities in Student Health Services

Identify opportunities to enhance operational efficiency and improve revenues through Student Health Services. This may include but is not limited to enhancing third party billing; reviewing patient service fees; identifying new revenue streams; outsourcing or contracting specific functions or services; and developing new partnerships.

2. Evaluate Building Space Use to Identify Potential Energy Savings

It may be possible to realize significant savings through more efficient energy use. The Task Force suggests the following:

- Determine the actual occupancy for each campus building between 7:00 PM and 5:30 AM and decide which buildings could be de-energized during those periods. The limited number of people who might need to use that space could be sent to hoteling spaces in other buildings.
- Research the possibility of doing more Energy Saving Company¹² (ESCO) projects.
- The payment for the services delivered is based, in whole or in part, on the achievement of energy efficiency improvements (solar installation is an example).

¹² ESCO - A company or an entity that delivers energy services or other energy efficiency improvements in an energy user's premises and accepts some degree of financial risk in doing so.

Potential savings may be determined with additional exploration of this idea and it could take more than a year to implement.

3. Increase Summer Use of University Buildings for Conferences and Events

Some universities see very significant non-tuition summer revenue from the use of their facilities for camps, conferences, and events. UNC Greensboro has for many years welcomed about 2,000 Summer Music Camp attendees at a price of approximately \$635 each, meaning that revenues approach or exceed \$1 million annually. UNC Greensboro sports camps have also proven popular. Due in part to the fact that most Summer instruction is delivered online, there is a great deal of physical plant capacity to develop innovative programs.

The Task Force recommends that the University establish a working group to explore Summer programming as a revenue-generating opportunity, recognizing most institutions hold liabilities to a minimum, and deliver appropriate customer service by developing a central camp/conference hub to manage operations. The full process of soliciting and vetting ideas for new or expanded programs could take six months, with implementation for some ideas taking another six months or more. It is likely that several new pilot programs could be in place by Summer 2024.

4. Increase Digital Commerce

The University has begun transitioning to greater use of electronic and digital services. Most tuition and fee transactions can be done electronically, and all payments are now either electronic or outsourced to Bank of America for processing. The student experience still has potential for increased utilization of digital commerce. Two areas for improvement are utilizing digital storefronts (through Transact or TouchNet) and transitioning to a cashless campus.

Increased use of storefronts will provide our customers with an easier, more secure, and consistent customer experience. Transitioning to a cashless campus would, of course, reduce costs for handling cash and improve transaction speed at point-of-sale.

This will need campus-wide input and up-front funding. Concerns include student autonomy over spending and protecting students' privacy.

5. Monetize the University's Physical Plant

- Is there an opportunity to monetize the Steam Plant like other campuses sells electricity?
- Leasing of either ground or building space.
- Rooftop leasing for cellular antennae.
- Leasing of exterior and interior space for flatscreen and micro-signage advertising (<https://mssmedia.com/>).
- Corporate naming opportunities for buildings and athletic facilities for a limited term period.

More exploration will be needed to determine both potential revenue and cost avoidance and the process could take more than a year. We would also need to determine the regulatory requirements.

6. Outsource University Assets to Private Management Companies

Many universities lease their parking assets and outsource parking management services. The Task Force suggests that UNC Greensboro determine whether there is an opportunity for revenue generation in doing so. There may be similar opportunities for capital leasing of housing assets with third party management, while retaining Housing and Residence Life staff. More exploration will be needed to determine both potential revenue and cost avoidance. This suggestion could take more than a year to explore and implement.

7. Review All Segments of Facilities Operations

The Task Force suggests that the University identify opportunities to enhance operational efficiency of all segments of facilities operations. This may include reductions of service levels which would not impede student success, and/or developing opportunities for revenue generation and possible consolidation with Housing and Residence Life. At the same time, the University should identify which, if any, segments could benefit most from outsourcing. For instance, research conducted by the International Facility Management Association (IFMA) suggests that contracting out certain services can provide a cost-effective alternative to in-house services, with increased levels of productivity and high-quality services.

8. Eliminate Physical Parking Permits & Automate Parking

UNC Greensboro spends \$10,000 to \$15,000 annually to print and distribute parking permits. The Task Force suggests exploration of the use of License Plate Recognition (LPR) to replace the current process, increasing efficiency and effectiveness of enforcement.

With LPR, the information for each vehicle's license plate will be registered online by permit holders. As a result, enforcement personnel may find parking violators very rapidly. This technology may take the shape of a mounted camera at lot entrances. The same may be true for the need to have access cards for the parking decks.

An LPR system would also make it possible to gather data in real time. This information can be used to evaluate the parking management system and track trends. The systems can access vehicle history and status while entering and leaving a lot because lot areas are automatically checked for violations. Enforcement teams therefore have access to the most recent data, including car histories. As a result, the enforcement teams will be able to spot offenders and issue violations. They will also be able to locate hotspots for violations, so enforcement patrols effectively. With images accessible to back disputed tickets, it is less likely that enforcement will issue infractions in error.

There is an up-front cost of \$200k, but the University will ultimately save money (including counting staff time) within four years.

Conclusion

With these recommendations and suggestions, the Task Force is offering short-, medium-, and long-term actions that can lead to better financial sustainability for the institution, while continuing to serve students well and improving business processes and workflows. These recommendations could result in annual cost savings between \$10 to \$18 million. They could also make re-allocable between \$10 million to \$12 million annually. The funds can be used to close budget gaps, protect mission-critical projects, programs, and services, and invest in innovation for future growth.

The Task Force approached its work in the spirit of innovation, as charged by the Chancellor, and with the perspective that we are one UNC Greensboro with a shared history, shared present, and shared fate. The recommendations and suggestions presented here are consistent with work all healthy organizations should do to make sure its funds are directed toward its highest priorities, its workforce is well trained and appropriately sized, and its administrative processes are efficient. While it will not be easy to develop and implement all of the Task Force's primary recommendations, the Task Force believes it is pointing to the best path to financial sustainability for the foreseeable future.

It is appropriate at the conclusion of this report to thank the University community for its thoughtful input. The Appendix that follows summarizes the Task Force's recommendations and suggestions, but not the full diversity of the ideas it considered. Over the space of four months, members engaged enthusiastically with suggestions that came from across the campus community. While not all of those ideas found their way into this report, they were all seriously considered. Every voice that offered ideas, suggestions, and insights through meetings, the survey, or by reaching out directly was heard.

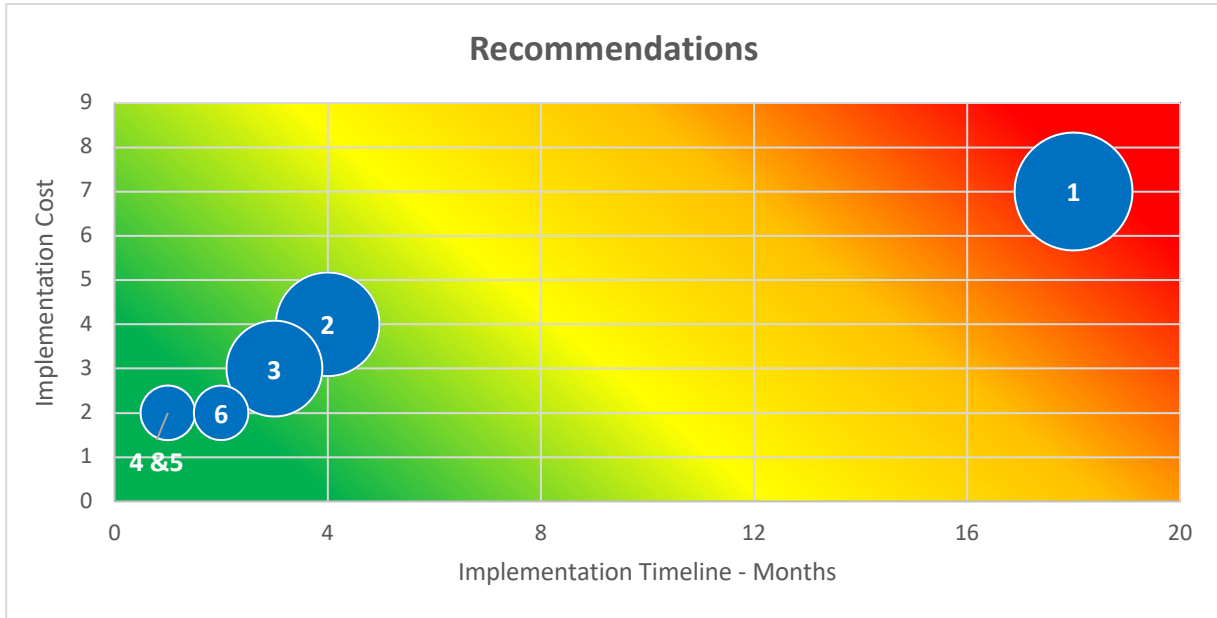
Appendix A

Summary of Recommendations

The University could reallocate approximately \$10 to \$12 million from the Endowment Review and Central allocation of EHRA non-faculty lapsed salaries and potentially save between \$10 million to \$18 million annually from eliminations and reorganization.

Recommendation	Timeline	Annual Financial Impact
Reallocations		
Reinstitute Review of Unrestricted Endowments	3 to 6 months	\$1M to \$2M
Centrally hold EHRA non-faculty lapsed salaries	4 months	\$9M to \$10M
Total Reallocations		\$10M to \$12M
Eliminations/Reductions – Cost Savings		
Reduction Through Strategic Reorganization	18 to 24 months	\$10M to \$18M
Eliminate the MCD Program	2 months	\$150k to \$160k
Eliminate the Internet Allowance	2 months	\$35k to \$40k
Eliminate Passport Services	4 months	\$25k to \$30k
Total Cost Savings		\$10M to \$18M

The timeline for completion, cost to implement, and level of difficulty to implement for the six primary and secondary recommendations are provided in the heat map below.¹³



KEY	
No.	Recommendation
1	RTSR
2	Endowment Review
3	Reallocation of EHRA Lapsed Salaries
4	Eliminate MCD
5	Eliminate Internet Allowance
6	Eliminate Passport Services

¹³ Includes timeline on the X-axis, a rating for implementation costs on the y-axis, and level of difficulty demonstrated by the bubble size for recommendations. Level of difficulty to implement and estimated costs are rated on a scale from 1 to 10.