

February 28, 2012

Background

Over the last ten years UNCP has grown in every aspect: students, faculty, staff, physical environment, increased services and increased programs. The student enrollment grew more than 100% during this period beginning at 3393 and reaching a high of 6944. Along with the enrollment come additional resources. The operational budget grew over \$75M or by more than 200%.

Recently the University has shifted from a growth mission to one where quality is the main focus. Admission standards have been increased, GPA requirements for attrition have been raised, and increasing retention and graduation rates are key performance base indicators.

State resources have declined over the last four or so years resulting in fewer dollars for education, particularly higher education. Specifically state budgets have been reduced by \$752M in recurring dollars and \$513M in mandatory reversions. However, with some increases for things like enrollment change and other targeted increases net state budget reductions for the system are \$482M. A good benchmark to demonstrate this funding decline is a comparison of funding per student. In 2007-08 the System was funded at a level of \$13,000 per student. This year, 2011-12, that funding has been decreased to \$11,292 per student or a decrease of 12.9%. The result of enrollment increase coupled with a funding decrease has resulted in fewer faculty positions, fewer class sections, larger class size, and fewer non-faculty and staff to service the additional students.

Lessons Learned

The university administration must understand the risks and rewards associated with making significant changes to practices and policies and attempt to be as inclusive as possible within the campus community throughout the development and implementation of such changes. A consistent effort to breakdown and prevent working in silos will play a major role in our efficiency and effectiveness on a day-to-day operational basis.

The entire campus community has a stronger understanding of how a decrease in enrollment affects everything: housing occupancy, financial operation (loss of tuition), debt service ratios and the evaluation of them by outside agencies, bookstore sales, foodservice meal plans, etc.

Even though UNCP remains one of the most affordable institutions in the state, we see that our students still struggle to accumulate enough financial assets to pay tuition without significant financial aid. The precipitous drops in fall 2011 enrollment head count has been attributed to a stricter adherence to university policy for “non-payment” – clear evidence that the system was broken and we needed to reset the students’ understanding of meeting financial obligations. We need to align financial support to the initiatives that arise from the strategic plan in progress.

Our past focus on growth/expansion should make us careful in our planning for any new units/programs/degrees. The past expansion efforts that resulted in a 100% enrollment

February 28, 2012

increase – was executed without any change to the infrastructure that would support those new students. Although the number of faculty positions was increased, the number of staff positions held constant (financial aid staff, registrar staff, etc.)

Trends in Higher Education

The UNC System is headed toward a shift in funding due mostly to the current economic climate of the state of North Carolina. We are beginning to move from a funding formula that has stressed enrollment growth almost exclusively to one with less emphasis on enrollment change plus a new process for performance based funding (PBF). PBF will measure some core based benchmarks coupled in some fashion with other benchmarks chosen by the institution and agreed to by General Administration.

The annual Grapevine study, conducted by the Illinois State University Center for the Study of Higher Education and the State Higher Education Executive Officers, finds that all but nine states experienced one-year declines from their 2010-11 totals. The 41 states that cut their spending did so by widely varying proportions, from as little as 1 percent (in Indiana and North Carolina) to as much as 41 percent (New Hampshire), with full third seeing double-digit drops. The declines, which were driven heavily by the depletion of federal funds from the 2009 stimulus legislation, leave many state higher education systems in significantly worse shape than before the economic downturn began. Twenty-nine states allocated less money to higher education in 2011-12 than they did in 2006-7, and nearly half -- 14 -- provided at least 10 percent less than they did five years ago.

The majority of stakeholders surveyed in UNCP's strategic planning process mentioned the economy has a threat for UNCP. Several years ago, the university was able to utilize focus growth funding and economic stability to our advantage with access to larger funding pools for effective marketing, branding, collateral development and mechanisms for recruitment. The decline in this source of funding has created an environment that has focused less in these areas. As we move forward, the university community will work more collectively with marketing the institution and creating more creative cost-effective strategies for enhancing the image of UNCP.

Strategic Themes

- Theme 1: Student Resources

For the majority of students we serve at UNCP, the backbone of student success centers around affordability, access to financial assistance, and opportunities provided through private support. Affordability continues to be an attraction for potential and current students and the university places this characteristic as top priority throughout its decision making process. The university realizes the importance of providing excellent customer service and access to the Office of Financial Aid and most recently expanded office space to accommodate a higher number of visitors more effectively. Additionally, a strong effort is in place to reallocate office space in order to provide a more centralized access area to meet the daily needs of students.

February 28, 2012

Private support also plays a major role in the opportunity to provide merit based scholarship support to students. The university has placed a major emphasis on the Division of Advancement to ensure that the tools necessary to raise and increase the level of private dollars are provided and in place.

- Theme 2: Alternate Funding Sources

In addition to fundraising efforts the University should consider alternate sources of funding that will generate revenue to supplement the loss of State funding and/or provide flexibility to accomplish task(s) that may not be funded with State funds. Examples of such endeavors might be offering non-credit courses for a fee, selling advertisements on our electronic messaging boards, opening up our facilities more for community use with a market-driven fee that all shall pay, starting a car rental business for our students (Zip Cars), etc.

- Theme 3: Visibility

The image, brand, and perception of UNCP play a major role in several aspects of campus vitality. The visibility of UNCP needs to create a national presence and work towards maintaining current relationships in the region, while expanding on a state and national scale. The marketing and branding of UNCP plays a direct role in the ability to recruit effectively and increase external support, therefore impacting the bottom line. In an effort to remain competitive the university will engage in a collaborative model of marketing and communications. The development of an Integrated Marketing & Communications Committee will assist with this effort. Higher education institutions are in a highly competitive and complex consumer market and we have to enhance our marketing and communication programs to create a strong emotional bond with our markets in order to be perceived as an institution of choice. This will involve tactical coordination, market data collection, market segmentation and relationship building, branding, return on investment and performance measurement, budget allocation, and leadership vision and support. The team selected to lead this effort represents various facets of the campus community. This process will continue to evolve and sub-committees will be formed to focus on specific targets.

- Theme 4: Institutional Stakeholders (internal/external)

The staff, faculty, and administrators at the university have worked through 4 years of stagnant salaries as a result of the budgetary constraints on the UNC system. Efforts at improving morale through professional development opportunities or restructured work schedules should be investigated to acknowledge the efforts of those most dedicated workers on the campus. For several years there has been an option of “flex scheduling” for campus offices over the summer months in an effort to provide a shortened workday on Friday. Office staff and administrators create flexible hours over the Monday through Thursday balance of each week to meet the 40 hour payroll. Hours are not standardized across the offices and the work flow is not as efficient as it could be. In addition, the staff and administrators still need to commute to campus for the half-day on Friday. An alternative flexible schedule could be established to work across a four-day schedule that would reduce commuting expenses for employees and

February 28, 2012

operating expenses for the campus (closing facilities at the end of business on Thursday and opening them for the start of Monday hours). Schedules for recruitment, admissions, financial aid areas could be scheduled from Monday through Thursday and thus provide that service to our current/future students. This would help make UNCP a “greener” place.

Short/Long Term Tasks

- Increase capabilities of Advancement office through fulfillment of vacant positions, developing a more collaborative fundraising approach, and focus more strategically on prospect management and development.
- Implementation of Integrated Marketing & Communications Committee (focus on branding, licensing, and a university-wide effort to manage image, logo usage, and messaging).
- Focus on a more robust sponsored research and grants effort that will provide the support needed to faculty and staff who are seeking grant opportunities. Identify a more supportive grant development process that engages faculty in the efforts to apply for external grants. This may include the outlay of financial support for a “grants writer” that assists faculty in the writing process.