

Finance and Business
2007-2008 ANNUAL REPORT

PROGRAMS

Changes in scope of activities

- WolfAlert emergency notification system implemented, including text and sirens
- New mobile police station outfitted and deployed
- State-of-the-art internal card reader technology installed in all University parking gates
- \$300,000 secured from Federal Transit Administration for Wolfline service improvements; clean diesel Wolfline fleet launched under new contract (*Focus Area #5, Driving Innovation in Energy and the Environment*)
- Capital Project Management and Facilities Division Budget Office created
- 22 bond projects closed out; construction of EB III, Terry Hospital, and Greek Village started
- Billing interface program developed to interface campus stand-alone billing applications and the University financial system
- 10 campus units switched to online billing; 11 more in progress
- State Controller's EAGLE internal controls program implemented
- More than \$2 M recurring salary for almost 800 campus SPA staff positions requested and received from State Salary Adjustment Fund for the first time
- Internal executive search service introduced by Human Resources for recruitment of senior level, nationally-recruited campus positions
- Human Resources Employment staff internally reconfigured to dedicate a senior recruiter to assist campus departments with hard-to-fill professional and technical jobs
- Numerous avenues pursued to expand campus-sponsored childcare; expect to finalize arrangements for dedicated facility by June 30, 2008

- PeopleSoft “Campus Community” implemented, consolidating HR and student system data into unduplicated master database; grievance/discipline tracking module implemented
- Comprehensive certificate training program, “HR Academy,” developed and piloted
- State indemnity healthcare plan phased out and three separate open enrollment periods held
- Campus worksite wellness advisory committee established
- System created by HR for electronic campus distribution of “3D” announcements
- Manual entry of departmental budget revisions transitioned to online entry
- Block-S logo and Centennial Campus word-mark submitted for renewal and approved by US Patent and Trademark Office
- Method developed to repay Centennial Campus Trust Fund from the utility rate structure through a utilities trust fund
- Aquarium proposal discussed with N C Department of Environment and Natural Resources
- Space analysis started for College of Agriculture and Life Sciences
- Training and partnerships being planned to change campus culture in regard to compliance with policies, statutes, and regulations
- Outdated purchasing practices being transitioned to more efficient electronic models
- Taxonomy for job categorization to address data management and reporting challenges proposed to UNC-GA by HR; model being developed for UNC system-wide implementation
- Collaboration on shared 403(b) voluntary retirement plans by UNC system institutions proposed by HR; core role being played by HR for implementation by January, 2009
- Special-purpose entities established to hold acreage on both Centennial Campuses in an effort to facilitate the delivery of private real estate projects (*Focus Area # 2, Creating educational innovation; and Focus Area #4, Fueling Economic Development*)

Volume of Activities

- Near-100% occupancy maintained on Centennial Campus
- 220,000 pounds of chemical, radioactive, and biological waste shipped
- Insurance managed for 1,545 statewide buildings/contents with insured value of \$3.7 billion
- More than 20 tabletop emergency response training exercises conducted
- Electronic payments of student accounts increased by 9% for the 12 months ending 03-31-08
- Business Continuity and Disaster Recovery plans expanded for over 40 administrative units and 50 college departments; Over 400 academic and administrative continuity plans managed
- \$384,570 allocated to athletic and academic scholarships from licensing revenues
- \$254,226 in licensing revenues transferred to University Endowment Fund
- 3,148 designs approved for product online via Trademarx
- Five-percent increase in total “paycheck” volume (from 249,000 to 262,600) absorbed by HR
- States in which NC State conducts payroll activity increased from 37 to 40
- More than 980 separate employee-relations cases consulted on by HR staff, including 200 EPA professionals and 40 complex faculty cases
- Investigation of unlawful workplace harassment claims conducted in collaboration with OEO; formal unlawful workplace harassment grievances reduced from nine in 2007 to 0 in 2008
- Campus departments advised on more than 218 SPA disciplinary actions (+17%) and 15 EPA at-will discontinuations
- Background checks conducted by HR on 4,800 job candidates
- 24 complex permanent residency applications and 151 H1-B visa applications prepared by HR for highly skilled researchers/scholars on behalf of campus departments
- 733 temporary staffing requests filled through University Temporary Staffing (+27%)
- More than 175 SPA jobs and 221 EPA jobs created

- 88 job reclassification requests, 508 career-band and 91 in-range salary adjustments processed
- 190 retirements, 395 workers comp claims, and 435 FMLA leave requests processed
- Total net market value of assets under management by FAI grew 11% to \$540 M
- Bookstore total net sales grew 11% to \$17.2 M resulting in \$1.5 M in net income
- \$47 M in gift properties and conservation easements and over \$4.5 M in purchases and sales transactions handled by Real Estate Office (*Focus Area #4, Fueling Economic Development*)
- In Facilities, the following volume of activities conducted, as compared to 2006-2007:

	2006-2007	2007-2008
Total Work Orders	43,683	55,717
Gross Sq. Ft. Maintained	9,034,557	9,181,354
Gross Sq. Ft. Custodial	7,273,929	7,420,726
Tons Recycled	1,675	1,960
Tons Composted	810	777
Tons of Trash to Landfill	3,920	4,024
Landfill Fees Avoided	\$83,232	\$82,118
Projects Initiated / Cost	287 / \$127 M	189 / \$154 M
Projects Completed / Cost	224 / \$61 M	201 / \$157 M
Modification Requests Processed	107	157
Classroom Hotline Calls	296	329
% Total \$ Won by HUBs for Informal Projects	16.0%	13.4%
% Total \$ Won by HUBs for Formal Projects	21.24%	21.39%

Special Achievements of Significance

- Centennial Campus designated as 2007 Research Science Park of the Year by Association of University Research Parks (AURP)
- Campus Police earned accredited status with the International Association of Campus Law Enforcement Administrators, first in North Carolina and one of only seven in the US
- Victory won in residence hall water conservation challenge with UNC-Chapel Hill
- Assisted by the Treasurer's Division, the NC State Investment Fund (NCSIF) voted in May, 2008 to deploy all uncommitted capital to the UNC Management Company
- Bookstore's on-time adoptions for Fall, 2008 exceeded 70%, up from 49% in Fall, 2007

- Trade book department (Catalyst) received national Award for Excellence in general book management from the Independent College Bookstore Association
- Moody's Rating Agency upgraded the University's credit rating to Aa2

Special Program Reviews, Studies or Plans

- Property management focus and new financial model implemented for Centennial Campus
- Transit night service optimization plan scheduled for implementation in Fall, 2008
- Energy Star program implemented to improve strategic energy management and demonstrate environmental leadership (*Focus Area #5, Driving Innovation in Energy and the Environment*)
- UNC Operation Capacity Assessment conducted on campus and coordinated system-wide
- 2007-2009 biennial budgets completed and submitted, including results-based budget version
- Annual Budget Office customer survey conducted online
- Monaghan Group is assessing internal controls for NCSIF and Foundations as the result of new internal control auditing standards effective for 2007-2008, with no issues being noted
- Clean audit opinions and no reportable management letter items received by Bookstores and all affiliated entities under the oversight of FAI

COMPACT PLAN

- Master plan completed for food service implementation on Centennial Campus; additional Port City Java and "Centennial Lunch Market" added; N-4 lease document negotiated to include 5,100 sq. ft. as prepayment of ground rent to provide dining space for student, staff and partner use
- Lonnie Poole Golf Course project on schedule for opening at year-end, 2008
- Centennial play field studied; Phases 2 and 3 of greenway system designed
- RFP for Conference Center / Hotel on schedule to be sent out at the end of June, 2008
- Ground lease finalized for Centennial N-4 parcel; construction to start in July-August, 2008
- Developer selected for Centennial Flex Lab

- Land lease negotiations underway for 363 market rate apartments on Centennial R-2 site
- Negotiations and design underway for MeadWestvaco's addition of 8,000 sq. ft. on Centennial
- Environmental compliance management system implemented
- Regularly-scheduled risk assessment meetings established with Campus Police, Student Affairs, and Human Resources; procedures developed for response to threatening behavior; violence prevention PRR issued and case manager position created; Security and Applications Technology group created (*Focus Area #3, Improving Health and Well-being*)
- "Year of Energy" designated; water conservation projects and awareness promotions conducted, yielding annual savings of \$261,000 based on reduction of 9,600,000 gallons (*Focus Area #5, Driving Innovation in Energy and the Environment*)
- Sustainability Office created (*Focus Area #5, Driving Innovation in Energy and the Environment*)
- No major or minor State Audit findings
- Statutory deadline met for Annual Financial Report information – first in UNC system
- Faculty Transparency Initiative implemented jointly with Research Office
- Wachovia fee structure reviewed and concessions received for reducing costs
- E-commerce and strategic purchasing implemented
- 100% paperless payroll system implemented
- State's online retirement benefits enrollment and remittance system (ORBIT) implemented
- Labor-market study of 1,200 EPA non-faculty positions initiated
- Functional designs for E-learning and Manage Faculty Events modules developed by HR
- Final 25% of campus SPA employees (> 1,200) migrated to the competency-based banding system
- Design and delivery of campus staff well-being survey collaborated on by HR with UPA
- Budget Management System re-write within Wolfpack Reporting System development and testing assistance provided; implementation scheduled for late July, 2008

- Blended debt program implemented to give auxiliaries structural flexibility and budget stability
- Guaranteed textbook buyback program implemented in Fall, 2007 as PACE initiative, resulting in \$200,000 increase in money paid out to students during December, 2007 buyback
- Hillsborough Street redevelopment efforts included BID discussions, landowner/tenant meetings, land acquisitions, and private development facilitation (*Focus Area #4, Fueling Economic Dev.*)

DIVERSITY

- Marvin Williams appointed to North Carolina Department of Administration Minority Business Capital Projects Advisory Board
- In Facilities, 54 employees participated in English as Second Language program, 12 in Diversity Training, 211 in Unlawful Workplace Harassment, 60 in Building Bridges, and 5 in Equal Employment Opportunity Institute
- Required Discrimination and Harassment Training completed by all supervisors

STAFF

- Barbara Moses appointed as University Budget Officer
- Carole Acquesta promoted to Director of Capital Project Management
- Tracy Dixon hired as Director, University Sustainability Office
- Jeff Hightower hired as Director, Utility Infrastructure Planning and Development
- Marc Okner hired as Director of Employee Relations
- Justin Lang hired as Director of Executive Search Services
- Bob Wood awarded Distinguished Service Award by National Assoc. of Educational Procurement
- Jack Colby, Mike Dickerson, Brenda Forster, and George Smith selected as winners of the Finance and Business Awards for Excellence

RECOMMENDATIONS and CONCERNS FOR THE FUTURE

- **Energy demands** of an expanding campus will be increasingly difficult to meet with the current volatility of fuel prices. (*Focus Area #5, Driving Innovation in energy and the environment*)
- **Endowment size** and strong investment performance are important to NC State. The ability of the NCSIF to diversify and deliver competitive performance through the UNC Management Company will be closely scrutinized.
- **Textbook affordability** will remain a focus, with emphasis on alternatives, including digital books, to lower costs. (*Focus Area #2, Creating Educational Innovation*)
- Funding is needed to address **Hillsborough Street** corridor acquisitions for redevelopment, as well as other targeted programmatic acquisitions. (*Focus Area #4, Fueling Economic Development*)
- **Managing diverse LLC operations**, the golf course and executive education in particular, will call for specialized expertise. (*Focus Area #2, Creating Educational Innovation; Focus Area #4, Fueling Economic Development*)
- **Demand and complexity of supporting functions** are increasing exponentially. **OIT support** will need to increase. Resources are needed to build expertise/capacity in **global initiatives management**. OSP pay ranges for some recently-banded groups are not accurately reflective of labor market, resulting in **recruitment/retention challenges**. Key professional staff positions are not adequately compensated to ensure retention.
- **Budgetary resources** concerns include the proposed budget reduction in enrollment increase funding, the adverse impact of per-credit-hour rates on tuition collections, and the impact that decentralized Summer Session and growth in distance education may have on enrollment.
- **Advancing Centennial Campus** initiatives will be important to stay on the leading edge of research campuses internationally and contribute to the economic development of North Carolina.