**NC STATE UNIVERSITY** OFFICE FOR FINANCE AND ADMINISTRATION

**OFFICE OF FINANCE & ADMINSTRATION ANNUAL REPORT: 2016-2017**

**Strategic, Outcomes-Based Collaboration**

**Campus-wide collaborations:**

* Worked with the Provost to commit funds to:
  + develop CALS and Sciences’ Molecular Characterization Core Facility;
  + construction of Student Success Center in DH Hill Library
* Partnering with stakeholders to initiate the University’s Campus Capacity Plan
* Completed selection of Financial Services partner (PNC Bank) and began negotiating the sponsorship agreement. Worked with Athletics, Poole College, Advancement, DASA and General Counsel’s Office to develop a sponsorship agreement designed to evolve into material corporate partnership between colleges and PNC.
* Working effectively with OIT, ORIED and colleges to develop and release a *Request for Proposals* for a new electronic research administration system (eRA) to replace multiple unique college business practices (vendor presentations start summer 2017).
* Exploring private development opportunities to redevelop University housing, dining and parking facilities consistent with the University’s Campus Capacity Plan.
* Worked with CALS and the General Counsel’s Office to complete the University’s gift agreement – for $45M -- with the Golden LEAF Foundation.

**Collaboration with University Advancement:**

* Worked with Advancement to develop and implement coherent – uniform -- fee structure for the University’s nine foundations.
* Developed funding model for the required expansion of Advancement staff that will initially provide temporary funding for Advancement until the new fee structure generates sufficient on-going funding to be self-sustaining.
* Worked closely with Advancement to enhance land donation due diligence, acceptance and closing process.
* Finalizing revised agreement with Wolfpack Club guaranteeing Athletics increased Scholarship support.

**Strategic Resource Management**

* Completed market analysis, and prepared and issued the *Request for Qualifications* to select initial development partner(s) for Centennial Campus.
* Operations Group promoted material improvement in financial planning and decision-making including financial reporting as well as year-end financial planning and execution.
* Completed marketing analysis of Centennial Campus that will result in issuance of North Oval Development RFP summer of 2017.
* $10M reprogrammed from parking infrastructure to academic priorities within Engineering Oval and Plant Science Building projects.
* Improved financial reporting highlighted by first-ever interim quarterly financial reports.
* Facilities worked with the Budget Routine Group to better coordinate disparate sources of facility project funding and enhance prioritization of critical projects.
* ORIED included in the Budget Routine Group to facilitate better and more transparent decision-making re F&A funds.
* Initiated analysis of public-private partnership opportunities along Hillsborough Street.
* University Space Committee mission materially revised, emphasis is on Provost’s Office, ORIED and OF&A aligning the development of academic facilities, core research facilities and the campus consistent with the University’s Strategic Plan and Campus Capacity Plan.

**Critical Staff and Organizational Transitions**

* Doug Morton hired as AVC for Facilities
* University Real Estate and Development restructuring completed
* Kathy Lambert (Human Resources) and Jack Colby (Facilities) retired

**Functional Area Realignment**

• EH&PS restructured and reduced the Business Continuity Department staff to create the new department of Emergency Management and Mission Continuity (EMMC).

• Facilities created – with EH&PS – the first Facilities Safety Officer responsible for development and implementation of an organization-wide safety program.

**DIVISIONAL ACCOMPLISHMENTS**

**Budget & Resource Management**

* Worked effectively with Provost’s Office and Finance to coordinate year-end financial close.
* Completed a comprehensive analysis – with ORIED and the Provost’s Office – of the distribution and expenditure of Federal F&A funds as prologue to altering the F&A fund distribution in FY19.
* Completed successful renegotiation of the University’s Indirect Cost Proposal with US Department of Health & Human Services that resulted in an advantageous rate for a three-year period.

**Campus Enterprises**

* Developed a joint RFP with UNC-Chapel Hill to select a licensing agency to handle the trademarks of the two universities.
* In collaboration with faculty, developed All-in Course Materials program that allows faculty to select digital materials accessed through the Bookstore (will pilot 2017-2018 year).
* Completed Alumni Center upgrade of audio, visual and furnishings.
* Dining:
  + NC State listed as one of the 26 healthiest campuses in the US.
  + Developed a mobile food ordering & payment app for campus venues.
  + Completed – for fall launch – a new interface between food production and digital menu boards that displays menus, prices, calories and allergen information.
  + Two chiefs achieved *Certified Executive Chefs* status, bringing our total to five.
  + Dining customer satisfaction scores (10 point scale):
    - 25 of 40 venues scored 8.0 or higher
    - 13 scored 7.5 – 7.9
    - 2 scored 7.0 – 7.4
* Student Centers satisfaction survey (525 student respondents):
  + 98% responded “clean, safe and welcoming environment”
  + 95% satisfied with event reservation and implementation process
  + 95% of catering clients satisfied with the service.
* Lonnie Poole Golf Course designated an Audubon Signature Silver level course.
* Lonnie Poole Golf Course named one of the 30 best college courses by Golfweek.
* Talley Student Union earlier certified as LEED Silver for Building Design, Talley submitted for LEED certification for Maintenance & Operations (currently trending Platinum).

**Environmental Health & Public Safety**

* Completed update of strategic plans for Police, Transportation and EHS.
* Developed and implemented ERM framework for OF&A.
* Enhanced lab safety program:
  + Worked with the Graduate School and ORIED to develop safety-training materials for graduate students.
  + Worked with ORIED to identify and inspect labs that thought to be *at-risk labs*.
  + With ORIED developed safety materials for faculty.
  + Developed new on-line safety training for new employees.
* Completed parking model for NC State Campus including Centennial Campus.
* Started campus-wide Transportation Master Plan.
* Worked with Athletics and Highway Patrol to enhance security at Carter-Finley football games.

**Facilities**

* Major Projects:
  + Completed the renovation of the **Reynolds Coliseum** and the transformation of the former Chancellor’s residence into the **Gregg Museum**.
  + **Engineering Oval** and **Plant Sciences Building** design phases are on schedule.
  + Designers & Construction Managers at Risk selected for:
    - **Bureau of Mines**: Clearscapes & Holt Brothers (HUB firm)
    - **Carmichael Gym:** Corley Redfoot Architects & Frank Blum
    - **Student Success Center:** Lord Aeck Sargent & Holder Construction
    - **Case Commons:** Little Diversifiedand Barnhill Contracting
  + **Harrelson Hall** demolition completed.
* Administrative Improvements (examples):
  + Extended AiM project management software to Athletics and Campus Enterprises.
  + On-line and hand-held devices provide enhanced construction data on site.
  + Costly processing time has been reduced: PCard use increased by 375% and Marketplace use increased by 22%.
* Significant savings through energy and sustainability initiatives:
  + Energy use -- per square foot -- reduced 30 percent from the 2003 benchmark.
  + Natural gas long-term purchasing strategy resulted in cost avoidance of more than $2.5M over the use of the state contract for the year ending June 30, 2017.
  + Holiday & Summer Energy Savings Initiative saved $425k this year.
  + LEED certification secured for Indoor Practice Facility and Reynolds Coliseum.
  + Reduced chemical use on University’s Recreation fields by 50%.
  + Initiated *Integrated Pest Management Program* that uses combination of biological controls, habitat manipulation, etc., to reduce pests and the damage they cause.
  + Converted CBC campus to LED fixtures.
  + Design completed and bids let for construction of $21M Co-Generation project.

**Finance**

* The estimated value of the endowment as of June 30, 2017 was $1.123B and the estimated investment return is 12%.
* The University’s cost of capital for 2016-2017 was 3.92%.
* Issued $50.4M in debt for 15 years at a fixed rate of 2.58%. Terminated a swap generating a $300k distribution to the University.
* Developed financial restructuring plan for NC State Student Aid Association agreed to by the Executive Committee of the Association.
* Completed financing agreement with DASA’s FSL to borrow funds necessary to complete the required infrastructure for the next tranche of houses.
* Completed *endowment spending and gift fee survey* essential to Advancement securing agreement from the college foundations to raise the fees assessed on gifts.
* Developed University’s *Socially Responsible Investment Fund* in response to donor preferences. As of June 30, 2017, fund value was $11.2M and the one-year return was 21%.
* In concert with the President of the Textiles Foundation, implemented a new Operating Agreement, bylaws and policies consistent with UNC-GA Regulations.
* The University and all its associated entities had clean audits.
* Participated in the development and launch of Wolfpack Investment Network (WIN)
* E-commerce metric: 78% of purchases were paid by PCard or E-Payables and 67% of voucher payments were made by ACH/EFT.
* Contracts & Grants developed “time to process” metrics to allow faculty to understand how quickly grants were processed.
* Initiated Student Information System upgrade 9.2 (live launch October 2017).
* Completed Hofmann Forest solar energy and easement agreements with Duke Energy.
* Successfully divested CALS costly interest in the LaPaz caviar farm.
* Secured special dispensation for the deaccession of Gregg Museum collection holdings.

**Human Resources**

* AVC completed listening tour regarding *concerns about HR* that included visits to most Deans and VC’s as well as many department heads, HR leads and others in preparation for a comprehensive overhaul of HR’s approach to solving business unit issues.
* Developed and implemented new electronic time and attendance system – WolfTime -- and provided staff and supervisor training for July 1, 2017 start.
* Completed major audit to identify and re-calculate timesheet calculation discrepancies made over the past three years.
* Developed training program for supervisors and managers that will launch September 2017 and provide training for 1,500 staff during the 2017-2018 year.
* Partnered with OF&A units to create 35 training courses designed to enhance staff skills.
* Migrated *REPORTER* from a registration/tracking system used for legal compliance to a University-wide Learning Management System used by HR and DELTA.

**Real Estate & Development**

* StateView Hotel is on schedule to open in October 2017.
* Completed first balance sheet and P/L analyses of the University’s eight receipts-supported office buildings on Centennial Campus.
* Completed initial phase of a comprehensive real estate development plan for the University identifying strategic acquisition targets and initiated acquisition of key properties.
* Selected Centennial Campus development advisor (Jones Lang LaSalle) and management & brokerage firm (Lincoln Harris).
* Restructuring of Office of Real Estate & Development completed.
* Worked closely with Facilities and Office of General Counsel to formulate plan to address and mitigate adverse impacts on university from the NC Dot’s widening of I-440.