

**OFFICE OF FINANCE & ADMINISTRATION 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 Diversified and 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.