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:
  o NC State listed as one of the 26 healthiest campuses in the US.
  o Developed a mobile food ordering & payment app for campus venues.
  o Completed – for fall launch – a new interface between food production and digital menu boards that displays menus, prices, calories and allergen information.
  o 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.
- 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 receipt-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.