



The University of North Carolina  
POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

**ERSKINE B. BOWLES**, *President*

Telephone: (919) 962-1000 Fax (919) 843-9695  
E-mail: [ebowles@northcarolina.edu](mailto:ebowles@northcarolina.edu)

TO: The Chancellors  
FROM: Erskine Bowles *E/B*  
DATE: August 18, 2006  
RE: PACE Initiative

In last week's memo regarding the PACE (President's Advisory Committee on Efficiency and Effectiveness), I asked you to lead the charge on your respective campuses in examining your own operations. I appreciate your response and continued leadership in this area. As you begin this important internal work, the PACE will place its efforts on University-wide opportunities within the previously discussed working groups.

The working groups will play a critical role in our project, assessing system-wide opportunities to better leverage the collective strengths of UNC as we rework processes, fine-tune savings opportunities, and address barriers to efficiency and effectiveness. The identification and staffing of these working groups stemmed from both qualitative and quantitative analysis and input from the PACE, as well as the campuses. The groups are: Academic Administration and Support, Information Technology, Facilities Management, Auxiliary Services, Construction/Leasing, Human Resources, and Other Barriers. While Construction/Leasing and Human Resources will tackle barriers specific to those areas, we also created the Other Barriers group in response to feedback regarding the number of required reports, the disposal of surplus property, and other, smaller types of barriers.

To jumpstart the efforts of the working groups and assist with opportunity identification and prioritization, I have established a savings target of 10% for the majority of the groups. This approach—which will serve primarily to generate ideas that will be analyzed for feasibility—is based on my own experience and the opportunity for reinvestment. In identifying savings, I would ask that the working groups take dual approaches. The first would identify savings on a “business as is” model, e.g., assuming no changes in current rules, regulations, or procedures. The working groups should then identify savings that could occur if relevant barriers were reduced or eliminated.

Appalachian State  
University

East Carolina  
University

Elizabeth City  
State University

Fayetteville State  
University

North Carolina  
Agricultural and  
Technical State  
University

North Carolina  
Central University

North Carolina  
School of  
the Arts

North Carolina  
State University  
at Raleigh

University of  
North Carolina  
at Asheville

University of  
North Carolina  
at Chapel Hill

University of  
North Carolina  
at Charlotte

University of  
North Carolina  
at Greensboro

University of  
North Carolina  
at Pembroke

University of  
North Carolina  
at Wilmington

Western Carolina  
University

Winston-Salem  
State University

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The three barrier-related groups will not have a percentage-based working target, but will be asked to identify barriers and to provide a plan for removing them to maximize savings. While removing barriers will likely quantify some cost savings, in many cases the larger benefits will accrue from greater effectiveness as processes are reworked.

These percentage-based working targets apply only to the working groups, and not to the operational reviews you are doing on your campuses. Although it would be easy to designate a goal for the campuses, I do not believe that is the right thing to do at this time. You must exercise your own judgment and pursue the opportunities most relevant to your own operations. I have great faith you can and will do this now and in the months ahead.

From the very beginning, my vision for the PACE project has been to enable transparency in public funds and to provide our students, their parents, taxpayers, and legislators with an understanding of how we invest those funds to support university education in North Carolina. Your efforts, coupled with those of the working groups, will provide us with that transparency and the opportunity to redirect much-needed dollars to our core functions of instruction, research, and public service. I look forward to discussing both efforts at our August 28 meeting.

cc: PACE Chair Krista Tillman  
PACE Co-chair James Speed  
Jack Evans  
Jim Newlin  
Chancellor Ken Peacock  
Peter Sidebottom  
William Smith  
Vicki Wilson-McElreath  
Board of Governors Chair Jim Phillips  
General Administration Council