

NC STATE UNIVERSITY


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February 16, 2007

MEMORANDUM

TO: James O. Smith
Associate Vice President for Finance
UNC General Administration

FROM: Charles D. Leffler 
Vice Chancellor for Finance and Business

SUBJECT: Interim PACE Report

The initiatives described in the attached Interim PACE Report reflect NC State's evolving response to President Bowles' challenge to increase efficiency and effectiveness. Across our campus we are reworking processes that are barriers to improvement and leveraging our strengths for greater savings, with the overarching goal of strengthening the academic mission of the University. As reflected in these documents, we have identified - and where possible begun to measure - savings achieved by reducing and/or avoiding costs and saving time. As this effort comes together, we will be able to give you a more complete report.

Two dimensions define the process we have used to identify opportunities for improvements in efficiency and effectiveness at NC State. A vertical process, through Compact Planning, has identified strategies to reduce costs and reallocate resources within units. A horizontal process has identified strategies to reduce the cost of processes and services that span across multiple units.

Organizationally, our PACE Advisory Group comprises members from across the University. Faculty, staff, students, and administrators are well represented on the committee and have worked collectively to identify and plan the group's work. To ensure objectivity and encourage innovation, for most initiatives the study and recommendations are being made by a small task force that includes members from areas outside the process or service under review. In one or two cases, a consultant will be used. As the PACE Advisory Group evaluates the recommendations for each process, a feasible package of cost savings and/or cost avoidance will be proposed.

Please let me know if you have any questions concerning our submission.

Attachment

cc: Chancellor James L. Oblinger

PACE Summary NC State University

Initiatives	Deliverable	Schedule for Completion	Projected Efficiency/Effectiveness/Service Quality Improvements
(1) Reorganization of IT Functions <i>Priority: High</i>	Completion of Chief Information Officer study & implementation of recommendations for reorganization	TBD	Elimination of duplication, consolidation of services & support, enhancement of system resiliency & disaster recovery, & improved communications
(2) Review of Promotional & Public Relations Activities <i>Priority: High</i>	Identification of various functions that promote University activities with the possibility of consolidating into one or more centralized units	TBD	Possible elimination of duplication & improvement of coordination, allowing for lower, group charges from external vendors & contributing to the University's efforts to project a singular image
(3) Review of Academic Program Administration & DELTA <i>Priority: High</i>	Identification of opportunities for integration of funding & administration of courses & programs including those offered on-campus, online, and/or off-site	TBD	Facilitation of innovation & reduction of duplication of administrative support within academic units & DELTA
(4) Review of Auxiliary Services Structure <i>Priority: High</i>	Identification of opportunities to consolidate or realign services for more cost-effective delivery	TBD	Possible reduction of duplication & improvement in cost effectiveness of self-supported auxiliary services
(5) Management of Utility Costs <i>Priority: High</i>	Implementation of Energy Management Initiative including Energy Conservation Awareness Program, monitoring, & Energy Setback Program	TBD	Conservation of energy & reduction in costs
(6) Simplification of Procurement <i>Priority: High</i>	Implementation of E-Procurement Program	Tentative Implementation: June 2008	Simplification of procurement through increased use of online purchasing, improved monitoring & control of chemical & hazmat purchases, usage, & disposal, negotiation of vendor discounts, increased rebates through use of purchasing cards
(7) Reorganization of Summer School & Non-Degree Credit Programs <i>Priority: High</i>	Completion of Provost's Task Force work & implementation of recommendations for consolidation of services	Completion of task force work: May 1, 2007 Implementation of recommendations: August 2007	Elimination of duplication of services by DUAP, Graduate School, CPSS, EMAS, DELTA, R&R, and colleges
(8) Management of Classrooms & Teaching with Technology <i>Priority: High</i>	Implementation of recommendations by Classroom Improvement Task Force	Completion of task force work: December 2006 Implementation of recommendations: timeline currently under consideration by sub-committees	Improvement in classroom equipment & efficiencies in use of classrooms, planning & paying for classroom space, & provision of help with technology
(9) Review of Personnel Functions <i>Priority: High</i>	Identification of further opportunities to centralize services for more cost-effective delivery	TBD	Possible improvements in efficiency, oversight, consistency & quality of data pertaining to personnel actions
(10) Outsourcing of Employment & Wage Verification <i>Priority: Medium</i>	Outsourcing of employment & wage verification function	September 1, 2007	Increased efficiency of Human Resources personnel through elimination of low-value-added work
(11) Consolidation of Fundraising Administration & Accounting <i>Priority: Medium</i>	Combination of Annual Fund & Alumni Association Call Centers; Merger of Alumni Association Accounting into University financial system	Target date of July 1, 2007	Decreased competition for donors during major fund drives; Increased efficiency in fundraising accounting
(12) Transition to IP Telephony <i>Priority: Medium</i>	Telecommunications infrastructure upgrades	Initial Phase: 24-30 months Full Implementation: 8 years	Upgrading of campus buildings to support higher data rates for emerging applications, replacement of antiquated voice mail system, funding of wireless deployments crucial to academic units

**PACE Summary
NC State University**

Initiatives	Deliverable	Schedule for Completion	Projected Efficiency/Effectiveness/Service Quality Improvements
(13) Elimination of Lapsed Salary Report <i>Priority: Medium</i>	Elimination of January and April Lapsed Salary Reports	Full implementation: January 2007	Streamlining of administrative reporting efforts
(14) Consolidation of Shop Space <i>Priority: Medium</i>	Identification and description of all shop spaces on campus with possible consolidation as appropriate	TBD	More availability and increased efficiency in use of shop space, especially in the College of Education and College of Natural Resources
(15) Improvements in Financial Services Reporting <i>Priority: Medium</i>	Elimination of position in Contracts and Grants Office by providing prefabricated online queries for various ad hoc reports to campus units; Re-distribution of reporting responsibilities; Reallocation of funds to support planning initiative	Completed January 2007	Increased funding for core function: additional resources provided for support of administrative computing applications for the research function
(16) Implementation of Online Faculty Well-Being Survey <i>Priority: Medium</i>	Complete survey results & analysis with identification of areas of concern	Completed January 2007	Improved ability for the University to address the Strategic Plan's Investment Priority "to help attract, develop, and retain a faculty of the highest quality"
(17) Realignment of McKimmon Center Support <i>Priority: Medium</i>	Reallocation of appropriated funds from fee-supported McKimmon Center programs to non-fee-supported academic and extension programs	Phased in FY 07-08 and FY 08-09	Increased funding for core academic and extension functions
(18) Implementation of Full Payroll Direct Deposit <i>Priority: Medium</i>	Implementation of mandatory direct deposit for payroll	Implementation: October 2006	Reduction of annual operating costs associated with making employee salary payments by paper checks; Elimination of banking charges and fees to support a governmental bank account; Increased security; Ability for employees to access payroll information online using self-service feature of HR system, resulting in more efficient use of staff time