The University Fiscal Sustainability Coordinating Committee (FSCC) was charged with engaging the campus community in formulating strategies and actions for sustaining programs, personnel, and infrastructure necessary to meet the core components of ECU’s mission: Student Success, Regional Transformation, and Serving the Public. The Committee focused on long-term sustainability through new and current revenue sources, reduced overhead costs, and development of more efficient systems. The collective insight and intelligence of the ECU community was sought to identify opportunities for expanding our market share, collaborating and consolidating to reduce costs, and adapting the way we do business, thereby taking advantage of changes in the environment and exerting better control over their impacts.

Insights into ways to increase revenue and efficiencies, and/or decrease costs were obtained from the campus community, consultant reports, interviews with past and current leaders, and leadership groups within ECU. Draft reports and recommendations were compiled and posted, and feedback was received through surveys, public forums, and invited participation in group meetings, and the reports and recommendations were revised based on the feedback. The revised reports and recommendations were distributed to ECU leadership that represents staff, faculty, administration, and volunteer advancement boards for input to the Committee prior to submitting final recommendations to the Chancellor.

Fifty-one percent of ECU’s revenue comes from enrollment, student fees, and state appropriation. Tuition and fees, which represent 19% of our revenues, decreased by $11 million from 2017 to 2020. Over the same period of time, state appropriations increased $18 million, but the increase was largely due to specific legislative changes in the NC Teacher Support program and employee benefits, and the funds did not offset declines in operating funds provided by tuition and fees.

To accomplish its mission, ECU must increase revenue and/or decrease costs. The Fiscal Sustainability Coordinating Committee engaged the campus community to identify issues and opportunities related to revenue, operations, and costs. A high level summary of findings and recommendations is provided below. Findings and recommendations are separated into the following categories: **Budgeting**, **Consolidation and Reorganization**, **Academic Programs and Workload**, **Enrollment**, and **Operational Costs**.

1. **Budgeting**

For ECU to continue accomplishing its mission, revenue generation and operational costs must be balanced and align with misssional priorities. Establishing and maintaining a sustainable balance requires
ongoing, informed dialogue, particularly when the financial environment is changing. A transparent budgeting, funding prioritization, and financial reporting process is required that links funding and costs to desired outcomes, including revenue generation and program impacts.

1.1 Recommendation

1.1.1. Once an all funds budgeting process is implemented, convene a subgroup of University Council with broad representation from across campus, to recommend a strategic approach to annual, recurring, and one-time budgeting based on institutional priorities. The approach should clearly link funding to revenue generation and program impacts, and consider both direct and indirect effects of funding decisions. Clear institutional performance metrics should be established and used to evaluate and refine budget decisions over time. These metrics should align with those tracked by the Board of Trustees, UNC System Office, and Board of Governors.

2. Consolidation and Reorganization

Adapting to reduced state funding, changes in demographics of learners, opportunities such as those provided by technology, and societal workforce needs require that ECU be able to respond and implement change in a unified fashion. Strong collaborative leadership, an organizational structure that aligns responsibility and accountability, alignment of resources with missional priorities, and transparent financial reporting are important to long term success. The following recommendations focus on two primary functions, academic programs and fundraising. The recommended structural changes are intended to 1) facilitate strategic institutional responses to change by converging reporting lines for academic programs onto a single leadership position; 2) increase foundation funding to academic programs by reducing overhead costs of fundraising and investing in staff directly engaged with donors; and 3) increase consistency and effectiveness of business processes and reporting. A major challenge in implementing structural changes is ensuring that identities of units are preserved, and that the unique needs of programs are understood and met.

2.1. Recommendations

2.1.1. Change the reporting structure for the deans of BSOM, CON, CAHS, and SoDM such that all academic programs and functions that directly support academic programs report through a single chief academic officer. Depending on her/his expertise, the Chief Academic Officer may appoint an appropriately credentialed assistant to provide clinical expertise to the leadership team, facilitate health programs, and oversee the regulatory and compliance offices.

2.1.2. Increase representation on Academic Council for Administration and Finance, Student Affairs, and Faculty and Staff senates. If recommendation #1 is implemented, the representative for clinical and health programs should also be included.

2.1.3. Create a “Council of Deans” comprised of the deans from Academic Affairs and Health Sciences to advise Academic Council, improve communication, and provide greater input into decision making.

2.1.4. Explore consolidating or better aligning certain compliance and regulatory functions.

2.1.5. Engage an external consultant firm to conduct a comprehensive assessment of advancement at ECU and determine the best integrated model for future success. Appoint an ad hoc committee comprised of ECU leadership and the four foundations to work with and provide input to the consultant firm.
2.1.6. Create a working group under the ad hoc Committee to increase the net return from fundraising, to include reducing overhead costs of the foundations, build trust and collaboration across the foundations, improving communication, and decreasing the administrative burden on staff.

2.1.7. Create a second workgroup under the ad hoc Committee comprised of investment committee board members and financial services staff from all four foundations to determine a unified investment strategy.

2.1.8. Coordinate scheduling of foundation board meetings to reduce workload on staff, improve communication, and increase stakeholders’ understanding of the importance of each area of campus.

2.1.9. Use one centralized alumni and donor database for ECU and its foundations to reduce cost, coordinate contacts, and improve communication.

3. Academic Programs and Workload

ECU must engage in innovative and unique changes to optimize revenue generated by faculty efforts. However, focusing singularly on FTE production could lead to decisions that are detrimental to the broader institution. A complete fiscal picture utilizing multiple performance measures and an associated revenue distribution model is required. Nonetheless, increasing funding through FTE production is critical to the institution’s future and replenishing faculty numbers.

3.1. Recommendations

3.1.1. Development of new programs must carefully consider the UNC Funding Formula and the corresponding CIP codes assigned to the program’s courses. Additionally, a rigorous and transparent process for tracking fulfillment of the enrollment projections of a given program should be developed and implemented.

3.1.2. Leverage online offerings to increase FTE generation by (1) ensuring general education (GE) requirements can be completed online, and (2) expand offering of online bachelor’s degree programs.

3.1.3. Reconstruct General Education (GE) requirements to be in congruence with SACSCOC requirements.

3.1.4. Redevelop core program courses to reside in the unit that holds the degree program.

3.1.5. Explore the reassignment of qualified and willing faculty currently supporting undergraduate programs with predominately Category I courses to units in support of programs with predominately Category II, III, and IV courses.

3.1.6. Charge EPPC to evaluate and make recommendations for reviewing and managing low enrollment degree and certificate programs.

3.1.7. Develop a process internal to ECU for continual financial evaluation of master’s and doctoral programs.

3.1.8. Revise ECU PRR REG02.07.06 on faculty workloads to provide greater clarity and alignment with other workload regulations set forth by UNC System Office.

3.1.9. Evaluate how units across the ECU campus can be consolidated to eliminate redundant programs and activities with FTE gains being reinvested into master’s and doctoral programs.

4. Enrollment
To sustain or grow enrollments, ECU must become more attractive to potential recruits and existing students through high quality academic programs, effective and efficient delivery methods, and a dynamic campus environment. Current and future enrollment strategies require upfront investments, appropriate infrastructure, and coordination. Efforts need to be incentivized and rewarded through sharing of resulting increases in revenue and resources.

4.1. Recommendations

4.1.1. Continue Strategic Enrollment Planning and grow ECU Online
   4.1.1.1. Anticipate and provide increased resourcing for current enrollment initiatives (SEP, ECU Online) as competition for students increases.
   4.1.1.2. Invest in marketing to students and families.
   4.1.1.3. Address the unique challenges presented in recruitment and retention of graduate students, particularly aggressive competition from Online Program Managers (OPM).
   4.1.1.4. Review, approve, and monitor enrollment initiatives through established curricular processes.

4.1.2. Grow Enrollment of Hispanic Students
   4.1.2.1. Offer opportunities for developing intercultural and language skills for faculty and staff.
   4.1.2.2. Create a professional development training program for the Hispanic community.
   4.1.2.3. Engage faculty and students in assisting with assimilation, support and transition to college.
   4.1.2.4. Fund marketing and resources needed to boost enrollment, recruitment, and retention.
   4.1.2.5. Create a campus environment that is welcoming and inclusive.

4.1.3. Strengthen Pathways to Post-traditional Students
   4.1.3.1. Increase visibility of all the pathways that ECU currently offers.
   4.1.3.2. Create an inventory of Associate Degrees that directly lead to established pathways, and market heavily to those students.
   4.1.3.3. Adopt new guided pathways in collaboration with community colleges.
   4.1.3.4. Offer graduate or undergraduate programs with clear connection to career paths.
   4.1.3.5. Increase physical branding of ECU in strategic markets.
   4.1.3.6. Meet the students where and when they are available.
   4.1.3.7. Restore physical face-to-face engagement.

4.1.4. Grow Graduate Enrollment
   4.1.4.1. Increase marketing of specific degrees and academic programs of interest to potential students.
   4.1.4.2. Create models to look at new, returning, completers, and drop-outs to understand enrollment trends at the college level or clusters of disciplines.
   4.1.4.3. Identify, promote, or create programs where opportunity for growth exist.
   4.1.4.4. Conduct case studies of online master’s programs to identify strengths, weaknesses, opportunities, and threats with respect to enrollment.
5. **Operational Costs**

Since 2014, administrative units across campus have made, and continue to make, progress on reducing operational costs; and while changes could improve effectiveness, significant cost savings are not likely to be realized. The largest administrative cost is personnel, and since 2014, administrative positions across campus have been lost due to cuts in state budgets, leaving most units minimally staffed or under-staffed for the work that needs to be performed. Shared services could improve services by redistributing workloads, matching tasks with staff qualifications, and co-locating staff with similar duties where they can share and develop knowledge and expertise. Centralization of services is not widely supported as it is perceived to reduce the quality of customer service.

5.1. **Recommendations**

5.1.1. Explore opportunities for units to share services, potentially through a distributed model where personnel with specific expertise report to a central office but are deployed to units where the work is performed.

5.1.2. Explore moving SHRA personnel actions from the divisional offices to Human Resources.

5.1.3. Leverage remote work.

5.1.4. Reduce excess (duplicated/replicated) technologies across the campus community by formally assessing authorization for ALL University technology (software and hardware) procurement requests.

5.1.5. Continue to vet and hone recommendations of the Distributed IT Report.

5.1.6. Explore consolidation of the computer refresh programs under ITCS for efficiency in compilation, ordering, and installation of replacement computers.

5.1.7. Explore consolidation of the parking and transit offices.

5.1.8. Facilitate access to operational materials on the Materials website.

5.1.9. Convene a workgroup to streamline processes and procedures related to hiring graduate, teaching, and research assistants.