



MEETING OF THE BOARD OF GOVERNORS
Committee on Strategic Initiatives

May 25, 2022 at 2:00 p.m.
Via Videoconference and PBS North Carolina Livestream
University of North Carolina System Office
140 Friday Center Drive, Board Room
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Open Session Minutes of April 6, 2022.....Carolyn Coward
- A-2. Review and Approval of Refreshed
Strategic Plan Goals Andrew Kelly
- A-3. Adjourn

DRAFT MINUTES

April 6, 2022 at 10:30 a.m.

Via Videoconference and PBS North Carolina Livestream

Western Carolina University, A.K. Hinds Center Multipurpose Room

Cullowhee, North Carolina

This meeting of the Strategic Initiatives Committee was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were also present in person or by phone: J. Alex Mitchell, Lee Roberts, Ray Palma, and David Powers.

Anna Spangler Nelson and Michael Williford were absent.

Chancellors participating were Kelli Brown and Brian Cole.

Staff members present included Dr. Andrew Kelly and others from the UNC System Office.

1. Approval of the Minutes of January 19, 2022 (Item A-1)

MOTION: Resolved, that the Committee on Strategic Initiatives approve the open session minutes of January 19, 2022.

Motion: Alex Mitchell

Motion carried

2. Project Kitty Hawk Update (Item A-2)

Chair Coward invited Dr. Wil Zemp, CEO of Project Kitty Hawk, Inc., to give an update on the status of the organization.

Dr. Zemp gave brief remarks about the status of the Project Kitty Hawk organization.

3. Strategic Plan Refresh Update (A-3)

Chair Coward invited Dr. Kelly to present an update on the strategic plan refresh process.

Dr. Kelly presented on the strategic plan update and refresh.

4. Adjourn

There being no further business and without objection, the meeting adjourned at 11:26 a.m.

Lee Roberts, Secretary



AGENDA ITEM

A-2. Review and Approval of Refreshed Strategic Plan Goals.....Andrew Kelly

Situation: In January 2017, the Board of Governors passed the University of North Carolina System’s Strategic Plan, Higher Expectations. The plan outlines robust goals focused on access, affordability, student success, and economic impact across the System. The plan has entered its last year (2021-22). Over the past four months, System Office staff have led a process to refresh the strategic plan’s goals and metrics under the five themes. The goals, metrics, and targets are now ready for approval.

Background: The current Strategic Plan spells out goals and metrics related to five key themes: access, affordability and efficiency, student success, economic impact and community engagement, and excellent and diverse institutions. After the plan was passed, the System Office established performance agreements with each constituent institution that outlined institution-specific goals and metrics. The 2021-22 academic year is the final year of the current plan.

Over the course of 2022, the president and System Office staff have undertaken an effort to “refresh” the current plan so as to align the goals and metrics under each of the five themes with current priorities and initiatives. The refresh process has included virtual town halls at each constituent institution, a Systemwide survey, meetings with university stakeholders, and analysis of data to gather perspectives and ideas for new goals and metrics. The resulting refreshed plan reflects current Board of Governors priorities, campus-level feedback and suggestions, and projected state needs.

Assessment: The Committee on Strategic Initiatives will review and vote on the refreshed goals, metrics, and targets.

Action: This item requires a vote by the committee and a vote by the full Board of Governors.



PROPOSED GOALS FOR THE STRATEGIC PLAN REFRESH

THEME 1: ACCESS

Definition: Access is the opportunity for all North Carolinians who are prepared for the associated rigorous learning experiences to pursue a university education. Providing North Carolinians access and encouragement to pursue higher education is not confined solely to helping students gain admittance to college. It also includes:

- Providing multiple access points into the University, such as pathways for transfer students and availability of online courses.
- Offering academic, financial, cultural, and other knowledge-based services to help all students—but particularly those who are underserved for any reason—aspire to, enroll in, and graduate from institutions that match their interests and capabilities.

Goal 1: Increase Access for Underserved Populations

Metrics:

Increase adult learner enrollment (Baseline: 24,928).¹

- **Target:** By Fall 2027, the UNC System will increase the number of adult learners to 45,000 students.
- **Stretch:** By Fall 2027, the UNC System will increase the number of adult learners to 50,000 students.

Rationale: The North Carolina General Assembly has set an ambitious college attainment goal for two million North Carolinians between the ages of 25 and 44 to complete a postsecondary degree or credential by 2030. If current trends hold, the state will come up about 400,000 graduates short. Continued work to improve access and success among traditional age students (18-24) is critical, but to meet the attainment goal, our state must do more to serve adult learners who have not yet completed a degree. There are more than one million adults between the ages of 25 and 64 with some college but no degree in North Carolina, many of whom are turning to out-of-state online universities to complete their education. With the launch of Project Kitty Hawk, the UNC System will be better equipped to serve these students and will aim for the ambitious goal of serving an additional 20 –25,000 adult learners over the next five years.

¹ **Adult learner enrollment:** Fall Headcount of in-state, and out-of-state, degree seeking, and non-degree-seeking, undergraduate students age 25+ at the start of the current term.

Increase military-affiliated enrollment (Baseline: 20,455).²

- **Target:** By Fall 2027, the UNC System will increase the number of military-affiliated students to 25,000 students.
- **Stretch:** By Fall 2027, the UNC System will increase the number of military-affiliated students to 30,000 students.

Rationale: The Committee on Military and Public Affairs has documented that military-affiliated students (active duty, veterans, and spouses and dependents) are a major asset to the state of North Carolina and the UNC System. While military-affiliated student enrollment has increased 6.5 percent over the last three years (an increase of 1,251 students), there are substantial numbers of individuals who are either not enrolled or are enrolled online with out-of-state universities and would benefit from the educational opportunities that the UNC System has to offer. With the launch of Project Kitty Hawk, closer partnerships with military installations, and increased outreach by our universities, the System can expand the number of military-affiliated students served by 22 percent or more.

Increase undergraduate enrollments of students from underserved counties (Baseline: 69,034).³

- **Target:** By Fall 2027, the UNC System will increase the number of first-time and transfer students from underserved counties to 73,000 students.
- **Stretch:** By Fall 2027, the UNC System will increase the number of first-time and transfer students from underserved counties to 75,000 students.

Rationale: Access to postsecondary opportunity is not equally distributed across our state and the System has spent the last five years working to increase enrollment and attainment of students from Tier 1 and Tier 2 counties (a proxy for “rural” counties). Campus leaders have suggested that the System refresh how it defines and measures geographic disparities in access and, given geographic trends, move away from a definition that is based primarily on county population. The System Office therefore proposes to classify counties based on college enrollment rates. Statewide data indicate that, among high school graduates from 2016-17, 61.5 percent of students enrolled in some postsecondary education within twelve months of graduating. Of North Carolina’s 100 counties, 75 had college-enrollment rates that were less than that statewide average. The good news is that undergraduate enrollment from these underserved counties has increased 2.3 percent over the past five years, mirroring population growth among residents between the ages of 18 and 44 in those counties (+2.1 percent between 2016 and 2020). The state demographer projects that the population of these counties will grow an additional 3.2 percent between 2022 and 2027. Therefore, aspiring to increase enrollments from these counties by ~6 percent or more will push the System to increase enrollment and attainment among students from those counties more than population growth alone.

² **Military affiliated enrollment:** Includes in-state and out-of-state, degree-seeking and non-degree-seeking, undergraduate and graduate students who are active duty, veterans, or national guard reserves and their spouses or dependents.

³ **Underserved Counties:** Counties with a postsecondary attendance rate below the North Carolina State Average (61.5%). *Source:* My Future NC. System Office will update the list of counties when new college-going data becomes available from the NC Department of Public Instruction in Summer 2022.

THEME 2: STUDENT SUCCESS

Definition: Student success is a combination of positive intellectual, personal, and social development facilitated by a high-quality university education. It includes:

- The development of competencies — critical and creative thinking, life-long learning, technological mastery, resilience, effective communication, flexibility, and collaboration, among others — for meaningful engagement in 21st-century life.
- The timely acquisition of a degree.

Goal 2: Increase Undergraduate Student Success

Metrics:

Increase the four-year graduation rate among first-time, full-time students (Baseline: 55.0%).⁴

- **Target:** By 2026-27, increase the Systemwide four-year graduation rate to 61.5 percent (6.5 percentage point increase).
- **Stretch:** By 2026-27, increase the Systemwide four-year graduation rate to 65.0 percent (10 percentage point increase).

Rationale: The System has made significant progress in increasing graduation rates under the current Strategic Plan, which focused on the five-year graduation rate. The goals that the Board of Governors has set for President Hans focus on increasing the four-year graduation rate. Therefore, what is proposed here represents an extension of the presidential goals, which were derived using national data on improvements in on-time graduation rates across public four-year universities. As a reminder, the Board adopted three-year goals for each university on key metrics, setting a *threshold* and *stretch* goal on each metric for each university. To generate the stretch goal above, System Office staff applied the growth rates used for the presidential *stretch* goals to the 2020-21 baseline and extended that growth through 2026-27 for each university. The target goal follows the same logic but extends the midpoint between the *threshold* and *stretch* goals to 2026-27 for each university. The stretch and target rates for 2026-27 were then calculated as a weighted average of those institution-level goals. For context, the system-wide four-year graduation rate increased 7 percentage points between 2016 and 2021.

Increase Undergraduate Degree Efficiency (Baseline: 24.9).⁵

- **Target:** By 2026-27, increase Systemwide undergraduate degree efficiency to 25.8.
- **Stretch:** By 2026-27, increase Systemwide undergraduate degree efficiency to 26.8.

Rationale: Undergraduate degree efficiency was included in the current strategic plan as a more holistic measure of student success than graduation rate, which captures the success of students beyond the first-time, full-time freshmen to include those who transfer into our System and complete a degree. It is also included in the goals set by the Board of Governors for President Hans. The proposed goals reflect an extension of those goals, which were derived using national data on undergraduate degree efficiency across public four-year universities. However, recent declines in North Carolina Community College System enrollment and the challenge of continuing to improve after years of steady growth imply that future increases may be more modest. Therefore, to set the proposed target goal above, System Office

⁴ **Four-year Graduation Rate:** Includes first-time, full-time, bachelor's degree seeking students graduating from any US university. Rates based on the adjusted IPEDS cohort.

⁵ **Degree Efficiency:** Measures the number of undergraduate credentials awarded per 100 Full-Time Equivalent (FTE) undergraduates. Credentials includes associate and baccalaureate degrees, and post-baccalaureate certificates.

staff applied the growth rate used for the Presidential *threshold* goals to the 2020-21 baseline and extended that growth through 2026-27 for each university. The stretch goal follows the same logic but extends the mid-point between the *threshold* and *stretch* goals through 2026-27. For context, the system-wide degree efficiency measure has increased by 1.7 degrees per 100 FTE since 2016-17.

Goal 3: Make Progress on Equity Gaps by Race/Ethnicity and Income

Metrics:

Increase the four-year graduation rate for students of color, including Black or African American, Hispanic or Latino, Native American, and Two or More Races.

Baseline graduation rate by subgroup:

Black or African American: 39.1%

Hispanic or Latino: 50.6%

Native American⁶: 37.3%

Two or More Races: 48.9%

- **Target:** By 2026-27, increase the four-year graduation rate of each subgroup by 6.5 percentage points.
- **Stretch:** By 2026-27, increase the four-year graduation rate of each subgroup by 10.0 percentage points.

Rationale: The Board of Governors' Racial Equity Task Force found that System progress on measures of student success can mask stubborn disparities in success across demographic groups. The good news is that student success rates have increased across demographic groups. But gaps remain. Like the last plan, and per the recommendations of the task force, the proposed refresh will set goals and disaggregate data on student success across groups of students whose completion rates have historically lagged Systemwide averages. The proposed target goal above mirrors the target level of overall improvement on the four-year graduation rate (+6.5 percentage points), while the stretch goal would result in considerable progress toward narrowing the current gap between students of color and their peers.

Increase the four-year graduation rate for Pell Grant recipients (Baseline: 43.0%).

- **Target:** By 2026-27, increase the four-year graduation rate for Pell Grant recipients by 6.5 percentage points.
- **Stretch:** By 2026-27, increase the four-year graduation rate for Pell Grant recipients by 10 percentage points.

Rationale: Low-income students complete college at lower rates than their more affluent peers. Thanks to affordable tuition and fees and student support, under the existing strategic plan the UNC System increased the number of Pell Grant recipients that completed a bachelor's degree by 10.2 percent, but completion rates among Pell Grant recipients still lag the System average. The target goal above mirrors the target level of overall improvement on the four-year graduation rate (+6.5 percentage points), while the stretch goal would narrow the current gap between Pell-recipients and non-Pell recipients by half (+10 percentage points).

⁶ Referred to as American Indian or Alaska Native on UNC System Dashboards and federal IPEDS reporting.

Goal 4: Increase Graduate Student Success

Metrics

Increase Master's Degree Efficiency (Baseline 56.2, 3-year average)

- **Target:** By 2026-27, increase master's degree efficiency to 60.0.
- **Stretch:** By 2026-27, increase master's degree efficiency to 61.0.

Increase Research Doctoral Degree Efficiency: (Baseline: 27.3, 3-year average)

- **Target:** By 2026-27, increase research doctoral degree efficiency to 29.0.
- **Stretch:** By 2026-27, increase research doctoral degree efficiency to 30.0.

Rationale: A consistent theme emerged from campus town halls and affinity group meetings: the refreshed strategic plan should more clearly acknowledge the important contribution that graduate education and graduate students make to the UNC System and its impact on the state. Some speakers specifically highlighted the need to focus on graduate student success and associated topics like student wellness. The System has not historically measured graduate student success systematically but would propose including a measure of graduate degree efficiency—the number of credentials awarded per 100 FTE graduate students—in the refreshed strategic plan. The proposed measure will be disaggregated across master's degrees and Research Doctorates, given their different lengths. The baseline data above reflect a three-year average to account for the latest year, which was an outlier. The target and stretch goal reflect increases of 1 percent (target) to 1.5 percent (stretch) per year through 2026-27.

Goal 5: Improve Student Mental Health

Metrics

By Spring 2027, all institutions will have participated in the Healthy Minds Survey and shall develop campus-level goals and strategies based on survey findings.

Rationale: The System has made student mental health a priority, investing in shared telehealth services and successfully soliciting funding from the Governor's Emergency Education Relief (GEER) fund to expand capacity and training. One of the limitations in understanding the scope of the challenge and our ability to measure improvement is the lack of systematic data on the incidence of student mental health concerns. The proposed goal would call on each institution in the System to participate at least once in the Healthy Minds Survey, an annual study of student mental health on college campuses run by the Healthy Minds Network, a team of university-based economics and public health researchers. Collecting these data will enable universities to identify specific challenges and set goals for improvement.

THEME 3: AFFORDABILITY AND EFFICIENCY

Definition: Article IX, Section 9 of the North Carolina State Constitution requires that “The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.” That constitutional mandate encourages a working compact among the state’s elected officials, taxpayers, and UNC System to deliver the System’s multifaceted mission at the highest levels of quality and in a cost-effective manner, without regard to a student’s ability to pay.

Goal 6: Increase Affordability

Metrics:

Limit or reduce average federal student loan debt at graduation among first-time students that complete a bachelor’s degree (Baseline: \$12,788).⁷

- **Target:** Limit increases over baseline to the inflation rate (CPI)
- **Stretch:** By 2026-27, reduce debt at graduation by 12.5 percent compared to inflation-adjusted baseline

Rationale: The System has made significant progress in reducing average debt at graduation among first-time students, and this metric is included in the goals set for the President by the Board of Governors. The proposed target and stretch are an extension of those goals, though they acknowledge the potential for inflation-driven increases in components of costs of attendance (i.e., food, housing, transportation) to increase borrowing over the course of the refreshed strategic plan. Therefore, using 2020-21 as the baseline, the target goal above calls for limiting increases in the cumulative federal student loan debt for first-time freshmen to the rate of inflation each year. The stretch goal calls on the System to outperform inflation by reducing cumulative federal loan debt at graduation by 12.5% after accounting for inflation. For context, the average cumulative debt load at graduation for first-time students declined about 20 percent in real terms between 2016 and 2021 (-12.5% in nominal terms).

Limit or reduce average federal student loan debt at graduation among transfer students that complete a bachelor’s degree (Baseline: \$11,377).⁸

- **Target:** Limit increases over baseline to the inflation rate (CPI)
- **Stretch:** By 2026-27, reduce debt at graduation by 12.5 percent compared to inflation-adjusted baseline

Rationale: The System has made significant progress in reducing average debt at graduation among transfer students, and this metric is included in the goals set for the President by the Board of Governors. The proposed target and stretch are an extension of those goals, though they acknowledge the potential for inflation-driven increases in components of costs of attendance (i.e., food, housing, transportation) to increase borrowing over the course of the refreshed strategic plan. Therefore, using

⁷ **First-time Student Average Debt:** Average cumulative federal loan debt of bachelor’s degree completers in an academic year who started as in-state first-time students within the previous 10 years. Calculation of the mean includes non-borrowers (0’s). Does not include Parent Plus loans or graduate students.

⁸ **Transfer Student Average Debt:** Average cumulative federal loan debt of bachelor’s degree completers at a UNC university in an academic year who started at the UNC university as an in-state transfer student from the UNC System or a North Carolina Community College, within the previous 10 years. Calculation of the mean includes non-borrowers (0’s) and transfers from the UNC System or a North Carolina Community College. However, only counts federal student loan debt accumulated at the receiving institution. Does not include Parent Plus loans or graduate students.

2020-21 as the baseline, the target goal above calls for limiting increases in the cumulative federal student loan debt for first-time freshmen to the rate of inflation each year. The stretch goal calls on the System to outperform inflation by reducing cumulative federal student loan debt at graduation by 12.5% each year after accounting for inflation. For context, the average cumulative debt load at graduation for transfer students declined more than 25% in real terms between 2016 and 2021 (-18.6% in nominal terms).

Goal 7: Improve University Productivity

Metrics:

Limit increases in education and related expenses per degree to inflation (Baseline: \$62,331).⁹

- **Target:** Limit increases over baseline to the inflation rate (CPI minus food and energy)
- **Stretch:** By 2026-27, reduce education and related expenses per degree by 12.0 percent compared to inflation-adjusted baseline.

Rationale: Education and Related Expenses per Degree measures the productivity of educational spending. The System and its constituent institutions can increase productivity by containing costs (the numerator) but can also do so by making investments that maximize persistence and timely degree completion, leading to increased numbers of graduates (the denominator). This metric is aligned with the goals set for the president by the Board of Governors, and the proposed target reflects an extension of those goals through 2026-27. The stretch goal calls on the System to reduce education and related expenses per degree by 12 percent after accounting for inflation.

⁹ **Education & Related Expenses:** Measures the return on a universities financial investment as measured by output of degrees. Education and related expenses include total expenditures for instruction, student services, and an allocated portion of expenditures on academic and institutional support. Degrees count all completions including associate, baccalaureate, master's, and doctoral degrees, as well as post-baccalaureate and post-master's certificates. More detail on the E&R metric can be found on the Finance Dashboard.

THEME 4: ECONOMIC IMPACT AND COMMUNITY ENGAGEMENT

Definition: Universities have sustained impact on state and regional economies through the students they attract and teach, the research they perform, the innovation they encourage, the people they employ, the services they offer, and the partnerships they build with their communities and across the world. The University can enhance economic impact and community engagement by preparing graduates to be well-rounded citizens and lifelong learners to meet the state’s long-term needs; improving quality of life; investing in foundational research; speeding the discovery, application, and translation of research; and deepening sustained partnerships that strengthen local communities and the state’s economy.

Goal 8: Increase the University System’s Contribution to the State’s Critical Workforces

Metrics

Increase the number of Health Sciences and STEM degrees and certificates awarded systemwide (Baseline: 26,957).¹⁰

- **Target:** By 2026-27, increase the number of Health Sciences and STEM degrees and certificates awarded to 33,000.
- **Stretch:** By 2026-27, increase the number of Health Sciences and STEM degrees and certificates awarded to 38,000.

Rationale: The existing strategic plan calls for increasing the number of undergraduate and graduate credentials awarded in STEM, health sciences, and education-related fields. The System has made exceptional progress on this measure, increasing the number of critical workforce credentials awarded by 21.9 percent since 2016-17. The proposed refresh would continue to emphasize these three areas but disaggregate our contribution to education in a separate metric (see below). The measurement of STEM and health science credentials would be updated to reflect the latest classifications of instructional programs. The target goal above, to award 33,000 credentials in STEM and health sciences annually by 2026-27, represents a growth rate that is less steep than the previous 5 years (an increase of 22.4 percent, or half of the growth), which reflects the fact that the System is starting from a much higher baseline than it was in 2016-17. The stretch target, to award 38,000 credentials, would represent a continuation of the growth rate of the last five years.

¹⁰ **Health Sciences and STEM Degrees:** Defined as 2-digit CIP code of 51 (Health Professions and Related Programs) or a 6-digit CIP code of 018001 (Veterinary Medicine) or 018101 (Veterinary Sciences/Veterinary Clinical Sciences, General). STEM is defined by the Department of Homeland Security STEM Designated Degree Program List

Increase the number of graduates that go on to work in a public school in North Carolina. (Baseline: 4,643)¹¹

- **Target:** By 2026-27, increase the number of UNC System-Educated 1st Year Public School Employees to 4,800.
- **Stretch:** By 2026-27, increase the number of UNC System-Educated 1st Year Public School Employees to 5,000.

Rationale: Retirements (including early retirements) and attrition increased slightly in North Carolina public schools, according to a March 2022 report by the North Carolina Department of Public Instruction (DPI). This same report notes that employment in public schools remained stable during the first 12 months of the COVID-19 pandemic but may change with more recent data. The proposed targets reflect recent increases in Educator Preparation Program enrollments and programs designed to encourage more North Carolinians to pursue a career in the public schools (i.e., NC Teaching Fellows, NC Principal Fellows). To smooth outlier years (2019 and 2020), System Office staff used a three-year average of historical data, which indicated a 2.8 percent increase in the number of UNC System graduates entering the K12 public schools between 2017-2019 and 2019-2021. The target and stretch goals reflect increases of ~4 percent (4,800 1st year educators, matching the count in 2019) and 7.7 percent (5,000, a faster rate of growth than the most recent years), respectively.

Goal 9: Increase Research Productivity

Metrics:

Increase sponsored research and licensing income (Baseline: \$1.75 billion).¹²

- **Target:** By FY27, increase sponsored research and licensing income to \$2.0 billion.
- **Stretch:** By FY27, increase sponsored research and licensing income to \$2.1 billion.

Rationale: UNC System engagement in research and related activities drives economic growth and development in our state by generating external research funding for our universities; attracting talented faculty and students; and generating commercialization opportunities, patents, and start-up firms. The proposed metric above is consistent with the current strategic plan, under which the System saw sponsored research and licensing income grow 2.7 percent per year on average over the last five years. The target goal above (a total of \$2 billion) reflects a continuation of this growth trend from the baseline year through 2026-27. The stretch goal aspires to outperform historical trends by increasing total sponsored research and licensing income by 20 percent over the baseline.

¹¹ **Graduates Entering NC K12 Schools:** Includes individuals that earned a degree or licensure/certificate from a UNC System institution (either undergraduate, graduate, or both) that enter their first year as a certified classroom teacher, assistant principal, principal, or other certified staff (i.e., those working in social services, health services, attendance counseling, guidance services, media services, nurses licensed through NCDPI, speech services, audiologists, school psychologists, teacher mentors, and instructional coaches/facilitators) in a public k-12 school in North Carolina. Baseline reflects a three-year average over 2017-2019.

¹² **Sponsored Research and Licensing Income:** The amount of revenue from research and development sponsored program awards and licensing income in a given fiscal year. Reporting guidelines for sponsored program awards and licensing income are identical to those used in the annual UNC Report to the President on Research and Sponsored Programs

Goal 10: Increase Military Partnerships

Metrics:

Increase the number of military partnerships across the System (Baseline: 12).¹³

- **Target:** By 2026-27, increase the number of military partnerships to 20.
- **Stretch:** By 2026-27, increase the number of military partnerships to 25.

Rationale: The Committee on Military and Public Affairs has documented that the military community is a major asset to the state of North Carolina and the UNC System. Military partnerships support all aspects of the UNC System's mission by enhancing visibility and recruitment for UNC System institutions; providing military-affiliated students with access to trainings, professional development, and networking opportunities; funding research and development; and supporting the growth of the state's military economy. Increasing the number of partnerships will continue to benefit both the UNC System and the entire state.

¹³ **Military Partnerships:** Defined as (1) a formal, signed partnership agreement (signed by senior leadership on both sides) AND (2) the transfer of resources or knowledge.

THEME 5: EXCELLENT AND DIVERSE INSTITUTIONS

Definition: The System’s constituent institutions are individually distinct and mission-focused and collectively comprise an inclusive and vibrant System committed to excellence and the fullest development of a diversity of students, faculty, and staff.

Goal 11: Improve the Employee Experience

Metrics:

Increase the positive response rate on the employee engagement survey to meet or exceed the benchmark for four-year public universities.

Add survey items to the employee engagement survey that relate directly to employee mental health and wellbeing.

Rationale: As part of the previous strategic plan, the System conducted a biennial Systemwide employee engagement survey to measure workplace satisfaction. The proposed goal above calls for continuing these biennial surveys to measure improvement in key employee engagement metrics, including job satisfaction, compensation and benefits, and professional development.

Goal 12: Improve Faculty and Staff Retention

Metrics:

Decrease voluntary turnover¹⁴ rate overall and among faculty and staff

- **Target:** By 2026-27, return to typical turnover levels (as measured by average voluntary turnover in 2017-18 and 2018-19).
 - All Faculty & Staff Baseline (21-22 Projected¹⁵): 11.8%
 - **Target:** 6.6%
 - Staff Baseline: 14.9%
 - **Target:** 8.1%
 - Faculty Baseline: 4.5%
 - **Target:** 3.0%

¹⁴ Voluntary turnover includes employees that chose to leave their institution. This metric includes employees that moved from one UNC System institution to another. This does not include *involuntary turnover* (management decision to end employment such as discharge, discontinuation of appointment, and reduction in force) or *other turnover* (retirement, death, or inability to return to work for medical reasons).

¹⁵ The 2021-22 baseline includes actual voluntary turnover data for July 2021 through March 2022. For the remainder of the fiscal year, System Office human resources staff projected turnover assuming a consistent inflation of separations from reported months.

Increase retention among key subgroups whose voluntary turnover rates exceed the System average

- Baseline for Minority Employees (21-22 Projected): 14.1%
 - **Target:** Return to average voluntary turnover rate among minority employees in 2017-18 and 2018-19 (7.5%)
 - **Stretch:** Reduce voluntary turnover rate to the *system-wide average* in 2017-18 and 2018-19 (6.6%)
- Baseline for Women Employees (21-22 Projected): 13.3%
 - **Target:** Return to average voluntary turnover rate among women in 2017-18 and 2018-19 (7.3%)
 - **Stretch:** Reduce voluntary turnover rate to the *system-wide average* in 2017-18 and 2018-19 (6.6%)

Rationale: As documented in the recent Board of Governors' meeting, voluntary turnover has spiked in recent months across higher education and other parts of the economy, including in the UNC System. Additionally, during the Racial Equity Task Force and the strategic plan refresh engagement processes, our faculty and staff emphasized the importance of retaining a diverse workforce. The proposed target goal is to return to steady-state levels (as captured by the two-year average of 2017-18 through 2018-19). In addition, the proposed plan calls for reducing voluntary turnover among demographic groups whose turnover rates typically exceed the system-wide average.