THE **UNIVERSITY** OF **NORTH CAROLINA SYSTEM**

MEETING OF THE BOARD OF GOVERNORS
Committee on Educational Planning, Policies, and Programs
Committee on Strategic Initiatives

February 28, 2024 at 2:15 p.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Board Room
Raleigh, North Carolina

AGENDA

OPEN SESSION

THE **UNIVERSITY** OF
NORTH CAROLINA SYSTEM

MEETING OF THE BOARD OF GOVERNORS
Committee on Educational Planning, Policies, and Programs
Committee on Strategic Initiatives

DRAFT MINUTES

January 24, 2024 at 11 a.m.
Via Videoconference and PBS North Carolina Livestream
UNC System Office
223 S. West Street, Board Room
Raleigh, North Carolina

This joint meeting of the Committee on Educational Planning, Policies, and Programs and Committee on Strategic Initiatives was presided over by Chair Kirk Bradley and Chair Mark Holton. The following committee members for the Committee on Educational Planning, Policies, and Programs, constituting a quorum, were also present in person or by phone: Lee Barnes, Gene Davis Jr., Estefany Gordillo-Rivas, Wendy Murphy, Art Pope, and Woody White. The following committee members for the Committee on Strategic Initiatives, constituting a quorum, were also present in person or by phone: Joel Ford, Carolyn Coward, Swadesh Chatterjee, Gene Davis Jr., Estefany Gordillo-Rivas, and John Fraley.

Chancellors participating were Chancellor Robin Cummings, Chancellor Sheri Everts, Chancellor Franklin Gilliam, Chancellor Aswani Volety, Chancellor Philip Rogers, and Chancellor Kimberly Van Noort. Wade Maki, chair of the UNC Faculty Assembly, and David Crabtree of PBS North Carolina also participated.

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

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1. **Call to Order and Approval of OPEN Session Minutes (Item A-1)**

The chair called the meeting to order at 11:05 a.m. on Wednesday, January 24, 2024. The open session minutes from the November 15, 2023, meeting were approved by unanimous consent.

2. **Implementation of Board of Governors' Response to ROI Study (Item A-2)**

Dr. Andrew Kelly gave a brief overview of the process and study results that were presented at the November 2023 Board of Governors' meeting. He expanded on the implementation of the Board's response to the ROI study.

3. **Potential Applications of ROI Metrics in Academic Programs Planning (Item A-3)**

Dr. David English, Dr. Kelly, and Dan Harrison gave a presentation informing the Board on the statutory responsibilities of the Board, the current state of policy and regulations on academic program planning in the system, and potential options for improvement.

4. Adjourn (Item A-4)

There being no further business and without objection, the meeting adjourned at 12:07 p.m.

_____
Art Pope, Secretary

_____
Carolyn Coward, Secretary

AGENDA ITEM

A-2. Project Kitty Hawk Annual Update .... William "Wil" Zemp
Raé Williams

Situation: The committees will hear an update on Project Kitty Hawk, the University of North Carolina System's initiative designed to extend the benefits of our constituent universities to more adult learners.

Background: In the 2021 budget, the North Carolina General Assembly appropriated $97 million to create Project Kitty Hawk, a nonprofit associated entity of the UNC System designed to support digital learning across the constituent institutions of the University of North Carolina. Per the budget provision, Project Kitty Hawk operates as a nonprofit education technology firm with a board of directors appointed by the University of North Carolina Board of Governors. Project Kitty Hawk's mission is to enable constituent universities to build and launch degree and credential programs designed to attract and serve adult learners, including the large number of North Carolinians over the age of 25 with some college or no degree.

Since last year's update, Project Kitty Hawk has developed a fully functional digital learning platform and launched new high-demand degree programs with North Carolina Central University and East Carolina University. Project Kitty Hawk also launched a Systemwide re-enrollment campaign, marking the first-ever System-level effort to bring learners who dropped out of a UNC university back into the System. Combined, these programs have brought over 1,000 new enrollments to the UNC System. Project Kitty Hawk will provide a detailed update on its services, partnerships, and finances as well as plans for continued expansion.

Assessment: In this session, the committee will hear an update on Project Kitty Hawk.

Action: This item is for information only.

FEBRUARY 28, 2024

Project Kitty Hawk

Annual Update

533,000

North Carolina adults *(aged 25-44)* with some college, no degree
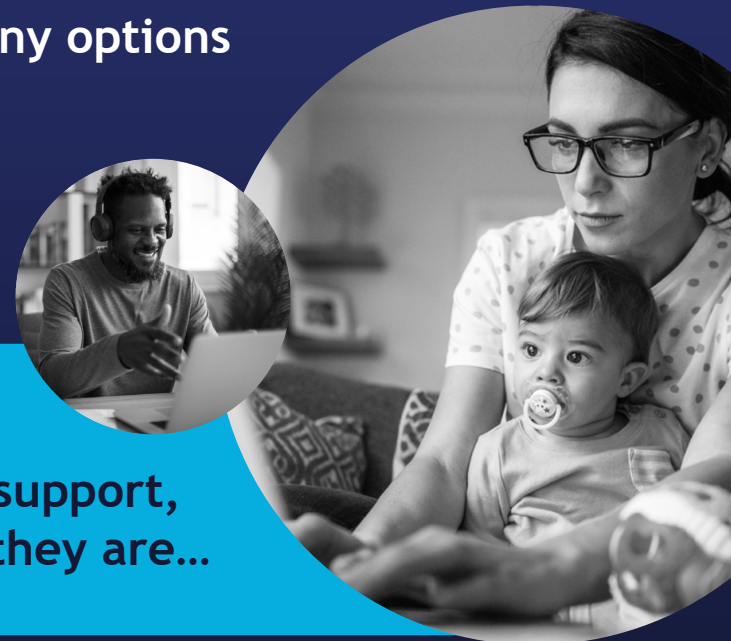
63,000

NC adult learners attend online programs ...OUT OF STATE.

Adult learner needs & challenges are different than traditional students:

- **They have no time**

- **No means**

- **No access** (tech, Wi-Fi, know-how)

- **No options or too many options**

- **No good reason...**

They need flexibility, responsive, hands-on support, and to be met where they are...

Who we are

OUR MISSION

Our mission is to serve North Carolina's colleges and universities to significantly expand access to higher education and increase the attainment of high-quality credentials that benefit residents and employers by eliminating the gap between the skills required for a nationally competitive business climate and the current education opportunities available throughout the state.

FOUNDED IN 2022

SENATE BILL 105: 2021 Appropriations Act, Sec. 8.24:

Kitty Hawk Public-Private Partnership Project for Digital Learning and Career Development in Response to the COVID-19 Pandemic: Project Kitty Hawk as a public-private partnership to support digital learning and career development programs offered by constituent institutions of The University of North Carolina.

OUR END-TO-END SERVICES

Partnership Success

Marketing & Admissions

Student Services & Support

Program Design & Development

Faculty Management

Data & Analytics

Meet Sheryl,

a long-time nurse looking to "finish what she started."

Sheryl is a Triangle resident and student in the first PKH-powered program launched within the UNC System – an RN to BSN program offered by NCCU, which helps registered nurses earn their Bachelor of Science in Nursing.

Her story exemplifies one of the many types of adult learners PKH aims to serve.

Sheryl has been a nurse for 30 years and currently works in a director level position at a private North Carolina retirement community organization.

Out of high school, she attended NCCU but dropped out to work and start her family. Since then, she hasn't attempted to go back to college, and only had interest in finishing her degree from NCCU. She was a proud Eagle and determined to "finish what she started."

In her first meetings with her Student Success Coach, she had questions that come up frequently in the minds of adult learners when taking online college courses, especially for the first time:

• Would she feel engaged?

• Could she write papers again and succeed in an academic setting?

• Could she find time in her busy life for schoolwork?

So far, Sheryl has excelled in the RN to BSN program, earning an 'A' in her first course. She is currently enrolled in two more courses.

Where we are: on time, on budget

PHASE 0: PLAN
Organize and develop core processes and systems; develop the business model

NOV '21 – SEPT '22

PHASE 1: BUILD
Translate business model into programs via talent, process, and technology solutions

OCT '22 – JUL '23

PHASE 2: ENTER MARKET
Launch initial portfolio of programs and services; adjust for product-market fit

AUG '23 – JUN '24

PHASE 3: GROW
Focus on KPI-driven expansion for increased market traction and revenue growth

JUL '24 – JUN '26

PHASE 4: SCALE
Automate processes; replicate successes

JUN '26 - BEYOND

INVESTMENT

EXECUTION

WE ARE HERE: 1,000+ students served

April '22
First Grant Distribution Received

Feb. '23
New Guidance Dept. of Ed

May '23
Launch of Re-Enrollment Program

June '23
Business Model Update

Oct. '23
Launch of First Degree Program

Nov. '23
NCCU Cyber Security Attack

6

Pivot from revenue share to fee-for-service

New Guidance from Dept. of Ed

FEBRUARY 2023: The U.S. Department of Education introduced new guidance that could affect relationships between educational institutions and external entities offering online program management (OPM) services in a revenue-sharing model.

This guidance has caused a seismic shift within the industry as OPMs struggle to pivot away from revenue-share.

Two of the largest OPMs – Pearson and Wiley – sold off their OPM units	The largest OPM, 2U, has seen its stock drop 95% in a year	Venture capital investment in U.S. ed-tech companies dropped by half from 2021 to 2022

PKH Pivots to Fee-for-Service Model

JUNE 2023: After careful consideration with the PKH Board of Directors, Project Kitty Hawk pivoted to a fee-for-service model to comply with the changing regulatory climate.

This model, which provides better long-term benefits for institutions, caused a few adjustments in the initial timeline that was presented at this meeting last year.

Business Model Development

It took approximately two months for PKH, the Board of Directors, and the UNC System to align on the most beneficial financial model to serve the needs of the State

Institution Pipeline

- the change to a fee-for-service model requires a larger up-front investment to launch programs

- PKH provided creative opportunities to support programs through these upfront costs, therefore is limited in how many institutions it can serve at once

Where we are: program offerings

PRIMARY FOCUS

Online Degree Programs

PKH-powered online degree programs are aligned to market demand and offered through a university partner.

2

Universities offering PKH-powered degree programs

NCCentral UNIVERSITY

ECU

9

programs will be active by the end of the academic year, 6 of which will be active by March 11

236

students projected by the end of the academic year

SECONDARY FOCUS

Re-Enrollment Program

Enrollments in campus-based or online programs generated by PKH's stop-out Re-Enrollment program

10

Universities participating in the Re-Enrollment Program

1,012

Re-enrollments to date

IN DEVELOPMENT

Workforce Programs

Degree programs, certificates, or micro-credentials developed in partnership with employers, universities, and PKH.

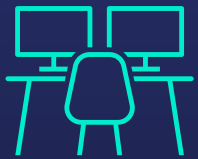Conversations underway with several NC employers

UNC HEALTH

INITIATED

Special Programs

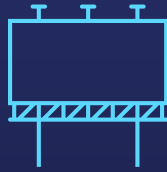Non-credential programs or offering PKH capacity to address strategic needs or opportunities.

Where we are: in-demand degree programs

We currently* have 9 degree programs in the pipeline with 2 institution partners.

2 programs with students actively enrolled

5 programs actively recruiting and admitting students; awaiting term start

2 programs preparing to enter the market

DEGREE PROGRAM	1ST TERM START
NCCentral UNIVERSITY	
RN-BSN	10/11/23
Information Technology	1/8/24
Business Administration	3/11/24
Health Administration	5/21/24 Preparing to enter market
Public Health Education	5/21/24
ECU	
Psychology	2/26/24
Information & Cybersecurity	2/26/24
Multidisciplinary Studies: Security Studies	2/26/24
Criminal Justice	6/3/24

*As of Feb. 20, 2024

Pairing needs of adult learners and industry

By 2033, there will be an estimated shortage of 12,500 nurses in North Carolina

Charlie Needs to Up-skill

- Been a nurse for 30 years
- Started college out of high school, but stopped classes to be primary child caregiver
- Ready to "finish what he started"

Decreased in Hospital Revenues

- Understaffed, overworked healthcare workers
- Increased Healthcare Costs
- Reduced Access to Healthcare Services
- Increased Demand for nursing education and training programs

PKH-powered program that aligns student & industry need:
RN to BSN

BENEFITS for LEARNER

Charlie earns nearly $1.2M in additional lifetime earnings

BENEFITS for INDUSTRY

With additional BSNs, hospitals train more RNs to alleviate staffing shortages

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There are over 31,000 tech jobs open in North Carolina right now

Rebecca Needs to Re-skill

- Currently enlisted in military, wants to earn degree for post-service life
- Needs something flexible to complement unpredictable schedule

Difficulty in Recruiting and Retaining Businesses

- Delayed tech innovation
- Cybersecurity vulnerabilities
- Increased labor costs
- Increased demand for tech education and training

PKH-powered program that aligns student & industry need:
Information & Cybersecurity Technology

BENEFITS for LEARNER

Rebecca earns over $1M in additional lifetime earnings

BENEFITS for INDUSTRY

Keep NC tech sector humming by stocking talent pipeline

Source: UNC System evaluation of programs ROI Study

Where we are: grant breakdown

GRANT FUNDS SPENT AS OF DEC 31
$33.9M

PKH OPERATING EXPENSE
$15.6M

PKH BUILD EXPENSE
$14.5M

RE-ENROLLMENT EXPENSE
$3.8M

GRANT FUNDS ENCUMBERED
$29.8M*

GRANT FUNDS REMAINING
$33.3M*

Total Grant Draw Down: **$63.7M of $97M**

PKH must spend the $97M by the end of 2026.

*These funds will be used for contracts, personnel, ancillary expenses, and current/future obligations

Where we are: build by partnership

Professional services contracted from inception

PKH Digital Education Platform Infrastructure

$8.9M

- All foundational technology and software that PKH services and experiences are built on
- Software development and LMS
- Data management and reporting
- AWS Cloud services, security, and storage

The PKH Digital Platform and its capabilities are property of the UNC System

Instructional Design, Faculty Services, and Technology Support

$3.2M

- 24/7 IT helpdesk support
- Online learning course design & development
- Data governance, security and risk and management
- Faculty capacity building, coaching and development
- Custom content development
- Scheduling and capacity management

Student Recruitment, Marketing, and Admissions

$4.7M

- First System-wide approach to re-enroll stop-out learners through targeted outreach and communications Institution-branded landing pages and microsites
- Applicant portal and admissions support
- Financial aid support experience
- Coaching experience

Project Mobilization and Acceleration

$3.9M

- Phase 0: conceptual framework and organization model development
- Project management allowed for immediate mobilization
- Contract concluded in June 2023

One-time expense necessary for start-up mobilization and acceleration.

Where we are: compliance

FY22

FY22 COMPLETE ✓

- ✓ FY22 990 completed
- ✓ Federal single audit
- ✓ Independent audit (501c3)
- ✓ All PKH staff & Board of Directors completed and updated conflict of interest forms
- ✓ 2022 JLEOC report submitted

FY23

FY23 COMPLETE ✓

- ✓ Federal single audit
- ✓ Independent audit (501c3)
- ✓ OSC audit (state)
- ✓ OSBM/NCPRO review (state)
- ✓ All PKH staff & Board of Directors completed and updated conflict of interest forms
- ✓ 2023 JLEOC report submitted
- ✓ UNC System AE report submitted Aug. 1

FY23 IN PROGRESS

- o FY23 990 in progress

FY24

FY24 IN PROGRESS

- o 2024 JLEOC report for March 1

PKH Earned the
Silver Seal of
Transparency
by Candid (Guidestar)
Non-Profit Database

Silver
Transparency
2023

Candid.

Revenue share to fee-for-service business model

In anticipation of the federal regulatory changes that govern revenue share agreements, and with PKH Board guidance, PKH has shifted from a revenue share model to a fee-for-service model.

Fee-for-service model means:

Institutional Revenue

Institutions retain 100% of tuition + fee revenue and pay PKH for services

Federal Compliance

Compliant with federal regulatory updates and potential changes

Institutional Advantage

Favors the institutions in long-term projections

Institutional Investment

Projected investment of $12.2M in grants and re-enrollment support for institutions

PKH degree program funding model

Program Launch Grants to Universities

PKH has allocated program launch grant funding for high-demand, scalable programs, enabling universities to see positive cash flow in early years

$3.5M total launch grants

Operating Grants to Universities

PKH's operating grants bridge the initial gap between university costs and program revenues during the start-up phase

$2.7M total operating grants

Deferred PKH Service Fees from Universities

PKH service fees are deferred, enabling the university to delay repayment to PKH until programs generate sufficient tuition revenue
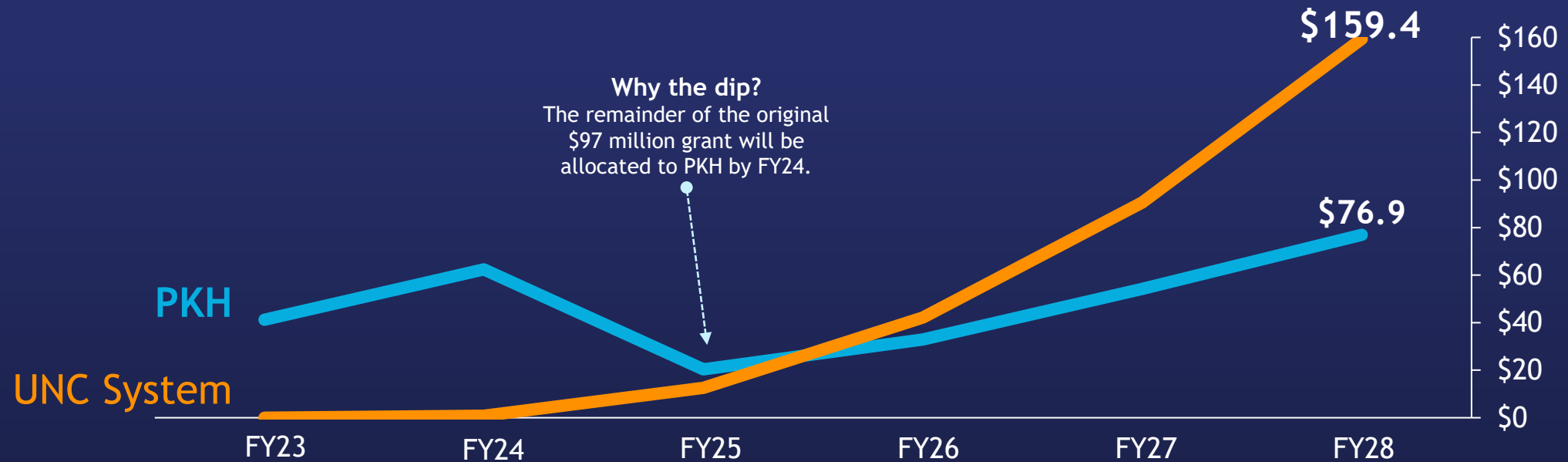
$32.9M total deferrals

Through grants and deferred payment of service fees, PKH 'closes the institutional investment gap,' enabling universities to launch programs without incurring start-up costs

This references the business model assuming 3 partners over 5 years

PKH and UNC System revenue projections

Revenue (in millions), PKH and UNC System Institutions

Why the dip?
The remainder of the original $97 million grant will be allocated to PKH by FY24.

$159.4

$76.9

PKH

UNC System

FY23   FY24   FY25   FY26   FY27   FY28

$160
$140
$120
$100
$80
$60
$40
$20
$0

The FFS business model provides a stronger outcome for partner universities compared to PKH

Source: PKH Analysis
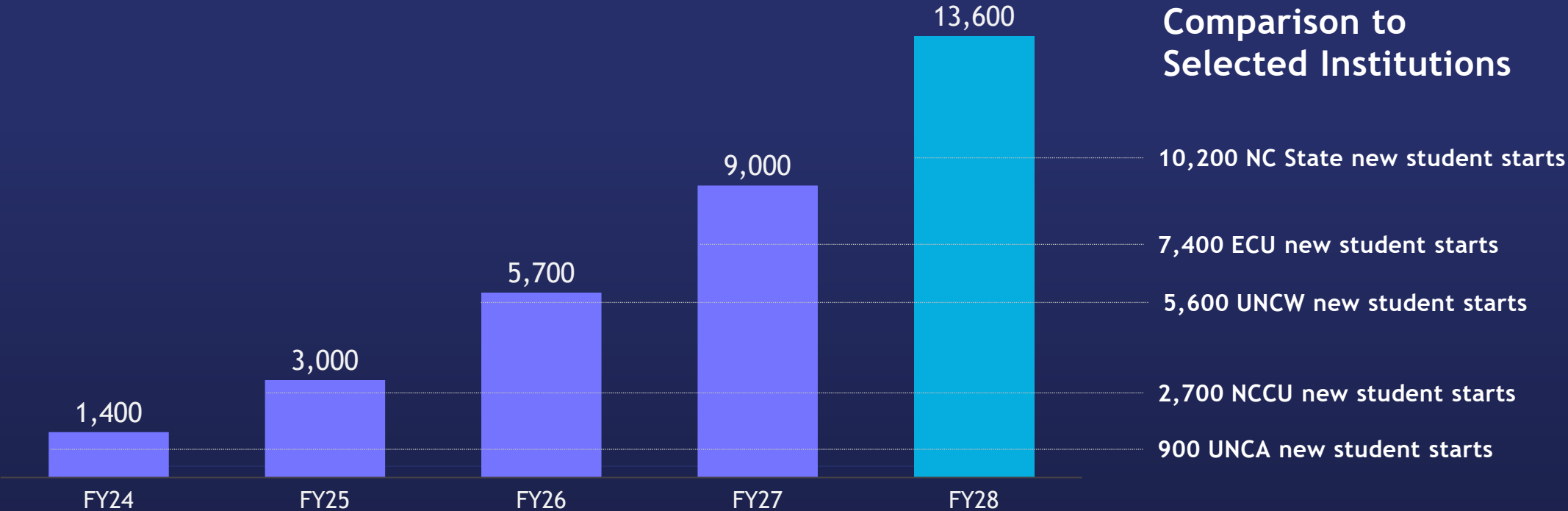
Projected university outcomes: 5 years with PKH

After 5 years, a university that launches 4 PKH-powered degree programs and participates in the PKH Re-Enrollment Program will receive/generate:

Enrollment Growth

- 50,000 program inquiries
- 400 re-enrolled students
- 5,800 new student starts
- 1,000 program graduates

Faculty Recruitment & Development Support

- Full-time & adjunct faculty recruiting
- ACUE certification for online teaching

Expert Program Management

- 96 unique courses developed
- 4 degree programs built

Dedicated Student Support

- 14 admissions advisors
- 7 student coaches
- 57,000 course enrollments supported

Additional Capacity for Faculty & Staff

- 27 full-time faculty
- 2 program directors
- 5 central services staff (financial aid, registrar, IT)

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MEETING OF THE BOARD OF GOVERNORS
Committee on Educational Planning, Policies, and
Programs
Committee on Strategic Initiatives
February 28, 2024

AGENDA ITEM

Situation: At its November meeting, the Board of Governors reviewed the results of a two-year study of the Return on Investment (ROI) associated with nearly every degree program in the System commissioned by the General Assembly. The Board of Governors' transmittal letter to the General Assembly outlined a number of actions to be taken in response to the report's findings, including potential revisions to Board of Governors policies and associated regulations related to academic program planning, approval, and productivity review.

Background: N.C. G.S. § 116-11(3) tasks the Board of Governors with responsibilities related to academic programming in the system, including "[determining] the types of degrees to be awarded," the "authority to withdraw approval of an existing program if it appears that the program is unproductive, excessively costly or unnecessarily duplicative," and the obligation to review the productivity of academic programs every two years.

Section 400.1 of the UNC Policy Manual, *Policy on Academic Program Planning*, operationalizes these responsibilities and outlines the processes and expectations for academic program planning in the UNC System. The policy calls on both constituent institutions and the System Office to identify programs that are designed to meet local, regional, and state labor market needs. The policy establishes basic criteria for the evaluation of proposed academic programs, including "the demand for the program in the locality, region, or State as a whole" and "employment opportunities for program graduates."

Section 400.1 of the UNC Policy Manual also calls on campuses to "regularly review the priorities of their offerings and are to be prepared to discontinue programs that no longer meet any significant need" and on the System Office to carry out "periodic reviews to determine whether productivity and quality review processes are followed."

In the January joint meeting, the committees discussed potential areas for improvement in Section 400.1 of the UNC Policy Manual, including opportunities to link program planning to return on investment considerations.

Assessment: The committees will review draft revisions to Section 400.1 of the UNC Policy Manual.

Action: This item is for discussion only.

Policy on Academic Program Planning

I.   Purpose. North Carolina citizens and institutions must be prepared to compete in a rapidly changing global environment. Consistent with this mandate, the University of North Carolina Board of Governors, the University System Office, and the constituent universities shall be guided by the needs of the people of North Carolina in their academic degree program development, approval, and discontinuation actions. Academic program planning and procedures must be nimble, efficient, and responsive to those needs at all levels. To do so, university leaders shall: regularly assess the needs of the state and its people; identify, develop, and approve degree programs that will be beneficial to the state; and review existing academic degree programs to ensure continued alignment to state needs.

II.   Roles and Responsibilities

A.   Constituent institutions. Constituent institutions shall have a lead role in identifying academic program needs, in formulating proposals to meet those needs, and in evaluating the alignment of their own academic program inventory with the needs of the state.[i]

B. UNC System Office. The UNC System Office shall also engage in the identification of academic program needs across the University, shall be the principal advisor to the Board regarding academic program proposals received from constituent institutions, and shall evaluate the University-wide academic program inventory as described in this Policy. The UNC System Office shall develop procedures to regularly review workforce and societal needs and, on at least a biennial basis, identify degrees and programs beneficial to the State. The UNC System Office shall also periodically draw on the expertise of the faculty to identify longer-term emerging trends that may have implications for new degree programs. In its analysis, the UNC System Office shall always consider whether all regions of the State are adequately served by the University. As referenced in this policy, the needs of the State and its citizens are inclusive of requirements growing out of local, regional, national, and global challenges.

C.   UNC Board of Governors. Per N.C. G.S. § 116-11(3), the Board of Governors shall determine the functions, educational activities, and academic programs of the constituent institutions, including the degrees to be awarded. The Board shall: consider the alignment between the University System's academic program portfolio and emerging workforce and societal needs at least every two years; review and approve all proposals for new degree programs put forward by constituent universities; and consider the productivity of academic degree programs System-wide on a biennial basis.

III.   Assessing the Needs of the State.

A.   The UNC System Office shall, in consultation with the Board of Governors, regularly review workforce and societal needs and identify:

i.   emerging labor market demands;

ii. the alignment between the System's academic program portfolio and the labor market demands;

iii. trends in employment outcomes for graduates by program of study; and

iv. new degree and credential programs that would be beneficial to the State.

B. The UNC System Office shall also periodically draw on the expertise of the faculty and other experts to identify longer-term emerging trends that may have implications for new degree programs.

C. In its analysis, the UNC System Office shall consider whether all regions of the State are adequately served by the University. As referenced in this policy, the needs of the State and its citizens are inclusive of requirements growing out of local, regional, national, and global challenges.

D. In April2026 and at least every other year thereafter, the UNC System Office shall present a report to the Board of Governors that summarizes the emerging needs of the state.

IV. Academic Program Development and Approval.

A. Identification of academic program needs. Academic needs may be identified by the UNC System Office or by one or more constituent institutions.

i. Needs identified by the System Office. All constituent institutions shall have an opportunity to participate in a process for recommending the best way to address academic program needs identified by the System Office. Disciplinary and cross-disciplinary processes that utilize campus faculty and administrators shall be established to recommend whether expansion of a current degree program, collaboration in a joint degree program, an online degree program, or a stand-alone degree program is the best option. Campuses are urged to give high priority to collaborative or joint program development. The System Office shall balance responsiveness with due diligence and a state-wide perspective. In achieving this balance, the System Office shall develop expedited program review processes for rapid response where warranted. The campuses' faculty and administration and the System Office shall assure a continuing commitment to academic excellence.

ii. Needs identified by constituent institutions. Constituent institutions may propose academic programs, or changes to delivery modality or delivery location of existing programs, designed to fill needs they have identified.

B. Presentation to the Board. Once academic program needs are identified by the campuses or by the System Office, the System Office, in consultation with the campuses, shall forward, after appropriate review, recommendations to the Board of Governors regarding how best to meet those needs.

C. Principles for academic program development. In these processes, faculty expertise is essential for sound academic decision making at the campus and system levels. At the campus, disciplinary, cross-disciplinary, University, and board levels, analysis, and recommendation of the

need for a new academic program, the place for its establishment, and the method of its delivery shall be based on:

     i.   number, location, and mode of delivery of existing programs,

     ii.   the relation of the program to the distinctiveness of the campus and the mission of the campus,

     iii.   student demand for the program in the locality, region, or State as a whole,

     iv.   whether the program would create unnecessary duplication,

     v.   detailed regional or state economic data on employment opportunities for program graduates at the degree level proposed,

     vi.   faculty quality and number for offering the program,

     vii.   the availability of campus resources (library, space, labs, equipment, external funding, and the like) to support the program, and five years of projected revenues and expenses associated with the program.

     viii.   the number and quality of lower-level and cognate programs for supporting the new program,

     ix.   impact of program decision on access and affordability, including a reasonable comparison of the expected earnings of graduates with the projected costs of earning the degree and/or the projected amount of debt a student may incur (return on investment)

     x.   the expected academic quality of the proposed degree program,

     xi.   feasibility of a joint or collaborative program by two or more campuses, and

     xii.   any other consideration relevant to the need for the program.

V.   Review and Evaluation of Existing Academic Programs.

    A.   Campus-level review of academic programs. Primary responsibility for quality, efficiency, and productivity of academic degree programs rests at the campus level:

     i.   Academic Program Review. Chancellors shall regularly review the priorities of their offerings and be prepared to expand, contract, or discontinue programs based upon that review. To do so, chancellors shall review all academic degree programs at least once every seven years from the date of the preceding review or from the implementation date of a new academic program.

     ii.   These Academic Program Reviews shall evaluate:
        a.   Current and projected student demand, as measured by enrollments in the majors and degrees produced,

   b. Current and projected workforce demand, as measured by projected job growth and existing data on student employment outcomes,

   c. Student outcomes, including persistence, graduation, time to degree, and, where possible, post-graduation success,

   d. Program costs and productivity, including student credit hours produced compared to the number and cost of faculty and staff;

   e. Any other considerations identified by the chancellor or by the President.

  iii. Each campus must establish and publish clearly defined policies, procedures, and schedules for reviewing academic programs and for ensuring continuous program improvement. Those policies must be approved by campus Boards of Trustees and sent to the UNC System Office by September 1, 2024.

  iv. Summary reports of all Academic Program Reviews shall be reviewed by Boards of Trustees and then submitted to the System Office. The first summary report, focused on the initial subset of programs reviewed by each campus, shall be due to the President by July 1, 2025.

B. System-level review of academic program productivity. The System Office shall be responsible for periodic reviews to determine whether productivity and quality review processes are followed, and benchmarks are met.

  i. Biennial Program Productivity Review. In collaboration with the campuses, the System Office shall identify standards for degree program productivity and, on a biennial basis, evaluate the full portfolio of academic programs across the System based on those standards.

  ii. The Biennial Program Productivity Review shall include data on key measures of productivity, including student demand, credentials produced, post-graduation employment and earnings, return on investment, and other considerations.

  iii. Each Biennial Program Productivity Review shall also evaluate the projections made by the campus and the System Office as to those matters found in section 4(c) of this Policy for programs approved by the Board in the preceding two years.

  iv. The Biennial Program Productivity Review shall be presented to the Board of Governors in April 2025 and every other April thereafter.

VI. Other Matters.

  A. Effective date XX/XX/XX.

  B. Relation to state laws.

  C. The president, after consultation with the campuses and the Board of Governors, shall promulgate regulations to implement this Board of Governors policy and is authorized to provide guidance to the campuses in their academic program development and discontinuation.

[i] Because of the differences in institutional mission at the North Carolina School of Science and Mathematics, that institution is exempt from the requirements of this policy. The North Carolina School of Science and Mathematics shall develop program review procedures appropriate for its respective secondary education program.

Policy on Academic Program Planning

I.   Purpose. North Carolina citizens and institutions must be prepared to compete in a rapidly changing global environment. Consistent with this mandate, the University of North Carolina Board of Governors, the University System Office~~'s General Administration~~, and the constituent universities shall be guided by the needs of the people of North Carolina in their academic degree program development, approval, and discontinuation actions. Academic program planning and procedures must be nimble, efficient, and responsive to those needs at all levels. To do so, university leaders shall: regularly assess the needs of the state and its people; identify, develop, and approve degree programs that will be beneficial to the state; and review existing academic degree programs to ensure continued alignment to state needs.

~~I.~~II.   Roles and Responsibilities

        A.   Constituent institutions. ~~Campuses~~ Constituent institutions shall ~~continue to~~ have a lead role in identifying academic program needs ~~and~~, in formulating proposals to meet those needs, and in evaluating the alignment of their own academic program inventory with the needs of the state. ~~.~~ [i]

        B. ~~The University's General Administration~~UNC System Office. The UNC System Office shall also engage in the identification of academic program needs across the University, shall be the principal advisor to the Board regarding academic program proposals received from constituent institutions, and shall evaluate the University-wide academic program inventory as described in this Policy. ~~General Administration~~The UNC System Office shall develop procedures to regularly review workforce and societal needs and, on at least a biennial basis, identify degrees and programs beneficial to the State. ~~General Administration~~The UNC System Office shall also periodically draw on the expertise of the faculty to identify longer-term emerging trends that may have implications for new degree programs. In its analysis, ~~General Administration~~the UNC System Office shall always consider whether all regions of the State are adequately served by the University. As referenced in this policy, needs of the State and its citizens are inclusive of requirements growing out of local, regional, national, and global challenges.

        C.   UNC Board of Governors. Per N.C. G.S. § 116-11(3), the Board of Governors shall determine the functions, educational activities and academic programs of the constituent institutions, including the degrees to be awarded. The Board shall: consider the alignment between the University System's academic program portfolio and emerging workforce and societal needs at least every two years; review and approve all proposals for new degree programs put forward by constituent universities; and consider the productivity of academic degree programs System-wide on a biennial basis.

~~II.~~III.   Assessing the Needs of the State.

        A.   The UNC System Office shall, in consultation with the Board of Governors, regularly review workforce and societal needs and identify:

> > i. emerging labor market demands;
> > ii. the alignment between the System's academic program portfolio and the labor market demands;
> > ~~i.~~iii. trends in employment outcomes for graduates by program of study; and
> > ~~ii.~~iv. new degree and credential programs that would be beneficial to the State.~~.~~

> B. The UNC System Office shall also periodically draw on the expertise of the faculty and other experts to identify longer-term emerging trends that may have implications for new degree programs.

> C. In its analysis, the UNC System Office shall consider whether all regions of the State are adequately served by the University. As referenced in this policy, the needs of the State and its citizens are inclusive of requirements growing out of local, regional, national, and global challenges.

> D. In April~~spring~~ 2026 and at least every other year thereafter, the UNC System Office shall present a report to the Board of Governors that summarizes the emerging needs of the state. -

~~III.~~IV. Academic Program Development and Approval.

> A. Identification of academic program needs. Academic needs may be identified by the UNC System Office or by one or more constituent institutions.

> > i. Needs identified by the System Office. ~~The University shall balance responsiveness with due diligence and a state-wide perspective. In achieving this balance, General Administration shall develop expedited program review processes for rapid response where warranted. The campuses' faculty and administration and General Administration shall assure a continuing commitment to academic excellence.~~ All constituent institutions shall have an opportunity to participate in a process for recommending the best way to address academic program needs identified by the System Office. Disciplinary and cross-disciplinary processes that utilize campus faculty and administrators shall be established to recommend whether expansion of a current degree program, collaboration in a joint degree program, an online degree program, or a stand-alone degree program is the best option. Campuses are urged to give high priority to collaborative or joint program development. The System Office shall balance responsiveness with due diligence and a state-wide perspective. In achieving this balance, the System Office shall develop expedited program review processes for rapid response where warranted. The campuses' faculty and administration and the System Office shall assure a continuing commitment to academic excellence.
> > ii. Needs identified by constituent institutions. Constituent institutions may propose academic programs, or changes to delivery modality or delivery location of existing programs, designed to fill needs they have identified.

> B. Presentation to the Board. Once academic program needs are identified by the campuses or by ~~General Administration~~the System Office, ~~General Administration~~the System Office, in consultation with the campuses, shall forward, after appropriate review, recommendations to the Board of Governors regarding how best to meet those needs. ~~All campuses shall have an opportunity to participate in a process for recommending the best way to address those needs. Disciplinary and cross-disciplinary processes that utilize campus faculty and administrators shall~~

~~be established to recommend whether expansion of a current degree program, collaboration in a joint degree program, an online degree program, or a stand-alone degree program is the best option. Campuses are urged to give high priority to collaborative or joint program development.~~

C. Principles for academic program development. In these processes, faculty expertise is essential for sound academic decision making at the campus and system levels. At the campus, disciplinary, cross-disciplinary, University, and board levels, analysis and recommendation of the need for a new academic program, the place for its establishment, and the method of its delivery shall be based on:

> i.~~(1)~~ number, location, and mode of delivery of existing programs,
> ii. the relation of the program to the distinctiveness of the campus and the mission of the campus,
> iii. student ~~(3) the~~ demand for the program in the locality, region, or State as a whole,
> iv. ~~(4)~~ whether the program would create unnecessary duplication,
> v. detailed regional or state economic data on ~~(5)~~ employment opportunities for program graduates at the degree level proposed,
> vi. ~~(6)~~ faculty quality and number for offering the program,
> vii. ~~(7)~~ the availability of campus resources (library, space, labs, equipment, external funding, and the like) to support the program, and five years of projected revenues and expenses associated with the program.
> viii. ~~(8)~~ the number and quality of lower-level and cognate programs for supporting the new program,
> ix. ~~(9)~~ impact of program decision on access and affordability, including a reasonable comparison of the expected earnings of graduates with the projected costs of earning the degree and/or the projected amount of debt a student may incur (return on investment)
> x. ~~(10)~~ the expected academic quality of the proposed degree program,
> xi. ~~(11)~~ feasibility of a joint or collaborative program by two or more campuses, and
> xii. ~~(12)~~ any other consideration relevant to the need for the program.

~~General Administration shall, in collaboration with the campuses, promote the expansion and availability of online degrees and other programs which facilitate access to higher education for all citizens. As the availability of online degree offerings increases, General Administration, in collaboration with the campuses, shall incorporate consideration of online offerings into the assessments of proposals for new academic degree programs. Online program development is part of the academic planning and assessment processes, and campuses will continue to take the lead in proposing the establishment of online degree programs.~~

V. Review and Evaluation of Existing Academic Programs.

A. Campus-level review of academic programs. ~~While the~~Primary responsibility for quality, efficiency, and productivity of academic degree programs rests at the campus level:~~, General Administration shall be responsible for periodic reviews to determine whether productivity and quality review processes are followed.~~.

> i. Academic Program Review. Chancellors ~~Campuses~~ shall regularly review the priorities of their offerings and be prepared to expand, contract, or discontinue programs based upon that review. To do so, chancellors shall review all academic degree programs at least once every seven years from the date of the preceding review or from the implementation date of a new academic program.

ii.   These Academic Program Reviews shall evaluate:

    a.   Current and projected student demand, as measured by enrollments in the majors and degrees produced,

    b.   Current and projected workforce demand, as measured by projected job growth and existing data on student employment outcomes,

    c.   Student outcomes, including persistence, graduation, time to degree, and, where possible, post-graduation success,

    d.   Program costs and productivity, including student credit hours produced compared to the number and cost of faculty and staff;

    e.   Any other considerations identified by the chancellor or by the President.

iii.   Each campus must establish and publish clearly defined policies, procedures and schedules for reviewing academic programs and for ensuring continuous program improvement. Those policies must be approved by campus Boards of Trustees and sent to the UNC System Office by September 1, 2024.

iv.   Summary reports of all Academic Program Reviews shall be reviewed by Boards of Trustees and then submitted to the System Office. The first summary report, focused on the initial subset of programs reviewed by each campus, shall be due to the President by July 1, 2025.

B.   System-level review of academic program productivity. The System Office shall be responsible for periodic reviews to determine whether productivity and quality review processes are followed and benchmarks are met.

i.   Biennial Program Productivity Review. In collaboration with the campuses, ~~General Administration~~ the System Office shall ~~review and revise~~identify standards for ~~offering degree programs at various levels and by various methodologies~~degree program productivity~~. The University shall balance responsiveness with due diligence and a state-wide perspective. In achieving this balance, General Administration shall develop expedited program review processes for rapid response where warranted. The campuses' faculty and administration and General Administration shall assure a continuing commitment to academic excellence.~~ and, on a biennial basis, evaluate the full portfolio of academic programs across the System based on those standards.

ii.   The Biennial Program Productivity Review shall include data on key measures of productivity, including student demand, credentials produced, post-graduation employment and earnings, return on investment, and other considerations.

iii.   Each Biennial Program Productivity Review shall also evaluate the projections made by the campus and the System Office as to those matters found in section 4(c) of this Policy for programs approved by the Board in the preceding two years.

iv. The Biennial Program Productivity Review shall be presented to the Board of Governors in April 2025 and every other April thereafter.

VI.   Other Matters.

A.   Effective date XX/XX/XX.

B.   Relation to state laws.

C.   The president, after consultation with the campuses and the Board of Governors, shall promulgate regulations to implement this Board of Governors policy and is authorized to provide guidance to the campuses in their academic program development and discontinuation.

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[i] Because of the differences in institutional mission at the North Carolina School of Science and Mathematics, that institution is exempt from the requirements of this policy. The North Carolina School of Science and Mathematics shall develop program review procedures appropriate for its respective secondary education program.

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POTENTIAL APPLICATIONS OF RETURN ON INVESTMENT IN ACADEMIC PLANNING (POLICY 400.1)

Educational Planning, Policies, and Programs and Strategic Initiatives
Joint Committee Meeting
February 28, 2024

AGENDA

→Review of statutory mandate and current policy.

→Review and discussion of potential revisions to UNC System Policy 400.1.

→Next steps.

Academic Planning is a Key Responsibility of the Board of Governors

G.S. § 116-11(3) "Powers and Duties Generally"

- "The Board shall determine the functions, educational activities and academic programs of the constituent institutions. The Board shall also determine the types of degrees to be awarded."

- "The Board shall have authority to withdraw approval of any existing program if it appears that the program is unproductive, excessively costly or unnecessarily duplicative."

- "The Board shall review the productivity of academic degree programs every two years, using criteria specifically developed to determine program productivity."

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Current Policy 400.1

Establishes a clear focus…

*North Carolina citizens and institutions must be prepared to compete in a rapidly changing global environment. Consistent with this mandate, the University of North Carolina Board of Governors, the University System Office, and the constituent universities **shall be guided by the needs of the people of North Carolina in their academic degree program development, approval, and discontinuation actions.** Academic program planning and procedures must be nimble, efficient, and responsive to those needs at all levels.*

… but lacks clarity and muscle:

- Lack of focus on post-graduation success (ROI) as a key metric of program potential and performance.

- Role of constituent institutions in program development is under-developed; broad authorization for campuses to review programming, but no obligation (and no frequency).

- Biennial Program Productivity Review has proven to be an ineffectual tool for program review.

Areas of Proposed Reform

Institutionalize a focus on student ROI in program development and review

Empower campus leaders to engage in regular Academic Program Review processes

Strengthen and clarify System Office's obligations regarding assessment of the needs of the state and

Clarity on roles and responsibilities

Current Policy and Practice

- Roles are not clearly delineated.

- System Office almost entirely reactive to proposals brought by institutions.

Revisions

- Clear roles for the Board, System, and institutions/chancellors.

- Processes for both institutions and the System Office to identify needs and propose academic programs to meet those needs.

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6

Assessing the Needs of the State

Current Policy

- No clear reporting obligation (or frequency of reporting) on state workforce and societal needs.

Revisions

- System Office will be responsible for producing a biennial report, in consultation with faculty, focused on emerging workforce needs and the overall alignment between our academic program portfolio and those needs.

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Principles for Program Development

Current Policy

- Twelve factors listed that must be addressed

- Staff asks for metrics regarding program finances, ROI, student demand, etc.

Revisions

- Twelve factors, but with clearer identification of metrics, including measures of projected student ROI and program financial sustainability

- System Office regulation and guidance will provide further granularity on data sources and methods through

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Review and Reporting:
Campus-based Academic Program Review

Current Policy

- Requires periodic reviews, but does not articulate required cadence or the factors that must be considered in such campus-based reviews.

Revisions

- Once every seven years, institutions must review (likely on a rolling basis) each program in their inventory on:
  - Current/projected workforce and student demand
  - Student outcomes
  - Program costs and productivity

Review and Reporting: Biennial Program Productivity Review

Current Policy

- Requires biennial report, but little clarity on what the metrics the report should contain.

Revisions

- Identifies clear (and augmented) set of metrics:
  - Student demand
  - Credentials produced
  - Post-graduation success
  - ROI
- Evaluation of projections made in new program applications.

The Way Ahead

1. Discussion and feedback from each committee today

2. Circulate for campus and faculty feedback (March)

3. Incorporate feedback, where appropriate, into a redline for review and vote in April (April)

4. Revise current regulation to align with revised policy and provide detailed guidance on program review and approval metrics (Summer)

Questions