THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

Meeting of the Faculty Council

Friday, December 8, 2006
3:00 p.m.
Pleasants Family Assembly Room
Wilson Library

Faculty Chair Joseph Templeton presiding

AGENDA

3:00   Welcome, Opening Remarks, and General Questions
- Provost Bernadette Gray-Little

3:15   University Steering Committee for Worker Health, Safety and Wellness
- Ben Birken, Committee Coordinator

3:30   Enterprise Resource Planning (ERP) Process
- Stephanie Szakal, Assistant Vice Chancellor for Enterprise Applications

3:55   Committee Reports
- Faculty Executive Committee

4:00   Distance Learning at Carolina: An Overview (Panel Presentation)

5:00   Adjourn

Subject: [facultycouncil] A Memo to Faculty Council regarding the PACE Initiative, from David Perry

From: Faculty.Governance@email.unc.edu

Date: Fri, 01 Dec 2006 14:23:40 -0500

To: "The facultycouncil mailing list" <facultycouncil@listserv.unc.edu>

MEMORANDUM

TO: Professor Joe Templeton, Chair
Members, Faculty Council

FROM: David R. Perry
Senior Associate Vice Chancellor for Finance and Administration

DATE: November 30, 2006

SUBJECT: President's Advisory Committee on Efficiency and Effectiveness (PACE)

On November 1, 2006, President Bowles' PACE group delivered the final report of its work over the past six months or so. Enclosed with this memorandum, for your convenience, is a copy of the document's executive summary. You are at liberty to access the entire report by using the following link:
http://www.northcarolina.edu/finance/pace

In the coming weeks, each campus in the UNC system is expected to accelerate and bring to conclusion efforts already underway to identify and operationalize plans for achieving substantial dollar savings from efficiency and effectiveness initiatives. In early 2007 we will be called upon to report in some detail on our progress toward these ends, and by no later than the end of the fiscal year 2007 to submit to General Administration a well-defined set of planned action steps, savings we project to realize, and our timetable/milestones for implementation.

With agreement by Chancellor Moeser and Vice Chancellor for Finance and Administration, Richard L. Mann, I will continue my involvement with the PACE initiative on this campus through next April. I write to request your ideas about any opportunities you can envision to achieve substantial reductions in our support expenses. These could be at the operating unit level, or at components of the campus central administrative core. It seems self-evident that substantial progress can be achieved only if we approach the challenge on a campus-wide basis. I encourage your involving, as you deem appropriate, any of your faculty colleagues who may be sources of creative ideas for cost reductions, thus allowing our core missions of teaching, research, and public service to be conducted as free of needless operational or financial burden as possible.

I look forward to engaging with as many of you as possible over the coming weeks on this challenging effort. Please do not hesitate to contact me directly with questions or suggestions, at drperry@unc.edu or by phone at 962-4217.

Enclosure

cc: James Moeser
Bernadette Gray-Little
Richard Mann
Vice Chancellors
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Executive Summary

Process

During his inaugural address in April 2006, President Erskine Bowles pledged that, "...your University is going to operate more efficiently and effectively in order to redirect every single dollar we possibly can to the classroom and to the 200,000 students we're responsible for educating." To achieve these goals, the University must implement processes that enable the UNC system to concentrate its resources and better support and accomplish its core missions of education, research and public service.

The President charged his President's Advisory Committee on Efficiency and Effectiveness (PACE) to meet that goal. Selected by President Bowles, the PACE primarily consisted of businesspeople, in addition to a representative from the Board of Governors, the Chancellors and faculty. This small group of eight individuals undertook a review of current expenditures and then oversaw multiple system-wide working groups. From April to October 2006, the PACE examined administrative costs, existing processes and the potential to maximize the strengths of the system. As the President had separately charged the Chancellors with individual campus initiatives, the PACE focused its efforts on system-wide opportunities. As part of its work, the PACE also prepared a foundation for campus-specific work through system-wide data gathering, suggesting approaches for further data analysis and synthesis of administrative functions.

Key Operating Principles

The PACE identified several key operating principles throughout this process. To a certain degree these principles apply to the system as a whole, but generally apply to individual campuses, as well. These principles should assist to move forward efforts, and they lay the foundation for a culture of continuous improvement. The University must foster an environment of continually seeking, promoting and implementing measures to achieve ongoing efficiency and effectiveness.

- Collaborate between and among constituent institutions. Collaboration informs, assists and foments best practices.

- Leverage the strength of the system whenever and wherever possible. Sixteen, in many cases, is more powerful than one.

- Enable innovative purchasing techniques and foster negotiation capabilities across the system.

- Avoid redundancy in processes. Eliminate redundant controls especially when a process has multiple control points. Opt for sampling versus redundant checks.

- Benchmark within practice areas where practical. Benchmarking is useful, not only to understand the ranges within the system, but to compare the constituent institutions to their already identified peers and identify new efficient practices.

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- Manage growth in employee headcount and ensure that a decision to hire is the right one. Simultaneously, push for the best from contractors and vendors and utilize service level agreements (SLAs) where appropriate to ensure that the decision to contract for a product or service produces desired results.

- Facilitate information aggregation and dispersal. While seemingly simple, the complexities of sixteen different institutions make gathering and sharing information across the campuses difficult.

These are very broad principles as presented. They evolved from both the qualitative and quantitative research overseen by the PACE in addition to the discussions at the four separate meetings and biweekly conference calls. Although currently followed in some limited form, the University generally does not broadly adhere to them. Only by adopting these principles and implementing them can it continually achieve efficient and effective operations.

Recommendations

Seven system-wide working groups identified opportunities to cut costs, avoid costs and grow revenue. These groups, composed of campus operators, developed ideas embodying many of the principles listed above. The PACE recommends implementation of the following working group ideas. The summarized ideas are grouped by general type of implementation – legislative change, process change or other. In cases in which implementation may include components of all three, the idea is identified by the primary driver, e.g. without legislative change, you could not change a process. The tables below include the source and numbers of ideas, the general types of recommendations of the ideas and the estimated net impact system-wide. Further information on each idea will be listed in the body of this report.

Legislative change		
Working Group	**Types of Recommendations**	**Estimated Net Impact**
Other Barriers (7 ideas)	Eliminate reports where point of control already exists to free up time on the campuses	Yr. 1: Savings of $390K Yr. 2: Savings of $390K Yr. 3: Savings of $390K Yr. 4: Savings of $390K Yr. 5: Savings of $390K
Construction/Leasing (4 ideas)	Modify existing approval processes to become more efficient	Annual cost avoidance of $22.2 MN, additional cost avoidance per size of project, reduced process times
Facilities Management (7 ideas)	Grant greater autonomy to campuses, modify facility management and maintenance processes to gain efficiency	Annual investment of $1.6MN, cost avoidance of $900K in year 1, $4.5MN in year 2, cost avoidance of $7.5MN in years 3-5, savings of $300K in year 3, $400K in year 4 and $500K in year 5

		Annual cost avoidance of $12.5MN years 1-5

Human Resources (1 idea)	Modify existing processes to manage University Human Resources more directly	
Auxiliary Services (2 ideas)	Rework legislation to better benefit students; address campus vending situation	Potential savings to students of $36K to $4MN due to expansion of tax holiday/tax holiday definitions; avoid potential loss of $1.8MN in revenue

Process change

Working Group	Types of Recommendations	Estimated Net Impact
Other Barriers (3 ideas)	Implement software solutions and a cost-benefit approach to expenditures	Annual savings of $32K in years 1-5, annual cost avoidance of $688K in years 1-5 through modified processes
Facilities Management (2 ideas)	Modify approval process and implement universal benchmarking	Annual savings of $127,000; annual investment of $180K in years 1-5, cost avoidance of $1.5MN in year 2 and $4.2MN in years 3-5
Information Technology (6 ideas)	Centralize processes where possible to avoid excess expenditures	Loss of $4.5MN in year 1, savings of $8MN in year 2, savings of $9.4MN in year 3, $9.9MN in year 4 and $10.8MN in year 5, cost avoidance of $498K in years 1-5
Academic Administration and Support (3 ideas)	Rework processes to achieve greater efficiency and effectiveness; focus on leveraging strength of the system	Annual cost savings of $42K through leveraging the system buying power, improved service to system library patrons and future unestimated cost savings through coordinated purchasing for future resources
Auxiliary Services (2 ideas)	Focus on leveraging strength of the system, especially knowledge of the large self-operated stores	Investment of $700K in year one, $730K annual revenue growth in years 1-5, unestimated cost savings to students due to greater availability of used textbooks and increased margins during sellback

Other

Working Group	Types of Recommendations	Estimated Net Impact
Other Barriers (2 ideas)	Eliminate specific UNC-GA report and improved accountability at the institutional level	Savings of $188K for years 1-5
Facilities Management (2 ideas)	Shape future practices to promote efficiency and effectiveness through energy and space management programs	Annual investments of $7.2MN years 1-4 and $3.2 in year 5, cost avoidance of $2.5MN in year 2, $25.4MN in year 3, $28.9MN in year 4 and $33MN in year 5
Information Technology (5 ideas)	Consolidate technological infrastructure, more efficient policies and procedures due to central versus multiple solutions	Annual cost avoidance of $2.4MN, loss of $1.5MN in year 1, cost savings of $2.4MN in year 2, $3.3MN in year 3, $4.9MN in year 4 and $5.9 in year 5

Human Resources (2 ideas)	Centralize campus and system HR functions where applicable	Unestimated cost avoidance; better delineation of responsibilities through leveraging the strength of the system
Academic Administration and Support (3 ideas)	Consolidate storage options across the sixteen; one solution vs. sixteen	Investment of $1M in year 1, $39K in year 2 and $42K in year 3. Cost avoidance of $33M in year 1 and $18M in years 2-5. Investment does not include a one-time capital cost of $25M in year 1.
Auxiliary Services (5 ideas)	Promote best practices across the campuses and the system as whole, examine opportunity to centralize	Increased revenues of $10-250K per campus, reduction in costs to students due to gross margin reductions in new textbook sales, e.g. on every $500K of sales, a 1% margin reduction would yield $5,000 in student savings

This report further delineates these ideas by implementation timeframe, short term or medium to long term. The cumulative impact from years 1-5 of the ideas in the short run is net savings of $13.6MN and cost avoidance of $169MN. The cumulative impact from years 1-5 of the ideas in the medium to long run is a loss of $1.4MN but cost avoidance of $259MN. Many of the ideas in the medium to long run require upfront and ongoing investment that leads to *cost avoidance* versus direct savings.

These estimated savings, avoided costs and increased revenues only pertain to the specific ideas listed above that were brought forward by the working groups. If the process begun in this project continues, there is unquestioned potential for future cost avoidance, savings *and* revenue enhancement. This report constitutes a beginning, not an end, in the university's quest for efficient and effective operations.

The PACE recommendations intend to foster a system-wide environment of continuous improvement. The ideas of the working groups begin to construct that environment. Moreover, these ideas demonstrate how the system can act more like a system and less like a confederation, a critical demarcation between business as usual and business as it should be. Again, these ideas constitute but the beginning of what should be an ongoing process.

This report provides details of the project: process, results and recommendations for the future:

- The preliminary campus work and the cost-cutting initiative undertaken by the General Administration;
- The ideas of the working groups and recommended by the PACE for implementation by the system;
- The ideas developed by the working groups and recommended by the PACE for implementation by the system;
- The relevance of the business operating principles to current efforts as well as future ones;
- And a potential framework for implementation that takes advantage of existing entities and groups.

Faculty Executive Committee
(Elected by the Faculty at Large)

Annual Report to the Faculty Council
December 8, 2006

Elected Members:

Alice Ammerman (Public Health, '08)
Bill Balthrop (Communications Studies, '09)
Robert Dalton (Academic Affairs Library, '07)
Connie Eble (English, '07)
David Gerber (Surgery, '08)
Suzanne Gulledge (Education, '09)
Evelyn Huber (Political Science, '07)
Lloyd Kramer (History, '08)
Steve Matson (Biology, '07)
John Orth (Law School, '09)
Ellen Peirce (Business, '08)
Rebecca Wilder (Dental School, '09)

Those who completed their service at the end of the 2005-06 academic year are:

Pamela Conover (Political Science, '06)
Noelle Granger (Medicine, '06)
Laurie Mesibov (Government, '06)
Ross Simpson (Medicine, '06)

Ex Officio Members:

Judith Wegner (Chair of the Faculty through June '06)
Joseph Templeton (Chair of the Faculty beginning July '06)
Joseph Ferrell (Secretary of the Faculty)

Meetings: The Faculty Executive Committee (FEC) meets twice monthly throughout the year. The Executive Vice Chancellor and Provost, currently Bernadette Gray-Little, attends alternate meetings, and other administrators and chairs of various faculty committees join the FEC as appropriate. The FEC also meets periodically with Chancellor Moeser to discuss topics of importance.

Charge: The FEC is charged in the Faculty Code to: (1) exercise the consultative powers delegated to the Faculty Council; (2) exercise the legislative powers of the Council when prompt action is required; (3) serve as an advisory committee to the Chair of the Faculty; (4) represent the Faculty Council and General Faculty in advising the University administration with respect to issues that the Committee deems important to the University's mission; (5) work with various officers and groups within the University toward the realization of goals set in actions of the Council; (6) report to the Council on the status of implementation of resolutions of the Council; and (7) serve as members of the Faculty Council.

Activities This Past Year: Over the past year, the FEC has considered topics such as enrollment growth, tuition policies, distance learning, the state health plan, a new entrepreneurial activities policy, retired faculty concerns, university policies on gifts, Campus Y renovation plans, public service to the state of North Carolina, athletics, student and faculty retention issues, and university budget processes. In addition, time was spent analyzing the implications of the special scholarship provision adopted by the legislature that reclassifies non-resident student scholarship recipients as residents for tuition purposes. Carolina North, workplace wellness, and ERP (enterprise resource planning) are additional topics that have been considered by the FEC during the past year.

The FEC also devoted considerable attention to graduate education. Working together with the Dean of the Graduate School and the Provost, the role of graduate education at UNC was highlighted in presentations to the Board of Trustees. A meeting with President Erskine Bowles last spring provided an opportunity to articulate faculty priorities. The FEC met once each semester last year with faculty colleagues at NCSU at a dinner hosted by the provosts at UNC and NC State, and we met with them again in November 2006. Faculty at both schools shared a number of concerns, including, for instance, the importance of assuring sufficient graduate student support.

Priorities for the FEC this year include staying in touch with our Faculty Assembly delegation on PACE (President's Advisory Committee on Efficiency) strategies and other important goals for the University system.

JOURNAL OF PROCEEDINGS OF THE FACULTY COUNCIL

December 8, 2006

The Faculty Council of the University of North Carolina at Chapel Hill convened at 3:00 p.m. in the Pleasants Family Assembly Room of the Wilson Library. The following 59 members of the Council attended: Alperin, Ammerman, Bachenheimer, Balthrop, Barreau, Bennett, Boukhelifa, Campbell, Cantwell, Chin, Collichio, Connolly, Conway, Copenhaver, Couper, Degener, DeSaix, Dupuis, Eble, Gerber, Gilligan, Glazner, Gulledge, Halloran, Hendrick, Hobbs, Jonas, Kamarei, Kirsch, Kramer, Lastra, Lesneski, Maffly-Kipp, Matson, McGrath, McIntosh, Moss, Murray, Oatley, Orth, Parsons, Pruvost, Rustioni, Sandelowski, Selassie, Silversmith, Strom-Gottfried, Sweeney, Taylor, Temple, Threadgill, Trotman, Votta, Wallace, Wasik, Wegner, Whisnant, Wilson and Wissick. The following 29 members were granted excused absences: Bagnell, Bangdiwala, Belger, Blocher, Booth, Cairns, Chapman, Dalton, Fisher, Hightow, Huber, Lefebvre, MacLean, Marshall, Matthysse, McCombs, Murphy, Papanikolas, Peirce, Peterson, Rock, Salmon, Saunders, Sulik, Tiwana, Weinberg, Weir, Wilder and Yankaskas. The following 4 members were absent without excuse: Arnold, Ewend, Keagy and Rosamond.

Welcome, Opening Remarks, and General Questions

Provost Bernadette Gray-Little called the meeting to order in the absence of Chancellor James Moeser, who was leading a delegation visiting Beijing and Shanghai to help develop recommendations for health-care reform in China. The provost said that Carolina is co-sponsoring a conference at Peking University, hosted by the Guanghua School of Management with the assistance of the Carolina Asia Center. This is to be the beginning of a long-term partnership called the PKU-Global Health Forum that will include a similar event in Chapel Hill next year.

The provost said that the Tuition Task Force has recommended tuition increases of $254 for resident undergraduates and $500 for all other students, but she thinks the Board of Trustees will not endorse that recommendation. It has become clear that the trustees want a more aggressive increase for non-residents, she said. In response to that, Chancellor Moeser made a counter-proposal of a $4,000 increase for entering non-resident students in the Class of 2012 (entering in 2007) coupled with a guarantee of no further tuition increases for that Class. There would be a much more modest increase for non-residents already enrolled, she said. We need to settle on a proposal that has broad support among the trustees, she said, before anything can be submitted to the Board of Governors. There has not been as much discussion of tuition for resident undergraduates due to the ceiling imposed by the Board of Governors. In their discussions, the trustees have kept in mind their own policy of not exceeding the 25th percentile of our peers for resident undergraduates, but that we continue to move toward the 75th percentile of peers for nonresidents. The provost said that Carolina is now farther away from the 75th percentile for nonresidents that we were when the trustees established that policy several years ago.

In response to the annual report of the Committee on the Status of Women delivered at the November Council meeting, Provost Gray-Little briefly summarized the gender equity study conducted in 2002. She said that the study found that in the University as a whole and in the great majority of the schools and departments, gender and ethnicity are not significant variables in predicting faculty salaries. The study did identify a need to do follow-up in two clinical departments in the School of Medicine, which she understands to have been done. In response to the study, the Council adopted Resolution 2003-4, which, among other things, calls on each academic unit to submit to the Office of the Provost annual reports on salary structure with regard to gender. This data is now collected annually. The provost said that the Office of the Provost intends to begin annual evaluation of faculty salary data to examine a number of areas of interest, including gender.

Prof. Ed Halloran (Nursing) said that the gender equity indicators in the AAUP's 2006 "Report on the Economic Status of the Profession" indicate that the situation at Carolina has worsened for full professors since the 2002 study was done. Provost Gray-Little said that we could consider repeating the 2002 study, but that she does not think the research design used in 2002 will fully explain observable differences between salaries for men and women.

In response to a question on her remarks about tuition, Provost Gray-Little said that the Board of Trustees is somewhat ambivalent about increasing graduate student tuition because they are aware that the schools and departments end up absorbing most of that additional cost.

Prof. John Orth (Law) asked whether the $500 increase recommended by the Tuition Task Force would apply to students enrolled in professional school programs (other than Ph.D. programs). The provost said that it would not apply to those students.

Prof. Gregory Copenhaver (Biology) said that an employee of the Biology department had been struck by a bicycle while crossing the street at a marked crosswalk. He reported that the employee was told by the campus police that bicyclists are considered to be pedestrians and, as such, will not be cited for failing to obey pedestrian crossing signals. Prof. Copenhaver said that this is contrary to state law and should be redressed.

University Steering Committee for Worker Health, Safety and Wellness

Mr. Ben Birken briefed the Council on the work being undertaken by the University Steering Committee for Worker Health, Safety and Wellness. A major part of this work will be to make recommendations as to what kinds of programs would be most effective. Mr. Birken said that the committee will be assembling a number of focus groups to aid in that process. Two of the groups will be composed solely of faculty members. The committee expects to complete its report in June, 2007.

Enterprise Resource Planning Process

Ms. Stephanie Szakal, Assistant Vice Chancellor for Enterprise Applications, briefed the Council on work that is being done to replace the University's data processing infrastructure. She said that the problems that underlie the Enterprise Resource Planning Process have three roots: (1) the fragile, aging, and inflexible architecture of our existing systems, (2) technical difficulties that impede functionality, and (3) dysfunctionality of many features of the system architecture. She explained why it is important to begin now to replace this infrastructure. She said that the initial effort will focus exclusively on student records.

Distance Learning at Carolina: An Overview

Provost Gray-Little introduced the topic and the members of the discussion panel. She said that the impetus for this discussion was General Administration's announcement of plans for establishing a portal for distance education that will allow students from across North Carolina to access distance education opportunities on various campus of the UNC System. This plan has led to a number of questions for our campus centered around how, exactly, we would participate in such a portal and whether and to what extent we would want to encourage our own students to participate in it. She introduced the panel members, all of whom are involved in distance education from different viewpoints. They were Prof. Larry Band (Geography) who is chairing the Arts & Sciences Distance Learning Committee; Dr. Linda Carl, Associate Director for Distance Education and E-learning Policy at the Friday Center; Prof. Suzanne Havala Hobbs (Health Policy and Administration) who administers an on-line doctoral program in her department; Dean Tom James of the School of Education; Mr. Norman Loewenthal, Director of the Friday Center; and Prof. Bobbi Owen, Senior Associate for Undergraduate Education in the College of Arts and Sciences.

Prof. Joseph Templeton, Chair of the Faculty, posed a number of questions that had been prepared for the panel and asked selected panelists to respond.

Prof. Templeton asked "What is meant by the term distance learning?" Dr. Carl said she prefers the term "distance education," and defined that as any type of instruction that is not delivered on-campus. Mr. Loewenthal added that the concept includes not only computer-based instruction but traditional classroom instruction at remote locations.

Prof. Templeton asked "What kinds of mechanisms and technologies are used?" Prof. Hobbs said that technologies range from asynchronous methods such as self-paced tutorials to class sessions held in

real time via video conferencing equipment. Dr. Carl added that we have a very wide range of technology in use on this campus. Dean James said that distance education was once thought of as "reaching out" to a wider community. Today, we are using the internet to "reach in," he said.

Prof. Templeton asked, "Who decides what kinds of programs and course are offered through distance learning methods?" Prof. Band said that the College has a faculty committee that decides what courses will be offered online. The committee sees those course as having been planned and conceived by the department that offers them; they are regular courses with the same course number as those offered in campus classrooms. The Friday Center provides delivery services, but the initiative for setting up the courses is entirely at the department level. Mr. Loewenthal affirmed that all critical decisions are made by the department. Dean James said that all School of Education distance learning courses are designed and initiated by the school's faculty. He added that the school would like to be able involve its doctoral students as instructors of online courses.

Prof. Templeton asked, "Who are the faculty teaching in distance education programs?" Prof. Owen said that the College of Arts and Sciences has been working on a system for identifying instructors of record for all self-paced and online courses. Department chairs are required to sign-off on who will be teaching an online class when it is first approved, but there is no routine review of those approvals. She said that the College recognizes this to be a problem. Dr. Carl said that a wide range of instructors are involved in online instruction in the professional schools. Some of the schools use practitioners for some courses. These are not necessarily tenure-track faculty. Prof. Hobbs said that in the online DPH doctoral program in health policy and administration, the full range of available faculty is used. This is a program for working professionals in the field, so it is appropriate to use adjunct faculty who are also practitioners. Prof. Band said that is a problem that the College needs to address. Sometimes faculty offering online courses are no longer in residence at Carolina. The Distance Learning Committee is looking to identifying who is teaching these courses.

Prof. Templeton asked, "What is the general demographic profile of students taking distance learning courses?" Prof. Owen said that at Commencement 2006 the University awarded 2,847 undergraduate degrees. Of those students, 500 had taken at least one distance learning course. Some took those courses in the summer. While most took only one such course, on student had taken eight of them. The College allows a student who has a full academic load of 12 hours to take one online course in addition. The number of online courses that may be counted toward degree credit is 10. She said that while the College is committed to traditional on-campus education, there is a need for flexibility in special situations. She said that the College is finding that more and more students want to take online courses in the summer. Mr. Loewenthal added that offerings through the Friday Center are primarily for persons who are not regularly enrolled students, but there are special circumstances that make it appropriate for on-campus students to take these courses. He agreed that there is a need for rules and oversight. Prof. Hobbs said that the School of Public Health has several executive programs that target working professionals whose average age is about 40. She said that in some of the online courses she teaches, about 40% of the students are on-campus. Prof. Band said that the increasing interest among undergraduates in taking online courses in the summer has implications for the Summer School. Prof. Hobbs showed a video of a typical online class session in her doctoral program.

Prof. Copenhaver asked whether online students tend to think that the instructor is available to them at all times. Dr. Carl said that this can be problem. Faculty teaching online courses need to learn special classroom management techniques. It is also important to work with an instructional designer. That takes money, and not all departments have the necessary resources.

Prof. Andrew Chin (Law) asked if there was a way to identify demand for online courses in different parts of North Carolina. Prof. Hobbs said that the School of Public Health has done some market research in that regard. Dr. Carl said that it is always necessary to do some research on demand before initiating an online course. Prof. Chin asked whether the University is doing that. Dr. Carl said one of the objectives of General Administration's initiative is to determine the extent of the need for online instruction and to assess whether the portal they have in mind can meet that demand.

Prof. Suzanne Gulledge (Education) noted that Learn North Carolina had not been mentioned in the discussion. Dean James explained that Learn North Carolina is funded by the General Assembly to serve

public school teachers. It doesn't fit into the definition of distance learning offered by Dr. Carl because it does not generate credit hours.

In response to a question about how credit hours are established for online courses, Dr. Carl said that this is decided by the school or department offering the course. Prof. Owen said that an online couse must be evaluated by the department before it is approved for transcript credit.

Registrar Alice Poehls pointed out that transcripts do not carry a notation as to whether a course was offered online; therefore, we really don't know from the transcript whether a course from another institution that is accepted for credit was taken online or not.

In response to a question, Dr. Carl said that it is very difficult to determine what promise distance learning courses have for becoming self-sustaining or income-producing. Many of the certificate programs offered by the professional schools are revenue-generating, she said. Provost Gray-Little said that distance learning courses are usually offered "on the model," which means that they are funded from state funds on the same basis as regular courses. On the other hand, online courses that are not offered for degree credit do not get state funding. Therefore, funding implications depend on whether the course is part of a degree program or not.

Prof. Kim Strom-Gottfried (Social Work) asked whether is national data on degrees that are being earned mainly through online instruction and how this translates into ongoing relationships with traditional university education. Prof. Hobbs said that the School of Public Health tries hard to ensure that students in the online degree programs stay connected with the school. Dr. Carl mentioned Washington State University as an institution that is actively trying to involve these students as alumni.

In response to a question about requests for Carolina to give degree credit for courses taken by distance education from other institutions, Prof. Owen said that when any course from another institution is offered for transcript, the course is vetted when first presented, but is not routinely re-examined thereafter. If a course from another institution has been previously approved, we have no way of knowing whether it was offered online or in an on-campus classroom. Prof. Todd Taylor (English) asked whether it is possible for one of our own students to obtain degree credit for an online course taken from another institution. Prof. Band said that the Distance Learning Committee is aware of this issue and is addressing it. Provost Gray-Little cautioned against extensive use of online courses for credit by regularly enrolled students. She said that we want to ensure that all of our on-campus students have similar experiences. There is also a financial dimension, she said. If General Administration carries through on the pending proposal to base state funding on credit hours, we will lose funding when students obtain transcript credit for courses taken online from other institutions.

Prof. Eileen Parsons (Education) asked how online courses are evaluated. Mr. Loewenthal said that the Friday Center has established evaluation techniques that are similar to those used for on-campus courses. Prof. Band said that the Distance Learning Committee is recommending that each department establish a director of online courses, and that there be a formal evaluation system for them.

Registrar Poehls said that the National Association of Admissions and Records Officers does not support labeling online courses as such on the transcript. Prof. Hobbs added that the School of Public Health treats online courses the same as those taken on campus.

Adjournment

Its business having been completed, the Council adjourned at 5:00 p.m.

Joseph S. Ferrell
Secretary of the Faculty