MINUTES
STRATEGIC PLANNING COMMITTEE
March 16, 2017 – 1:30 p.m.

COMMITTEE MEMBERS PRESENT:

Darrell Saunders, Chair	Jimmie Ford	Jerry Vaughan
Bobby Irwin, Vice-Chair	Ernie Pearson	

Members Absent: Clark Twiddy

OTHERS IN ATTENDANCE:

Jimmie Williamson	Chreatha Alston	Bryan Jenkins
Jennifer Haygood	Anne Bacon	Alexis Lockett
Maureen Little	Patrick Callahan	Tory Russo
Jim Parker	Sondra Jarvis	Donny Hunter (NCACCT)

CALL TO ORDER
Dr. Saunders called the meeting to order at 1:34 p.m. in the AW North Carolina Conference Room of the Caswell Building.

ROLL CALL
Ms. Jarvis took the roll of the Legislative Affairs Committee members.

ETHICS STATEMENT
Mr. Irwin read the Ethics Awareness and Conflict of Interest Statement and asked if there were any known conflicts. None were noted.

APPROVAL OF THE AGENDA
Dr. Saunders asked for a motion to approve the agenda for the March 16, 2017 meeting. Representative Ford moved to approve, Mr. Vaughan seconded, and the committee approved the agenda without change.

APPROVAL OF THE MINUTES
Dr. Saunders requested a motion to approve the February 16, 2017 minutes. Mr. Vaughan moved to approve, Representative Ford seconded, and the minutes were approved by the committee as presented.

FOR INFORMATION
Presentation: CIS Costing and Sizing Study: Findings and Approaches
Ms. Haygood reminded the committee of their approval of the five-phased process for strategic planning. The first phase is preparing for the planning process and the second phase is environmental scanning. In the coming months, there will be presentations to provide information to lay the groundwork for the process. Part of the environmental scanning includes looking at strengths and weaknesses. A baseline assessment of technology within the system has been completed. Mr. Parker provided handouts of his slides with preliminary information.

Mr. Parker said there is a compelling need for a strategic planning process and for technology to be included in that process.

Preliminary Findings Summary:
- System Maintenance and Securing Below Industry Standard (unexpected)
- IT Staffing Levels and Knowledge, Skills, and Abilities Insufficient at Many Colleges to Maintain Current ERP
  - Complexity of system has increased exponentially

Mr. Parker reviewed why the System Office supports 59 Enterprise Resource Planning (ERP) systems. There is one at each college and the System Office. Ms. Haygood emphasized that the 59 separate instances of a version of the same system and are individual systems.
- Data Dispersed, Flawed, Customized & Difficult to Access
  - Due to the ability of the colleges to currently modify the ERP, much of the data is difficult to access. Naming conventions, coding, and uses for fields has not been consistent which means when consolidating the data, it must be reconciled.
  - Not being able to do accurate reporting on data across the colleges makes it difficult for college presidents to plan and analyze how the college performance.
- Current ERP Afforded Colleges with Greatest Degree of Flexibility (Customization)
- Local Business Rules Often Based on Original ERP
  - The advantages of the current system are not being utilized because rules were not updated when the colleges migrated from the original ERP system.

The updating of the system's ERP system will be a huge lift. Goals are to clean data, stabilize current platforms, and align next ERP implementation with a strategic view.

Mr. Parker reviewed the CIS Assessment that was conducted. Through scanning and self-assessment of 53 of the colleges with more detailed review of 5 colleges, the team looked at:
- Data Integrity
- Platform Integrity
- Local Customization
- Local Knowledge, Skills, and Abilities

The data was not analyzed if it was valid and consistent, nor did it look at whether the functional needs are being met.

The risk assessment for hardware, infrastructure status, and physical security:
- High Risk – 24%
- Medium Risk – 17%
- Low Risk – 14%
- Unknown Risk – 3%

Ellucian gave a labor estimate as to what it would take to clean up the data and total level of effort. Many of the things can be resolved through fixing data templates, however there will be many things that should be reconciled at the college level.

Mr. Vaughan asked about the ownership of the system. Mr. Parker said the perception is that the ownership of the system is mixed. The System Office owns the ERP system, but the design enables the colleges to have local ownership over the colleges' segment which allows them to make modifications.

Ms. Haygood said we push out the template, but the colleges have chosen to customize. Could the level of customization be the reason that some colleges have more data cleanup to conduct? Mr. Parker said that is part of the problem. The smaller colleges tend to have higher levels of cleanup to complete. President Williamson asked if there is a Data Element Dictionary. Mr. Parker said that there is no evidence that a Data Element Dictionary was created when Colleague was implemented.

Mr. Pearson asked Dr. Hunter about how the colleges will react. Dr. Hunter said that he doesn't predict that there will be a lot of pushback. The current data in the colleges is not clean. Ms. Haygood said that in the last couple of years, the presidents don't have the data that is needed. The greatest challenge will likely be getting buy in for change from those doing the day to day work. Standardization will help the System Office when it comes to supporting the system.

Dr. Williamson said he recommended to the presidents that once a new ERP solution is acquired, consider working with the "vanilla" version of the solution for at least a year without any customization.

Mr. Parker said that if the system goes to a Software as a Service (SaaS) cloud based model would be more efficient.

Mr. Parker shared the estimated spending by college on technology based on information from eProcurement. The system is a "one size fits all", but some colleges have the funding to spend to support and sustain, but a majority do not have the resources to deal with the current system. The committee discussed alignment and what the smart approach would be in the future. In a SaaS model, there would not need to be a system administrator at each college, but there would need to be technology support staff. It was recommended to consider a central service that offer a suite of services to help mitigate staffing costs. Mr. Parker said that they are looking a similar idea behind some of the software purchases and looking at how bulk purchases would help the colleges.

There are a variety of issues that the colleges deal with in relation to the current system.
- Inability to keep up with current hardware and software needs.
- Difficulty finding resources with the knowledge skills needed
- Leadership issues which causing turnover

Discussed the advantages of utilizing SaaS and cloud based technology when it comes to natural disaster.

Mr. Parker reviewed the percentages by college compared to the whole system of total spend, FTE (student), and Problem Tickets submitted (HDT). It was expected to track consistently, but there are some outliers.

Ms. Haygood said that the System Office is not positioned to efficiently handle the amount of help that is being asked to provide. Mr. Parker said that 3,700 employees received formal training and instruction in 2016, however there should have been an estimated 3,900 people that would need that instruction. Either the training is not being retained or there is a lot of turnover. The subject matter experts have been going beyond the original mandate which was to teach the colleague system. Ms. Haygood emphasized that there is a lot of risk out there and part of the strategic plan is to figure out how to mitigate that risk.

Legislation is mandating our system to begin the design and planning for a new ERP. This information helps contribute to the case why the System is going to have to make a significant investment in a new ERP system. The current ERP system is not sustainable, and technology has come a long way since it was implemented. The goal is for a common data set across the system where the 58 uniqueness could be put on top.

Discussed the risks and concerns about infrastructure and how the customer engages with the system. The IT infrastructure will be a big operational lift. A new IT system needs to enable colleges to utilize their resources more efficiently and needs to be more intuitive.

Mr. Vaughan said the transition could be sold not only to give more effective support, but also create more discretionary spending. Mr. Parker said that the colleges are interested in creating a federated model. A SAAS model will have costs, but many benefits as well.

Dr. Hunter said there were problems at the colleges, but part of the problem was that the colleges wanted to fix the problems locally because they didn't trust the System Office Technology Division. Presidents should be open to change because the system needs to be fixed.

Ms. Haygood said that staff is in the process of bringing a recommendation to the board about who to work with on choosing a new ERP. We hope to have a prototype developed in 12-18 months and it will be a few years until this can get implemented.

Mr. Vaughan asked which committees will address the ERP requests. Ms. Haygood said it will depend on the type of request coming to the board. The conversation today relates to how the IT solution needs to be part of the Strategic Plan.

Demographic Analysis for Strategic Planning (Attachment FC 6)
Ms. Haygood said that the Finance Committee will be asked to approve funding from State Board Reserves for staff to work with Carolina Demography, who presented at the February Strategic Planning Committee. The goal would be to better understand the areas of NC, how students are being served, how service to the student can be improved, and better identify the gaps in education and those that are not being reached.

The information gained would be utilized at the System Office, but also shared with the local colleges to analyze.

Initial Input: Plan Purposes, Uses, Stakeholders, Themes (Attachment PLAN 1)
Ms. Haygood reminded the committee that last month, the committee approved a five-phased strategic planning process. The first phase of the process was initial definition of the plan purposes, scope, and process to make sure that everyone is on the same page. Staff is doing the following to start the process:

- Planning discussions with stakeholders at upcoming meetings.
- Looking at how to practically use a new strategic plan.
- At the last leadership team meeting, staff discussed some of the key uses of the strategic plan via a survey. The top responses were:
  o Promoting a clear and consistent message about NC Community Colleges
  o Guiding NCCCS budget development
  o Guiding thinking for legislative priorities and share our vision with policy makers
  o Promoting accountability (e.g., tracking implementation of plan priorities)
  o Aiding in making decisions and focusing on priorities
  o Inspire our community college "family" and promote cohesion

Ms. Haygood said there is an increased emphasis at the legislature of how an "ask" would relate to the strategic plan of the agency. UNC adopted a strategic plan which was well received at the General Assembly. Ms. Bacon said that the Governor's budget and Office of State Budget Management also has been stressing that "asks" need to be related to the strategic plan.

Ms. Haygood asked the committee if they felt that staff is on point with these uses. If there is an obvious use that a member does not see, they are encouraged to bring it up for discussion. Representative Ford said that tracking is very important to determine the success of the programs being offered at the colleges.

Ms. Haygood discussed who the key stakeholders will be and the plan for engaging with those stakeholders. President Williamson intends to update the Presidents at the NCACCP meeting as well as see what the strategic plans are for the colleges. Staff will be meeting with Ms. Stovall to discuss engaging the students for the strategic plan. Staff would also like to figure out how to get input on why some students don't attend community colleges. Dr. Williamson shared

information about the Council on Associations and how they are being engaged through Workforce.

Ms. Haygood shared the initial scope themes:
- Student Interest and Access
- Clear and Supported Pathways for Student Progress and Success
- Economic Workforce Impact
- Organizational Effectiveness

Representative Ford said that these would be good to discuss these themes at the Fall Planning meeting. Ms. Haygood agreed that staff plans to structure the fall meeting around these themes.

Mr. Vaughan said that in scope, themes one and four both need a lot of attention, but that work on themes two and three are both in progress. President Williamson said the industries in Economic Workforce are pleased with the product the colleges produce, but more is needed. The committee agreed that improving 1 will help more with 3.

Ms. Haygood asked Dr. Saunders to ask the State Board members to review the information and stay informed about the strategic plan. Staff hopes to ask for approval next month once the documents have been finalized. Next month, staff plans to present analysis on enrollment trends over the last ten to twelve years and how policy decisions have had an impact

Representative Ford asked if the large turnover of presidents the last five years has had an impact on enrollment. What kinds of ideas have come from the influx? President Williamson said that many of the new presidents came up through the system, but there are presidents who have brought new ideas from out of state as well.

Mr. Irwin asked what is the message that the system will have with the plan. Ms. Haygood said that is one of the things staff is working on based on feedback from stakeholders.

<u>NEW BUSINESS</u>

<u>ADJOURN</u>
There being no other business, Dr. Saunders asked for a motion to adjourn. Representative Ford motioned, seconded by Mr. Irwin and the committee adjourned at 2:54 p.m. following a voice vote.

Respectfully submitted,
Sondra Jarvis
Recording Secretary