

Chancellor's Retreat 2012

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Last week Chancellor Thorp held his annual retreat for deans, vice chancellors, and other campus leaders. This year's overall theme was change and the future of higher education. I always find the retreat thought provoking in terms of the School's future, and that was the case again this year.

A recurring theme throughout the day was the need to look for a new business model, or perhaps different business models, for the University. The day began with observations from a panel of relatively new administrators at Carolina. Karol Gray, Vice Chancellor for Finance and Administration, said that she no longer worries about what the state is doing because her operating assumption is that we will not receive more legislative funding. Jane Weintraub, Dean of the Dental School, talked about the rising expectations of students for online access to information at any time. High tech innovations require funding to implement, and she pointed out the urgent need for a new business plan to fund them. There was some provocative discussion about the need for greater collaboration, across schools and departments, as opposed to Carolina's traditional decentralization, and a greater use of shared resources to meet pressing needs.

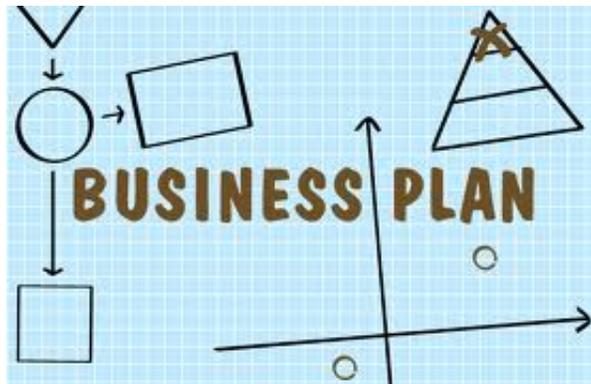
Chancellor Linda Brady from UNC Greensboro talked about the challenges she has faced in implementing change on her campus. Her challenges were daunting and her leadership has been impressive. In order to create a more focused identity and to survive the budget crisis, she merged two longstanding schools and is carrying out recommendations to eliminate 47 programs. She also is investing in 41 programs that were identified as strong and needing greater support. Chancellor Brady has made difficult decisions and talked about her quest to find alternative sources of revenue



based on her assumption that state funding will continue to decline.

Jeff Selingo, Vice-President and Editorial Director for *The Chronicle of Higher Education*, gave a sobering talk about different trends in higher education and their implications for the future. A lot of his points related to the fact that higher education increasingly is seen as a private good that benefits individuals as opposed to a public good subsidized by the state for everyone's overall benefit. This shift means that people are demanding greater individual returns on their investment in higher education. It also means that they are increasingly open to more convenient and cost effective alternatives, including online programs. Universities tend to react defensively and Selingo compared their hubris to the early attitudes of the newspaper industry to online competition. One consequence of this change is a national trend that shows state funding for higher education heading toward zero.

I was struck throughout the day about the consensus around the need to re-think how higher education does business. What is the new business model? What will it mean for our School and its unique mission? There are many more questions than answers for everyone at this point. One thing is clear, however—we cannot afford to be complacent.



We have come through the budget crisis in reasonably good shape, but how do we find the revenue to continue advancing our mission. For example, the demand to deliver our programs and services with emerging technologies will continue to grow. I assume it will increase among both public officials and among residential MPA students. Our current business model doesn't include a funding stream to meet that demand. The recent ASSET app developed by Jeff Welty for mobile devices is a wonderful innovation and my guess is that we will want to do many more of them. How will we pay for their development if charging for them is not the answer, which appears to be the case at this point?

This issue and others related to our business model are important and we will be working on them in the coming year. As always, I will need everyone's help in understanding the landscape and charting the best course for the School.