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Subject: North Carolina AAUP letter of concern re: Bain & Company
Date: March 19, 2009 4:35:11 PM EDT
To: ncaaup@rtpnet.org
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Reply-To: Holden_Thorp@unc.edu

March 19, 2009

Dear Leaders of the North Carolina State Conference of the American Association of University Professors:

I'm responding to your recent letter about the study at UNC-Chapel Hill now being conducted by Bain & Company.

First, I want to assure you of my commitment to openness and transparency in how we conduct the University's business. I am doing my best to communicate regularly and candidly with our campus community about the economic crisis and how it will affect the University's budget, operations and people. In this regard, I ask that you look at the University's Budget Update Web Page, accessible from www.unc.edu, to find a series of campus budget messages, background information, and related communications from the UNC system and state government. The Web page includes our letter of agreement with Bain about the study, as well as a description of the scope of the work that Bain is undertaking. Our Employee Forum requested these documents, and we provided them to the entire campus and anyone else who is interested. I also responded to questions about the study at a community meeting this week organized by our Employee Forum. I also addressed our Faculty Council last month about timely budget developments, including the Bain study. The budget has been a regular topic at Faculty Council meetings for several months.

We agreed to accept the private gift that is funding the Bain study because I think it's important for the University. All of the planning we've done to date for budget cuts driven by reductions in state appropriations has come from individual units – at the dean and vice chancellor level. That's consistent with how we have approached tough budget times in the past because these senior administrators know best how to minimize the negative impacts in their own units. What the Bain study provides – at no cost to the University – is the opportunity to look on a campus-wide basis at our operations and functions and perhaps find some cost savings we would not have otherwise identified. Examples of such areas include purchasing, information technology and energy. The anonymous donor funding the study doesn't work for Bain, but has used the firm before and thinks very highly of their work. It's my responsibility to seek all of the information that I can to bring to bear in our University response to this economic crisis, and I think Bain's insights will be helpful.

As stated in Bain's Scope of Work document, Bain intends to involve stakeholders at every stage of the process. Bain wants to be sure that they leverage the knowledge and expertise of the campus, while at the same time building a sense of ownership. In this vein, Faculty Chair Joe Templeton and Employee Forum Chair Tommy Griffin have already been consulted by Bain for input on the study. Joe and Tommy will also be invited to meet with our campus Oversight Committee, which I am serving on along with Vice Chancellor for Finance and Administration Dick Mann and Senior Associate Provost Elmira Mangum.

This is exactly the right time to do a study like this. We'll get an outside perspective on how we operate and information to help us make smart decisions about how we might improve. Bain will identify strategic alternatives for review by the University, but leave to us the decisions about what, if anything, we want to do differently and how we will position ourselves for the future.

Finally, Bain's final report will be shared with the entire campus community.

Thanks for this opportunity to provide additional information.

Sincerely,

Holden Thorp

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