

CASE STUDY

University of North Carolina System Transformation:

Governing for Value: ROI-Driven Degree Strategy

rpk GROUP | MGT

AUGUST 2026

This case study is part of the rpk GROUP | MGT System Transformation Toolkit, which provides public higher education systems and institutions with tools and examples for undertaking system reform in ways that leverage system-level advantages and strengthen financial sustainability.

As public university systems face growing pressure to demonstrate value, align more directly with workforce needs, and support student mobility, the University of North Carolina (UNC) System offers an example of transformation through coordinated policy, data, and academic planning.

Rather than a physical restructuring, **UNC focused on building an academic operating model across its large public university network that seeks to maximize economic outcomes for students and the state.** Highlights of this work include:

- Prioritizing academic planning and investment in programs that provide strong earnings returns for students and meet state workforce needs.
- Strengthening student mobility and access.

- **Shifting academic portfolio review from an episodic assessment to a continuous improvement strategy.**

In parallel, the UNC System has strengthened transfer portability, expanded cross-campus online access, and used portfolio analytics to support program improvement, targeted growth in high-need fields, and more disciplined academic planning.

UNC's student-credit-hour funding model remains part of the policy backdrop that the system utilizes to ensure institutional alignment with student and market demand, but the more consequential shift is toward the utilization of a data-informed framework to support program offerings and degree planning.

QUICK FACTS & KEY STRATEGIES

System: The University of North Carolina System is a public system of 16 universities, plus the North Carolina School of Science and Mathematics.¹

Scale: More than 256,000 students reported for Fall 2025.²

Signature structural change: The UNC System's recent transformation is less about consolidation and instead prioritizes a systemwide shift toward value-based degree planning: biennial student return on investment (ROI) reporting, workforce-alignment review for academic programs, and stronger academic portfolio oversight. The System's enrollment-change funding model serves as a secondary operating context rather than the central transformation lever.³

Student success indicator: The System's 2022–2027 strategic plan sets a four-year graduation rate target of 61.5%, while biennial student ROI reporting is intended to keep attention on student value alongside completion.⁴

Affordability strategy: The NC Promise Tuition Plan offers low, fixed tuition at designated campuses and is paired with a stronger system focus on student debt, earnings, and on-time completion in ROI analysis.⁵

Cross-campus access strategy: The UNC System has strengthened the connective infrastructure that supports credit mobility and student choice, including the UNC Common Numbering System, transfer protections, cross-campus online access, and system-level data tools that help align programs to statewide and regional demand.⁶

Background

The UNC System operates as one public governance structure with multiple distinct four-year universities. In that context, the transformation agenda centers on two approaches: (1) clarifying systemwide goals around economic value, affordability, workforce alignment, and student success and (2) building the mechanisms that make those goals operational, especially recurring student ROI and workforce reviews, common credit mobility infrastructure, and stronger program-planning governance.

A defining feature of the UNC System's recent approach is the shift toward evidence-based academic portfolio oversight. Building on earlier student ROI analysis, which examined the earnings of graduates by program, the Board now expects biennial student ROI reporting and stronger attention to projected workforce demand when institutions propose or review academic programs.⁷

This new direction required better data partnerships and tools, including access to state labor-market information and broader postsecondary employment outcomes data. This expansion helps the System reduce erroneous inferences that can result from too few or inconsistent data points, better understand how degrees are used in the labor market, and weigh statewide needs alongside regional context. The overall posture is improvement-oriented: programs with weaker returns are expected to develop plans to improve rather than default automatically to discontinuation.⁸

The UNC System uses a Student Credit Hour (SCH) Enrollment Change Funding Model to adjust funding based on completed in-state resident credit hours. Per-credit-hour rates vary by discipline to reflect different instructional costs. Calculations rely on past credit data rather than projections, and the model includes performance weighting and safeguards. However, UNC's current priorities focus more on value, workforce alignment, and strategic decision-making than on the funding formula itself.



Opportunities Created by Transformation

UNC's transformation creates opportunities by linking affordability, student value, labor-market evidence, and cross-campus access more deliberately across the System.

1. **Align investment with student progress and cost control:** A stronger student ROI and affordability lens can help institutions focus resources on course availability, advising, bottleneck reduction, and targeted growth in high-need fields such as nursing, education, and engineering, while using improvement plans for programs with weaker student returns rather than defaulting immediately to closure.
2. **Make credit mobility and cross-campus learning a system feature:** Common tools such as the UNC Common Numbering System, transfer protections, and cross-campus online access reduce credit loss and make it easier for students to move through the System efficiently. When paired with portfolio analytics, these mobility tools connect progression goals with clearer program value and time-to-degree.
3. **Scale adult learner pathways without duplicating build costs:** System-enabled online and re-enrollment pathways can help campuses serve working adults while using shared data tools and existing platforms to standardize support and avoid unnecessary duplication.⁹
4. **Use portfolio analytics to sharpen academic strategy:** Biennial student ROI reporting, workforce-alignment reviews, and a more empirical labor-market model create a stronger basis for launching, expanding, redesigning, or improving programs. This is especially important when the System must distinguish between statewide growth priorities and region-specific needs.

How Institutions Respond to System Expectations

Although institutional context varies across the UNC System, specific examples of institutions responding to the expectations of the system provide a deeper understanding of how well-structured parameters provide options and considerations on-the-ground:

- UNC Asheville proposed eliminating degree programs in Ancient Mediterranean Studies, Drama, Philosophy, and Religious Studies, while reducing French and German concentrations. The move reflects a broader effort to restructure its academic portfolio in response to a roughly \$6 million structural deficit, a 25% drop in enrollment, and low-enrollment programs, while redirecting resources to areas of higher student demand. The Board committee approved the four program closures and related reductions.
- UNC Greensboro shifted Religious Studies from a standalone bachelor's degree to a concentration within Liberal and Professional Studies, with plans for online courses and shorter-term semesters designed for working adults. It also kept the lower-division physics courses required by STEM majors. More than a simple elimination, this is a clear example of academic restructuring: moving away from low-demand standalone programs toward integrated, flexible offerings that can still generate credit hours.

Challenges and Tradeoffs

UNC's approach depends on credible data, shared definitions, and balanced governance across diverse campuses. The promise of value-based planning is substantial, but the work introduces technical, political, and mission-related tradeoffs that cannot be resolved by metrics alone.

01

Volatility and capacity strain: UNC's SCH funding model can still create budget pressure at the margins, but the broader challenge is implementation capacity. Campuses and the System office need staff, tools, and analytic capability to conduct recurring student ROI and workforce reviews credibly.

02

Complexity and trust. Student ROI and workforce-alignment analyses can feel opaque if leaders do not explain assumptions, account for missing earnings data, and show how statewide indicators will be interpreted alongside regional context.

03

Balancing performance with mission and access. A strong value lens can surface important differences across programs, but systems still need to protect public-service fields and access goals, especially where labor-market demand is high but financial returns or regional conditions are harder to capture cleanly.

04

Portfolio decisions can become politicized. Improvement plans, consistent methods, and credible governance matter because academic portfolio decisions affect institutional identity, regional expectations, and public-service commitments—not just measured ROI.

Lessons for other Higher Education Systems

UNC's experience shows how a system can move from episodic program review toward a more continuous model of value-based academic planning. The broader lesson is that data, transfer infrastructure, and workforce alignment have the greatest impact when they are embedded in routine governance decisions rather than treated as standalone initiatives. Other higher education systems can draw four main lessons from UNC's transformation:

- **Start with a value and workforce lens, then invest in the data.** Systems cannot manage program value credibly unless they can connect student debt, earnings, and labor-market demand data and reduce untrustworthy data caused by missing information.
- **Pair portfolio review with student mobility infrastructure.** Common course numbering, shared transfer tools, and cross-campus course access mechanisms matter because students only benefit from system strategy when they can move efficiently through the network.
- **Use recurring review cycles to drive improvement, not just punishment.** Biennial student ROI and workforce-alignment program reviews are most effective when lower-performing programs receive a clear path to redesign and when leaders can explain why statewide and regional needs may differ.
- **Make portfolio review continuous and actionable.** Analytics matter only when they change program approval, expansion, redesign, and reinvestment decisions through a repeatable governance process.



CONCLUSION

The UNC System illustrates that multi-campus public university systems do not need to consolidate institutions in order to transform how they operate. UNC's approach demonstrates the value of building a more coordinated system through clearer evidence of student ROI, stronger alignment between programs and workforce demand, easier student mobility across institutions, and more disciplined academic portfolio review.

For other systems, the broader lesson is that transformation depends less on any single policy change and more on the integration of data, governance, and student-facing infrastructure. Systems that want students to pursue affordable, high-value pathways need the capacity to identify which programs deliver strong outcomes, make those pathways easier to access across campuses, and use evidence consistently in decisions about program approval, redesign, expansion, and reinvestment.

Notes

¹ University of North Carolina System. (n.d.). Institutions.
<https://www.northcarolina.edu/institutions/>

² University of North Carolina System. (2025). UNC System sets a record for enrollment.
<https://www.northcarolina.edu/news/unc-system-sets-a-record-for-enrollment/>

³ University of North Carolina System. (2025). 2025 biennial program productivity review report.
<https://www.northcarolina.edu/apps/bog/doc.php?code=bog&id=68460>

⁴ University of North Carolina System. (2022). 2022 strategic plan.
<https://www.northcarolina.edu/apps/bog/doc.php?code=bog&id=67181>

⁵ University of North Carolina System. (n.d.). NC Promise tuition plan.
<https://www.northcarolina.edu/impact/affordability-efficiency/nc-promise/>

⁶ University of North Carolina System. (n.d.). University of North Carolina Common Numbering System (UNC CNS).
<https://www.northcarolina.edu/university-of-north-carolina-common-numbering-system-unc-cns/>

⁷ University of North Carolina System. (2025, July 16). Regulation for academic program planning and evaluation (UNC Policy Manual 400.1.1[R]).
<https://www.northcarolina.edu/apps/policy/doc.php?type=pdf&id=152>

⁸ University of North Carolina System. (2025). 2025 biennial program productivity review report.
<https://www.northcarolina.edu/apps/bog/doc.php?code=bog&id=68460>

⁹ Project Kitty Hawk. (n.d.).
<https://projectkittyhawk.com/>