

**BOARD OF TRUSTEES MEETING**  
**The University of North Carolina at Chapel Hill**

The Board of Trustees met in regular session on Wednesday, January 25, 2006 at The Carolina Inn, Chancellor's Ballroom, at 4:45 p.m. Chair Schwab presided.

**ROLL CALL**

Assistant Secretary Brenda Kirby called the roll and the following members were present:

Nelson Schwab III, Chair	Barbara R. Hyde
Jean Almand Kitchin, Vice Chair	Karol V. Mason
Russell M. Carter, Secretary	Roger L. Perry, Sr.
Timothy B. Burnett	A. Donald Stallings
Seth M. Dearmin	Richard T. Williams
John G. B. Ellison, Jr.	Robert W. Winston
Paul Fulton, Jr.	

**REPORT OF THE AUDIT AND FINANCE COMMITTEE**

Ms. Mason, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- The Use of Swaps in Institutional Debt Management and Commercial Paper Program presented by Brian Smith, Debt Manager. The University plans to submit for approval to the Board of Governors the request for authority to:
  1. Execute interest rate swaps, at once or over a period of time, in an amount not to exceed \$365 million, in aggregate.
  2. Increase the Commercial Paper Program from \$180 million to \$400 million.

A copy of the PowerPoint presentation is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

- Review of First Half FY 05-06 Budget Status presented by Vice Chancellor Sutenfield, Finance & Administration. The report indicated that actual revenues and expenditures were within the expected range of budgeted revenues and expenditures. The State's revenue collections are running ahead of budget. Vice Chancellor Sutenfield handed out material related to this presentation, a copy of which is filed in the Office of the Assistant Secretary.
- Comprehensive Annual Financial Report for FY 2004-05 and Report on Metrics of Financial Performance presented by Dennis Press, University Controller. [A copy of the 2005 Comprehensive Annual Financial Report is filed in the Office of the Assistant Secretary, and is also located at [www.unc.edu/finance/controller/confinst.htm](http://www.unc.edu/finance/controller/confinst.htm)]

A copy of the PowerPoint presentation is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

- Internal Audit Report presented by Phyllis Petree, Director of Internal Audit.  
(ATTACHMENT A)

A copy of the PowerPoint presentation is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

- Resolution of Appreciation for Tommy Griffin, previous Chair of the Employee Forum. Ms. Mason read the following resolution:

**WHEREAS, Tommy Griffin has served for four years with distinction as Chair of the Employee Forum at The University of North Carolina at Chapel Hill, and nine years as a member of the Forum;**

**WHEREAS, he advocated for an active role for employee representatives with the Board of Trustees, and served as the first Forum Chair to make regular reports to the Audit and Finance Committee of the Board;**

**WHEREAS, he provided important leadership by co-chairing the Chancellor's Task Force for a Better Workplace, which produced a blueprint for improving employee benefits;**

**WHEREAS, he has served with distinction on the University Tuition Task Force as a vocal advocate for faculty and staff salaries while recognizing the hardship that tuition increases place on students and their families;**

**WHEREAS, he has worked tirelessly on behalf of all of the University's employees, emphasizing community and exemplifying true Tar Heel spirit;**

**NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees extends to Tommy Griffin its deep appreciation for his service and leadership, and congratulates him on a job well done.**

Ms. Mason moved ratification of the Resolution of Appreciation. Mr. Burnett seconded the motion and it carried. The Board gave a round of applause to Mr. Griffin.

- The committee heard a report on the Employee Forum from Chair Ernie Patterson.
- Carolina First Campaign Update presented by Paul Fulton. Mr. Fulton reported that \$1,653,300,107 has been raised to date. \$43.4 million in new commitments has been received since the September Board meeting. This fiscal year we're averaging \$20 million/month in new commitments. \$14.9 million in new commitments per month is needed to reach the campaign goal of \$2 billion. There are 171 proposals pending, totaling \$264 million. [A copy of the report is filed in the Office of the Assistant Secretary.]

Ms. Mason presented the committee's report on the following item, which was previously presented for approval by the committee.

- Tuition and Fee Recommendations.  
(ATTACHMENT B)

Ms. Mason stated that the committee had a very good discussion about tuition and fee increases and did arrive at a consensus recommendation to the Board. She prefaced the recommendation by letting those in the audience know that in coming forward with this recommendation all committee members were seeking to balance many competing interests to find the right answer to continue to make this the finest public university in the country. They tried to balance the needs, as recognized by the Tuition Task Force, of accessibility, predictability, and flexibility. On the accessibility side, the committee members take great comfort from the work done by Jerry Lucido, Steve Farmer, and Shirley Ort in finding the students to apply to the University, making the admission decisions, and once the students are enrolled, making sure they have the financial resources to be able to attend Carolina and earn a Carolina degree.

Secondly, in reaching the consensus, a resolution will be presented by Mr. Dearmin, all committee members recognize the need to modify our tuition philosophy to reflect the predictability notion that Mr. Dearmin has put forward in the resolution to be considered by the Board. There was consensus on the committee that the recommendation be brought forward with the understanding to adopt a policy of developing plans that provide students some predictability about what tuition increases will be in the future.

Thirdly, the committee adopted the set of recommendations with the understanding that the committee was reaffirming the tuition philosophy that the Board adopted a few years ago—that is, in-state tuition would be in the 25<sup>th</sup> percentile or below, and out-of-state tuition would be moved to the 75<sup>th</sup> percentile. The committee adopted this tuition proposal with the understanding that the University would work to implement that plan in conjunction with obtaining feedback from Jerry Lucido, as the plan is implemented, to make sure that as we move toward the 75<sup>th</sup> percentile, we do so in a way that maintains the quality of the applicant pool that we all would like to see.

The recommendation from the Audit & Finance Committee was that in-state tuition for undergraduates be raised \$250; out-of-state tuition for undergraduates be raised \$1,100; raise graduate in-state tuition \$500; and raise graduate out-of-state tuition \$500. The committee also endorsed the fee proposal of \$170.05 for undergraduates and \$166.05 for graduate students.

Chair Schwab referred to the Resolution in Support of the Board of Trustees Tuition Philosophy that was adopted by the Board on January 21, 2004. He noted the importance of the resolution is emphasis that the in-state tuition should remain in the bottom quartile of our national peers, and the out-of-state tuition should reflect the goal of reaching, but not exceeding, the 75<sup>th</sup> percentile of our national peers.

The Resolution in Support of the Board of Trustees Tuition Philosophy reads as follows:

**WHEREAS, this Board is committed to remaining true to the spirit of the North Carolina Constitution's requirement in Article 9, Section 9, which states, "The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense;"**

**WHEREAS, the first tenet of this board's philosophy is that resident tuition must be affordable to ensure accessibility and thus should remain in the bottom quartile of our national public peers;**

**WHEREAS, state taxpayers have generously supported this University such that we are able to keep resident tuition low;**

**WHEREAS, this University is committed to the pursuit of excellence, and campus-based tuition is one source of revenue that helps determine the quality of education we provide to students;**

**WHEREAS, the second tenet of our philosophy is that non-resident tuition should be value- and market-driven, with the goal of reaching, but not exceeding, the 75<sup>th</sup> percentile of our national public peers;**

**WHEREAS, this University is committed to providing for all students eligible for financial aid;**

**THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill formally adopts this philosophy to guide us in setting campus-based tuition.**

Following discussion of the tuition philosophy, Chair Schwab asked Mr. Dearmin to read the following Tuition Predictability Resolution:

**WHEREAS, a review of tuition over the past ten years reveals dramatic shifts in the rate of tuition increases for both residents and non-residents;**

**WHEREAS, these peaks and valleys make financial planning difficult for the families of incoming students and may cause serious financial hardship to students already enrolled at Carolina;**

**WHEREAS, for ease and efficiency in financial planning, a steady rate of increase makes sense for all parties;**

**WHEREAS, students, faculty, and staff are rallying behind the idea of tuition predictability;**

**WHEREAS, tuition predictability must be balanced with the University's need to alter its tuition plan in extenuating circumstances;**

**WHEREAS, the report of the Chancellor’s Tuition Advisory Task Force for 2005-2006 states that “predictability must be a central principle of the University’s tuition policy,” and recommends that “each authority in the tuition policy making process (the Tuition Advisory Task Force, the Chancellor, the Board of Trustees, the Board of Governors, and the Legislature) should be allowed to set longer term tuition plans of three or four years. Even if these plans would not be binding, they would serve as a valuable standard and guide in tuition discussions each year.”**

**NOW, THEREFORE BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill**

- i. amends its Tuition Rate Philosophy to include the phrase: “Tuition predictability over the short and long term is a core element of the Board of Trustees’ Tuition Rate Philosophy”;**
- ii. requests that the Chancellor and the Chancellor’s Tuition Advisory Task Force generate multi-year tuition increase recommendations during the tuition setting process each year;**
- iii. subject to guidelines established by the Board of Governors with respect to the setting of tuition rates, will endorse a multi-year tuition plan during the 2006-2007 tuition setting process and each year thereafter; the multi-year plan will serve as a long-term guideline but will not be binding.**

Following discussion of the tuition philosophy and tuition predictability, Mr. Dearmin moved acceptance by the Board of the Tuition Predictability Resolution. Mr. Fulton seconded the motion and it carried.

Mr. Chris Cameron, Opinion Editor of *The Daily Tar Heel*, addressed the Board concerning the proposed student athletic fee increase.

Ms. Mason moved approval of the following student fees and tuition increases. Mr. Ellison seconded the motion and it carried.

- Undergraduate Student Fees: \$170.05
- Graduate Student Fees: \$166.05
  
- Undergraduate In-State Tuition: \$250
- Undergraduate Out-of-State Tuition: \$1,100
  
- Graduate In-State Tuition: \$500
- Graduate Out-of-State Tuition: \$500

**RECESS**

Chair Schwab recessed the Board meeting at 5:30 p.m.

**RECONVENE**

Chair Schwab reconvened the Board meeting at 8:05 a.m. on Thursday, January 26, 2006 at The Carolina Inn, Chancellor’s Ballroom.

**ROLL CALL**

Assistant Secretary Brenda Kirby called the roll and all Board members were present.

**CONSENT AGENDA**

**Approval of Minutes**

On motion of Ms. Kitchin, seconded by Mr. Stallings, the minutes of the regular meeting of November 15-16, 2005 were approved as distributed.

**Ratification of Mail Ballots**

On motion of Ms. Kitchin, seconded by Mr. Stallings, the following mail ballot dated December 8, 2005 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.  
(ATTACHMENT C)

On motion of Ms. Kitchin, seconded by Mr. Stallings, the following mail ballot dated January 11, 2006 was approved as distributed:

- Amendment of the University's Admissions Policy  
(ATTACHMENT D)

### **CHAIR'S REMARKS**

Chair Schwab commented on the discussions held at yesterday's Board meeting concerning tuition and fee increases. He stated that a lesson learned from the discussions is that tuition and fee deliberations need to be combined. He thanked Mr. Dearmin for his good work on the subject of predictability. Chair Schwab stated that it is important for the Board to put a major predictability out there and it will likely be refined in the future as the Board sees exactly what form it takes. The University owes it to students and parents to give them as much information as possible.

Chair Schwab commented on the *Kiplinger* report which ranked Carolina first among the best values at the top 100 U.S. public university campuses based on academic quality, accessibility, and affordability. This is the fifth consecutive time Carolina has had this ranking.

Chair Schwab also commented on the good interaction between President Bowles, the Board of Governors, the Chancellor, and the Board of Trustees. He is excited about this and reiterated the Board's commitment to make sure it continues and to contribute toward that collaboration in the future.

Chair Schwab concluded his remarks by honoring the previous two Board Chairs. He presented Mr. Burnett and Mr. Williams with a plaque honoring each of their terms as Board Chair.

In response to a comment from Mr. Burnett concerning who is going to work on the matter of tuition predictability henceforth to try to have something ready possibly for the March Board meeting, Chair Schwab stated he would discuss it with the Chancellor following this meeting and advise the Board accordingly.

### **CHANCELLOR'S REMARKS**

Chancellor Moeser recognized the following individuals and their accomplishments:

- Judith Wegner, Chair of the Faculty and Professor of Law, and Bill Andrews, the E. Maynard Adams Professor of English, co-principal investigators of a new grant from the Ford Foundation called the Difficult Dialogues Initiative. The Carolina Campus will develop teaching materials focusing on the issue of how religious belief and intellectual inquiry intersect in a public university setting. Professor Emerita Margaret Holt (from the University of Georgia and the Kettering Foundation), a consultant with the National Issues Forum Network, spoke at the recent meeting of the Faculty Council on this subject. The initiative provides Carolina with an opportunity to share our leadership with other universities around the country.
- Dr. Max Hommersand, Professor Emeritus, Department of Biology, recently received the Award of Excellence from the Phycological Society of America (a lifetime achievement award). Dr. Hommersand's research focuses on marine algae, or seaweeds, with emphasis on red algae.
- Tom Bowers, Interim Dean; Jan Yopp, Senior Associate Dean; and Louise Spieler, Assistant Dean for Executive Education and Distance Education; School of Journalism and Mass Communication, who are leading the School's participation in a prestigious new international program—the Edward R. Murrow Program for Journalists. Only six leading schools were asked to help launch this effort, which will attract about 100 journalists from around the world. Dean Bowers and his colleagues expect to have up to a dozen Arab-speaking journalists on campus from April 5 to April 13. They will attend special seminars about journalistic principles in a democratic society and will have opportunities to engage in activities that convey a sense of American culture.

Chancellor Moeser thanked the Trustees for their positive response to the recent ranking by *Kiplinger's Personal Finance Magazine* of Carolina as #1 among U.S. public universities based on academic quality, accessibility and affordability. In a comparison of four- and six-year graduation rates, Carolina's rates are currently at about 67% and 81%, respectively. Mr. Fulton previously asked why our graduation rates continue to lag behind UVA (83% and 92%) and William and Mary (79% and 87%). In response, Chancellor Moeser stated that a goal has been set of increasing Carolina's rates to equal those of Michigan, Berkeley, and UCLA.

The Chancellor stated that a report on the current efforts to improve retention and graduation rates will be a Level 3 agenda item for the March Board meeting. Jerry Lucido, chair of the group working on this issue, and College of Arts and Sciences Dean Bernadette Gray-Little will assist in leading the discussion.

A University Retention Study Group is already at work. They have found that nearly 84% of students graduated from Carolina within five years; 5.7% transferred to another four-year school and 10.4% neither graduated nor transferred. The Retention Study Group's report included seven recommendations for improvements which has already been shared and well received by the Board of Trustees and the Faculty Council. The recommendations will continue to be implemented and evaluated. If some changes proposed by the study group are approved, additional resources will be needed for their implementation. Examples in the College that remain a future funding priority include more resources for advising and support that would be available to students immediately when they find themselves in academic trouble—a strong predictor of whether they will finish successfully. Those resources would include resources to help students select appropriate courses and plan effectively for their academic recovery. Graduation rates are one of the most critical output benchmarks of excellence in any academic enterprise and are reflected in the Trustee approved Measures of Excellence.

As more rapid growth in undergraduates is considered, the Chancellor commented that we must be careful not to out strip our critical resources of faculty, classrooms and offices (and thus course offerings), which almost must be increased, not just maintained, but increased, if we're going to continue to increase the quality of the education experience at this University while we grow. Therefore, growth must be kept in check with our ability to support that growth with maintenance and even improvement of the resource base that creates this quality.

Chancellor Moeser concluded his remarks by commenting on a small monograph he had given to each Trustee—*Good to Great and the Social Sectors* by Jim Collins. He stated that he believes the book reinforces the University's core values and aspirations to be America's leading public university. He quoted a statement from the book which describes why our vision is more a process of aspiration than a goal in a moment in time: "No matter how much you have achieved, you will always be merely good relative to what you can become. Greatness is an inherently dynamic process, not an end point. The moment you think of yourself as great, your slide toward mediocrity will have already begun."

Following the Chancellor's remarks, Mr. Fulton and Mr. Burnett commented on campus growth. Chancellor Moeser responded to their comments saying that he agrees that this should be looked at and in thinking very self consciously about what we want to be in the context of unlimited resources—how large would we choose to be? Without real consideration, there's always that danger of robbing the pot, that we don't really give conscious consideration to it and we allow growth to occur in an unthoughtful, unplanned way and we actually allow the University to be damaged.

Chancellor Moeser stated that he has talked with colleagues at other institutions who will privately confess that they allow themselves to damage their institutions by unchecked growth. They are well known universities who have really outstripped their headlights. They are still great names because they're still great graduate centers, but they've lost that undergraduate center that we cherish here. That is what's at risk if we're not careful at this University.

The Chancellor said he does not argue that we shouldn't grow, but that growth should be accompanied with resources and careful planning, and recognizing that there are critical tipping points where the resources required become exponentially greater and where costs then begin to outstrip the resources and quality then declines. Those issues need

to be kept in balance when we look at all these factors. Jerry Lucido, Associate Provost for Enrollment Policy and Management, will lead this process.

### **STUDENT BODY PRESIDENT'S REMARKS**

Mr. Dearmin commented on the following:

- Regarding tuition, the need to take a closer look at the University's Funding Model as a whole:
  - Tuition accounts for \$212 million of the \$1.7 billion budget (13%).
  - \$5 million generated yesterday equals about 0.2% of budget.
- This is not to trivialize the importance of the tuition discussions, but rather to stress the need of a shift in dialogue to address other pieces of the puzzle:
  - State Appropriations
  - Federal Grants and Contracts
  - Private Gifts

Tuition is just one piece of the puzzle, but it is the only piece we focus substantial amounts of time on.

- We also have a strong need to bring together our tuition and fees processes:
  - Tuition and fees are a package deal and should be treated as such.
  - In the current system, we often times find ourselves sacrificing tuition for fee increases.
- Graduate students are a complicated group that we need to invest time in studying:
  - Focus on understanding tuition remission, awards, stipends, etc.
  - Do not continue to neglect them in tuition discussions.
- Upcoming Student Body President election:
  - Two very qualified candidates are running for the position—James Allred and Bernard Holloway. The election will occur in about three weeks.

### **SOUTHERN ASSOCIATION OF COLLEGES AND SCHOOLS REACCREDITATION UPDATE**

Executive Vice Chancellor and Provost Robert Shelton, along with Dr. Lynn Williford, Assistant Provost and Director, Office of Institutional Research and Assessment, and Bobbi Owen, Senior Associate Dean for Undergraduate Education, presented this update to the Board concerning the recent SACS reaccreditation process at the University. The reaccreditation visit will occur during the week of April 10, 2006.

### **LEGISLATIVE AGENDA**

Chancellor Moeser presented the University's proposed strategic budget priorities for the 2006 General Assembly Session:

- Increase faculty and staff employee compensation and benefits; ensure ongoing competitiveness with multi-year plan.
- Fully fund enrollment growth in continuation budget for the system.
- Facilities - Fund repair and renovation; meet anticipated capital needs.
- Increase research funding to transform the State's economy; continue to invest overhead receipts in research enterprise; and increase tuition remissions for graduate students.
- Engagement with the State – Support initiatives in education, health, and economy.
- Increase support of UNC Health Care System and Health Affairs Schools.

These priorities will be submitted to President Bowles.

### **REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE**

Mr. Perry, Committee Chair, moved ratification by the Board of the following Level 1 items, which were previously approved by the committee. Mr. Burnett seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for the Renaissance Computing Initiative project, providing a programming study for a new building to include office space, specialized computer laboratories, visualization studios, collaborative and smart rooms, and a computer room:

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1. Bohlin Cywinski Jackson Pittsburgh, PA
2. Hartman Cox Architects Washington, DC
3. Skidmore Owings & Merrill New York City, NY

(ATTACHMENT E)

- Designer selection of the following three firms in priority order as listed for the Carmichael Auditorium Renovation and Addition project, providing a renovation of and an addition to Carmichael Auditorium for the UNC Women's Basketball Program to include a new HVAC system, addressing life safety issues, replacing existing seating, and providing acoustical treatments. The addition will provide offices, museum, reception area, media room, and support spaces:

1. Corley Redfoot Zack Chapel Hill, NC
2. Pearce Brinkley Cease + Lee Raleigh, NC
3. Cherry Huffman Architects Raleigh, NC

(ATTACHMENT F)

- Designer selection of the following three firms in priority order as listed for the Davis Library project, replacing the roof at the Davis Library Reading Room and repairs to roof sections; and resealing joints at the Reading Room dormers:

1. Atlas Engineering Raleigh, NC
2. Rooftop Engineers, Inc. Raleigh, NC
3. Rooftop Systems Engineers Raleigh, NC

(ATTACHMENT G)

- Designer selection of the following three firms in priority order as listed for the Smith Hall/Old Playmakers Interior Restoration project, restoring the interior and installing new mechanical and electrical systems in this National Historic Landmark:

1. Pearce Brinkley Cease + Lee Raleigh, NC
2. Clearscapes Raleigh, NC
3. LS3P/Boney Raleigh, NC

(ATTACHMENT H)

- Designer selection of the following three firms in priority order as listed for the Peabody Hall Window Replacement project, replacing the existing windows in the 1960's wing:

1. Hoke/New Vision Architects, Inc. Durham, NC
2. Schenkel Shultz Raleigh, NC
3. Gomes & Staub, PLLC Architects Raleigh, NC

(ATTACHMENT I)

- Designer selection of the following three firms in priority order as listed for the Brinkhous-Bullitt and MacNider Hall Elevator Systems Renewal project, renewing and replacing the elevator systems in each building:

1. John Hawkins Architect Chapel Hill, NC
2. Anderson Architects Southern Pines, NC
3. The Wooten Company Raleigh, NC

(ATTACHMENT J)

- Construction Manager selection of the following three firms in priority order as listed for the Visitor Education Center at the North Carolina Botanical Garden project, constructing a new 29,000 square foot building to include a gallery, a resource room, multi-purpose space, classrooms, offices, and a bookstore:

1. Whiting-Turner Contracting Raleigh, NC
2. New Atlantic Contracting Winston-Salem, NC
3. Barnhill Contracting Raleigh, NC

(ATTACHMENT K)

- Construction Manager selection of the following three firms in priority order as listed for the Dental Sciences Building project, constructing a new 207,000 square foot addition for the School of Dentistry to include teaching, research, clinical, administrative, and public spaces. The demolition of the Dental Research and Office

Buildings and renovations to portions of the Old Dental, Tarrson Hall, and Brauer Hall are also part of the project scope:

1. BE&K, Inc. Charlotte, NC
2. Whiting-Turner Contracting Atlanta, GA
3. Gilbane Durham, NC

(ATTACHMENT L)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, reported on the following Level 1 item, which was presented for information only (no formal action was requested).

- Semi-Annual Status of Capital Improvement Projects.  
(ATTACHMENT M)

Ms. Anna Wu, Director of Facilities Planning and Construction, presented information concerning the following Level 1 items:

- Site approval for the Dental Sciences Building project, constructing a new 207,000 square foot addition for the School of Dentistry to include teaching, research, clinical, administrative, and public spaces. The demolition of the Dental Research and Office Buildings and renovations to portions of the Old Dental, Tarrson Hall, and Brauer Hall are also part of the project scope. The Buildings and Grounds Committee asked to be kept apprised of the massing of the new buildings, as design progresses. The proposed site is consistent with the Campus Master Plan.

(ATTACHMENT N)

- Disposition by severance: Demolition of the Dental Research Building and the Dental Office Building. This is necessitated by the construction of the Dental Science Building project, which requires the building demolitions in order to maximize effective use of the site and to provide useful and appropriate research and office space for the School of Dentistry. The action has been reviewed and is supported by the University's Historic Preservation Specialist.

(ATTACHMENT O)

Mr. Perry moved ratification by the Board of the above-identified two Level 1 items, which were previously approved by the committee. Mr. Burnett seconded the motion and it carried.

Ms. Wu presented information to the Board concerning the following Level 3 item. A project model was also provided for review by the Board.

- Design approval for the Arts Common Phase I project, constructing a new building for the Music Department. Arts Common Phase I will be constructed in two phases. Phase I-A includes a 43,000 square foot building for the Music Department to provide instructional and academic support space including faculty offices, practice rooms, rehearsal space, and classrooms. Phase I-B will construct a new recital hall, classrooms, and performance space. Funding for Phase I-B is not in place.

(ATTACHMENT P)

Mr. Perry moved ratification by the Board of the above-identified Level 3 item, which was previously approved by the committee. Mr. Burnett seconded the motion and it carried.

Mr. Perry reported on the following Level 1 item, which was presented for information only (no formal action was requested).

- Semi-Annual Lease Report

(ATTACHMENT Q)

### **REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested).

- Faculty Chair Remarks presented by Professor Judith Wegner. She reported on a survey on graduate education at Carolina which she and the Faculty Executive Committee have developed. The survey will be sent to department chairs to gather

information about their experiences in recruiting, retaining, and working with graduate students.

Provost Shelton then presented an update on classroom capacity, which was presented previously to the committee. He reported that projections for the next year are for a significant classroom shortage unless steps are taken to address the issue. The biggest problem is the significant drop off in classroom use on Friday afternoons. By eliminating 75 minute blocks on Monday-Wednesday-Friday, extending classroom instruction time to 6:15 p.m., and limiting department holds on classrooms until 4:00 p.m., the problem is significantly reduced.

(ATTACHMENT R)

A copy of the PowerPoint presentation is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

- Campus Health Update presented by Vice Chancellor Margaret Jablonski, Student Affairs. She described the restructuring that has been made in Campus Health Services. She has combined the counseling program with Student Health Services, created a new Assistant Vice Chancellor for Campus Health Services, and has added key staff in an effort to improve services. Using grant funds from the Substance Abuse and Mental Health Services Administration, she has instituted changes to identify students at risk for suicide and to help them obtain appropriate mental health services.

A copy of the PowerPoint presentation is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

- Graduate Students – Partners in Teaching presented by Linda Dykstra, Dean of the Graduate School; Todd Taylor, Associate Professor and Director of Composition, English Department; and Joe Lowman, Professor of Psychology.

A copy of each PowerPoint presentation by Dean Dykstra and Professor Taylor is located at [www.unc.edu/depts/trustees](http://www.unc.edu/depts/trustees) and is also filed in the Office of the Assistant Secretary.

Dean Dykstra presented information to the Board of Trustees concerning tuition remission for graduate students.

Mr. Carter stated that the tuition remission is currently at 1,310 and needs to be increased to 1,571. The Graduate School receives \$15 million for out-of-state tuition assistance and \$5 million for in-state tuition assistance from the General Assembly each year. To fully meet the needs of students, another \$5 million is needed annually.

### **MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Carter, and seconded by Mr. Burnett, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (to prevent the disclosure of privileged information under Section 126-22 and the following); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

### **CLOSED SESSION**

### **REPORT OF THE AUDIT & FINANCE COMMITTEE**

#### **Report of the Naming Committee**

Ms. Mason, Committee Chair, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Ms. Mason moved ratification by the Board of the naming recommendations. Mr. Williams seconded the motion and it carried.

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated January 17, 2006 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS S-T-U-V)

**LEGAL ADVICE**

General Counsel Leslie Strohm advised the Board on several legal matters.

On motion of Mr. Williams, seconded by Ms. Kitchin, the following mail ballot dated January 6, 2006 was ratified as distributed:

- Authorization to Chancellor Moeser to request that the Board of Governors grant authority to the University to initiate litigation against a law firm as a result of its negligence in prosecuting a University patent application.

A copy of the mail ballot is filed in the Office of the Assistant Secretary.

**DEEP EXECUTIVE CLOSED SESSION**

Chair Schwab convened the Board in Deep Executive Closed Session to discuss a personnel matter.

**RECONVENE MEETING IN OPEN SESSION**

Chair Schwab reconvened the meeting in open session.

**OPEN SESSION**

**REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated January 17, 2006, which were discussed earlier in closed session. Ms. Kitchin seconded the motion and it carried.

- Personnel change in Academic Affairs.  
(ATTACHMENT S)
- Personnel changes in Health Affairs.  
(ATTACHMENT T)
- Tenured Personnel Actions.  
(ATTACHMENT U)
- The personnel changes for information did not require action by the Board.  
(ATTACHMENT V)

Chair Schwab stated that the personnel and salary actions voted on in open session had been distributed to the press.

**ADJOURNMENT**

There being no further business to come before the Board, Chair Schwab adjourned the meeting at 2:10 p.m.

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Assistant Secretary