

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

The Board of Trustees met in special session in the Faculty Lounge of the Morehead Building on October 28, 1999 at 11:05 a.m. Chairman Cates presided.

ROLL CALL

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

Anne W. Cates, Chairman
Dr. William R. Jordan, Vice Chairman
David E. Pardue, Jr., Secretary
William J. Armfield, IV
Timothy B. Burnett
Walter R. Davis
Nicholas P. Heinke
James E. S. Hynes
Jean Almand Kitchin
Dr. Charles A. Sanders
Richard Y. Stevens
Cressie H. Thigpen, Jr.
Richard T. Williams

Chairman Cates thanked the Trustees for their willingness to hold the special meeting on the critical issue of faculty salaries and compensation. On behalf of the Board, Mrs. Cates also thanked the audience for their interest in the business of this special meeting.

Mrs. Cates remarked on the importance of understanding the context in which the report of the Committee on Faculty Salaries and Benefits, appointed by Chancellor McCoy, arrived at the Board's table. The General Assembly asked the Board of Governors to look at faculty salaries and compensation across the system and compare faculty paychecks and benefit packages with what peer campuses offer. The Legislature also asked for recommendations on revenue options, what it would take to achieve competitive levels with peers, and how best to enhance academic excellence on each campus. The Board of Governors was further charged with reporting to the General Assembly's Joint Legislative Commission on Government Operations and to the Joint Legislative Education Oversight Committee by December 1, 1999. This will allow for students and their parents to know ahead of time the cost of their education for the coming year.

Chairman Cates thanked Provost Dick Richardson for leading the deliberations of the committee, which was comprised of administrators, faculty, student leaders, alumni leaders, and trustees. Trustees Burnett and Heinke served on the committee, as did Chairman Cates.

The committee determined that its work should be completed by October so that its report could be submitted to the Board of Trustees at this special meeting. The report and the Trustees' recommendations will be forwarded to the Board of Governors by October 30, 1999, for the November meeting of the Board of Governors.

Chairman Cates introduced Provost Richardson for presentation of the committee's report.

FACULTY SALARIES/TUITION STUDY

Provost Richardson presented the October 18, 1999 Report of the Committee on Faculty Salaries and Benefits. [A copy of the report is filed in the Office of the Assistant Secretary.]

The committee recommended the following:

1. That tuition be increased and retained at the campus level as follows:
 - By \$1,500 for in-state undergraduates, over a period of 3 years.
 - By \$2,000 for out-of-state undergraduates, over a period of 4 years.
 - By \$2,000 for in-state graduate students, over a period of 4 years.
 - By \$2,000 for out-of-state graduate students, over a period of 4 years.
2. That the legislature adopt the principles established by the committee to ensure that competitive faculty salaries are sustained. (Appendix B of the report.)
3. That the UNC Board of Governors accept the principles proposed by the committee for establishing appropriate levels of tuition and fees. (Appendix C of the report.)
4. That the campus do its share by raising private funds designated for faculty salaries through endowed professorships.

A document titled "Tuition and Fees 1999-2000 Peer Comparison" was distributed to the Trustees. [A copy of this document is filed in the Office of the Assistant Secretary.]

Mr. Lee Conner, a member of the committee and President of the Graduate and Professional Student Federation, and Trustee Heinke, a member of the committee and Student Body President, spoke in opposition to the proposed tuition increase.

Faculty Chair Pete Andrews and Trustee Burnett, members of the committee, spoke in favor of the proposed tuition increase.

Shirley Ort, Associate Vice Provost and Director of Scholarships and Student Aid, and Dr. Linda Dykstra, Dean of the Graduate School, answered questions from members of the Board.

Mr. Armfield moved that the Board accept the report, as written, as it responds to what it would take to close the gap and recommend that tuition for all students be increased by \$300 each year for six years, recognizing that it may not in fact close the gap, but it would be a more palatable level of increase, and with the proviso that no student (undergraduate or graduate) currently receiving financial aid, or who would qualify for financial aid, would be negatively impacted. Dr. Jordan seconded the motion. The motion did not carry.

Mr. Williams moved that the Board support the principles of the October 18, 1999 Report of the Committee on Faculty Salaries and Benefits to close the gap between faculty salaries at UNC-CH and comparable peer institutions and the three pronged approach to addressing the gap: tuition, alumni giving, and legislative support. Mrs. Kitchin seconded the motion and it carried unanimously.

Mr. Williams moved that tuition be increased \$1,500 over the next five years for all students at UNC-CH.

Mr. Burnett requested that the following statement be added to the motion. Students who qualify for financial aid will be held harmless from the tuition increase.

Mr. Stevens proposed an amendment to the motion. The amendment was that tuition be increased \$1,000 over the next five years for all students at UNC-CH. The proposal was not accepted.

Chairman Cates stated the motion that tuition would be increased \$1,500 over the next five years for all students at UNC-CH and those who qualify for financial aid will be held harmless from the tuition increase. Mr. Armfield seconded the motion. Trustees Heinke, Stevens, and Thigpen voted against the increase. The motion carried.

FINANCE AND BUSINESS COMMITTEE

10-Year Capital Plan

Dr. Jack Evans, Interim Vice Chancellor for Finance and Administration, handed out a master schedule of all projects envisioned for the University over a ten-year horizon starting with fiscal year 2001. Dr. Evans commented that General Administration has shifted from a process that in the past has looked at a six-year schedule and is now requesting information on a ten-year schedule.

This information was presented to the Trustees for review prior to the November 5 deadline for submission of completed spreadsheets to Eva Klein & Associates, Ltd. This item was presented for information only (no formal action was required). [A copy of the information is filed in the Office of the Assistant Secretary.]

Ms. Anna Wu of the Facilities Services Division answered questions from the Trustees related to the plan.

Dr. Evans suggested that the Trustees forward any inquiries concerning the plan to Assistant Secretary Brenda Kirby.

A meeting will be held prior to November 5 for any Trustees able to attend to review the information to be submitted on November 5 to Eva Klein. Also, all Trustees will receive a copy of the information.

The final information will be presented to the Board of Governors for approval on November 19, 1999.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Mr. Pardue, seconded by Mr. Thigpen, 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) (3) and (6).

CLOSED SESSION

Chancellor McCoy updated the Board on a personnel matter.

MOTION TO RECONVENE IN OPEN SESSION

Dr. Jordan moved that the Board reconvene in open session. Mr. Thigpen seconded the motion and it carried.

ADJOURNMENT

There being no further business, the meeting adjourned at 1:30 p.m.

Assistant Secretary