

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

The Board of Trustees met in regular session on Wednesday, March 23, 2005 at The Carolina Inn, Chancellor Ballroom East, at 5:00 p.m. Chairman Williams presided.

ROLL CALL

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

Richard T. Williams, Chairman
Nelson Schwab III, Vice Chairman
Jean Almand Kitchin, Secretary
Timothy B. Burnett
Matthew M. Calabria
Russell M. Carter
John G. B. Ellison, Jr.
Karol V. Mason
Roger L. Perry, Sr.
A. Donald Stallings
Robert W. Winston

The following Board members were absent:

Philip G. Carson (Excused Absence)
Paul Fulton, Jr. (Excused Absence)

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 Maurice Koury Oral Sciences Building project, providing a new 216,000 square foot building for instructional, research, and academic support space for the School of Dentistry. The project will require demolition and replacement of the existing Dental Office and the Dental Research Buildings.
 1. Flad & Associates Raleigh, North Carolina
 2. Koetter/Kim & Associate, Inc. Boston, Massachusetts
 3. Bohlin Cywinski Jackson Philadelphia, Pennsylvania

(ATTACHMENT A)
- Designer selection of the following three firms in priority order as listed for a comprehensive renovation to Hinton James Residence Hall, including upgrades of the HVAC, lighting, fire protection, electrical systems, revisions to the floor plans, and repair of exterior balconies and railings.
 1. Mitchell/Matthews Charlottesville, Virginia
 2. LS3P/Boney Architects Raleigh, North Carolina
 3. Little Diversified Architects Research Triangle Park, NC

(ATTACHMENT B)
- Designer selection of the following three firms in priority order as listed for the Research Resource Facility project, providing design services for the phased development of site infrastructure and facilities for the Research Resource Facility.
 1. BJAC Raleigh, North Carolina
 2. The FWA Group Durham, North Carolina
 3. Michael Hining Architects Chapel Hill, North Carolina

(ATTACHMENT C)
- Designer selection of the following three firms in priority order as listed for the Mary Ellen Jones Building Elevator Upgrade project, providing engineering services for the replacement of elevator equipment in the building.
 1. Donna D. Kramer, P.E. Chapel Hill, North Carolina
 2. The Wooten Company Raleigh, North Carolina
 3. Design Development Raleigh, North Carolina

(ATTACHMENT D)

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- Designer selection of the following three firms in priority order as listed for the Dean E. Smith Center and Koury Natatorium roof replacement and repairs project, providing design services for roof repair and exterior caulking replacement for the Dean E. Smith Center and roof replacement for the Koury Natatorium.

1. Rooftop Systems Engineers, P.C. Raleigh, North Carolina
2. Corley Redfoot Zack, Inc. Chapel Hill, North Carolina
3. Roof Engineering, Inc. Raleigh, North Carolina

(ATTACHMENT E)

- Designer selection of the following three firms in priority order as listed for the Grounds Department Service Station project, providing design services for an addition to the existing Grounds Department Service Station, including additional service bays, a wash bay with water reclamation system, and additional office space and tool storage.

1. Design Development Raleigh, North Carolina
2. DTW Architects & Planners, Ltd. Durham, North Carolina
3. Michael Hining Architects Chapel Hill, North Carolina

(ATTACHMENT F)

- Acquisition by lease of approximately 6,900 square feet of office space for ITS and Clinical Trials at a location to be determined. The lease term is a three-year period with two one-year options commencing May 1, 2005, or as soon thereafter as possible at an initial annual rent not to exceed \$113,850 or \$16.50 per square foot, not including utilities or janitorial services. The annual rent shall not exceed an increase of 2.5% per annum beginning May 1, 2006.

(ATTACHMENT G)

- Acquisition by lease of approximately 2,850 square feet of office space for University Advancement at a location to be determined. The lease term is a three-year period commencing May 1, 2005, or as soon thereafter as possible at an initial annual rent not to exceed \$47,025 or \$16.50 per square foot, not including utilities or janitorial services.

(ATTACHMENT H)

- Acquisition by lease of approximately 2,797 square feet of office space for the School of Medicine AIDS Research Office at 211A West Cameron Avenue, Chapel Hill, North Carolina from Madison Partners, LLC. The lease term is a three-year period commencing February 1, 2005, or as soon thereafter as possible at an initial annual rent not to exceed \$45,451.25 or \$16.25 per square foot, not including utilities or janitorial services. The annual rent will increase 3% per annum beginning February 1, 2006.

(ATTACHMENT I)

The following Level 1 items were presented previously to the committee for information only (no formal action was requested at that time):

- Report by Task Force on Landscape Heritage and Plant Diversity.

(ATTACHMENT J)

A bound copy of the "Task Force on Landscape Heritage & Plant Diversity" final report dated January, 2005 was handed out to the members of the Board. [A copy of the report is filed in the Office of the Assistant Secretary.]

- Potential Capital Program Vulnerabilities Interim Report. [A copy of the report is filed in the Office of the Assistant Secretary.]

RECESS

Chairman Williams recessed the Board meeting at 5:05 p.m.

RECONVENE

Chairman Williams reconvened the Board meeting at 8:00 a.m. on Thursday, March 24, 2005 at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

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

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

The following Board member was absent:

Philip G. Carson (Excused Absence)

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Burnett, seconded by Ms. Kitchin, the minutes of the regular meeting of January 26-27, 2005 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Burnett, seconded by Ms. Kitchin, the following mail ballot dated February 16, 2005 was approved as distributed:

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

On motion of Mr. Burnett, seconded by Ms. Kitchin, the following mail ballot dated February 21, 2005 was approved as distributed:

- Construction Manager as Agent selection of the following three firms in priority order as listed for the renovations of Gerrard Hall, Smith Hall/Old Playmakers Theatre, the Campus Y, and the new Hot Water Project at the South Building.
 1. Resolute Building Company Chapel Hill, North Carolina
 2. New Atlantic Contracting, Inc. Winston-Salem, North Carolina
 3. Heery International, P.C. Raleigh, North Carolina

(ATTACHMENT L)

CHAIRMAN'S REMARKS

Chairman Williams announced his appointment of the Nominating Committee to select a slate of officers for the 2005-2006 Year:

Timothy Burnett, Chair
Karol Mason
Roger Perry

The Nominating Committee will present the proposed slate of nominees at the May Board meeting, and the officers will be elected at the July Board meeting.

Chairman Williams commented that with respect to campus-based tuition it is the responsibility of the Board of Trustees to determine what the Board believes is best for the campus, and to then make a recommendation to the Board of Governors.

He commented on the excellent work of the Tuition Advisory Task Force and the sound recommendation it made acknowledging the significant needs of the campus. That recommendation was the basis of the Board of Trustees' recommendation to the Board of Governors.

The Board of Governors made a decision last week on out-of-state tuition and athletic fee increases for the Chapel Hill Campus. With the passage of the athletic fee increases, the campus is in a position to take a giant step toward significant improvement in merit-based scholarships. There will now be a pool of dollars, seed money, which will grow into a tremendous amount of dollars for merit-based scholarships.

Last week, the Board of Governors approved the appointment of Barbara Hyde of Memphis as a new Trustee. Her appointment will become effective July 1. She will replace Trustee Phil Carson, who has chosen not to seek a new term on the Board. His contributions to the Board's activities will be missed.

Chairman Williams congratulated Trustees Paul Fulton, Karol Mason, and Nelson Schwab who were reappointed by the Board of Governors to new four-year terms effective July 1.

Chairman Williams commented on the success this year of the women's and men's basketball programs. Carolina was the only school to have top-seeded women's and men's teams in the NCAA Tournament and also in the Sweet Sixteen.

Chancellor Moeser commented on a *Time Magazine* bracket of the men's basketball tourney on the basis of the academic performance of the teams. The winner of the field of 64 was Carolina. It had Carolina advancing and winning because on the basis of academic performance, we were clearly number one.

Chairman Williams also commented on a recently released preliminary NCAA Academic Progress Report, which will be an ongoing report that will be published by the NCAA. Their data collection process tracks a team's progress toward degrees by semester. It eventually could be very painful for some universities in that if their success is not appropriate, they could lose scholarships for their athletic programs.

Carolina has done very well in this regard and the Chairman expressed his congratulations to the athletic director and everyone involved for this success.

Chairman Williams introduced Julia Shalen, the overall coordinator of the Dance Marathon, who provided the Board with a brief look at this year's event and what it accomplished. Also joining Ms. Shalen were Peter Atwater, operations chair, and Liz Kelly, fundraising projects chair.

Chairman Williams requested Secretary Kitchin read the following Resolution of Appreciation.

**RESOLUTION OF APPRECIATION
FOR
MATTHEW M. CALABRIA**

WHEREAS, Matt Calabria as Student Body President served his constituents with admirable dedication and skill, listening to all, building consensus, and advocating effectively for their interests;

WHEREAS, Matt Calabria worked with a broad coalition of student groups registering thousands of students to vote, succeeded in helping bring a pilot program to campus for music downloading, collaborated with the Graduate and Professional Student Federation to address the needs of its students, and visited legislators in Raleigh and in Washington, D.C. to put a human face on the priorities of The University of North Carolina and in particular its students;

WHEREAS, Matt Calabria co-chaired the Tuition Advisory Task Force, helping this group achieve consensus and complete its charge on time;

WHEREAS, Matt Calabria as a Trustee commanded respect for his thorough preparation for meetings and always-thoughtful engagement with the business of the Board; and

WHEREAS, he was valued particularly for his ability to frame students' positions within the priorities of the Board, to understand others' views even if different from his own, and to treat both his fellow Trustees and fellow students with respect and kindness.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill congratulates Matt Calabria on a job very well done and expresses its deepest gratitude for his exemplary service and leadership.

Chairman Williams moved approval of the Resolution of Appreciation for Mr. Calabria. Mr. Schwab seconded the motion and it carried. A round of applause was given to Mr. Calabria.

CHANCELLOR'S REMARKS

Chancellor Moeser began by recognizing the following:

- Richard Barth, Frank A. Daniels Professor for Human Services Policy, School of Social Work. Professor Barth recently received the James E. Flynn Prize for Research, given annually to the scholar whose interdisciplinary studies significantly shape social policy. He received a \$10,000 prize and a gold medallion for this honor.

The award was established in 1999 by the dean of the School of Social Work at the University of Southern California.

The Chancellor expressed pride in Professor Barth's work and the role it continues to have in seeking solutions for the social and health problems facing families and children in North Carolina and beyond.

- Yi Zhang, Associate Professor, Department of Biochemistry and Biophysics and the Lineberger Comprehensive Cancer Center. Earlier this week, it was announced that Professor Zhang was selected as a Howard Hughes Medical Institute investigator following a rigorous national competition. This is a first for a Carolina faculty member.

Howard Hughes Medical Institute investigator awards are highly prestigious national awards. The recipients have often received Nobel Prizes and many are members of the National Academy of Sciences.

Professor Zhyang's work with DNA holds great promise in applying basic research to studies of human diseases. This new significant support from the Hughes Institute will help accelerate that research.

- Gene Nichol, Dean of the Law School, who last week was selected to become the new President of the College of William and Mary effective July 1. While we're extremely sorry to lose Dean Nichol, who has been a great Dean and a great academic leader, a great spokesman for North Carolina values and the values of the University of North Carolina, a passionate commitment to the concept of being a public university and what that means, it is a great compliment—not only to Dean Nichol—but to Carolina that one of America's most prestigious universities, the College of William and Mary, has chosen him as their next President. They made a very wise and insightful selection.
- Jill Coleman, a campus landscape architect, who served as one of the two co-chairs of our Task Force on Landscape Heritage and Plant Diversity, which just completed its excellent report in January. Jill was a leader of the 14-member task force, along with Tom Bythell, University Arborist.

The Chancellor commended the group for their significant work and stated that we're conscious of the fact that we have not only a great architectural archive and heritage at the University, but we also have an incredible landscape archive and heritage; and we are committed to preserving that and to making what is one of America's most beautiful college campuses even more beautiful.

Thanks to a benefaction from Arthur DeBerry of Chapel Hill, University staff has restored the arcade of cherry trees lining both of the brick walks along McCorkle Place.

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- Cindy Shea, the University's Sustainability Coordinator, and Ralph Taylor, the University's Energy Manager, who were among those representing Carolina in accepting the North Carolina Government Sustainability Leadership Award as part of the second annual Sustainable Energy Conference in Raleigh.

The North Carolina Project Green, created by the Governor to challenge state government agencies to set an example of environmental stewardship, presented this honor.

The Chancellor stated that we are pleased that Carolina continues to be recognized as a leader in those efforts for adopting exemplary practices endorsed by the Board of Trustees as the master plan is brought to life. The University is making sustainability a part of the fabric of its campus community in areas including construction, site protection, storm water management, energy, water, transportation, and recycling. These activities save money--\$800,000 alone through recycling last year—and are smart investments.

Chancellor Moeser commented on the budget, stating that at the request of the Office of the President, yesterday we submitted a proposed budget scenario for the next fiscal year that includes a four percent cut in state appropriations. This is a result of the beginning of the budget process that has just begun in the Senate. The Provost's Office is now incorporating this development in to the budget planning process begun earlier this semester. We had anticipated some possible budget reduction scenarios and we had asked our deans to project a three percent cut, so we were relatively well prepared within 48 hours to return to the Office of the President what we would do with a four percent cut with very little flexibility about how we would handle this cut. This amounts to a \$16 million net reduction in the recurring state appropriation for Chapel Hill.

The Chancellor stated that we have been managing reductions in the context of the UNC System's strategic priority to provide greater access to North Carolinians through enrollment increases while protecting instruction. We have been successful up to this point. As a result of the Legislature's funding of enrollment growth, we've been able to offset budget cuts with enrollment growth funds. However, since 2000-2001, we have absorbed a net reduction, taking into account the enrollment increase funds, of more than \$41 million worth of recurring state funding cuts. We have now reached the point that if cuts at the four percent level come to fruition, we will no longer be able to protect instructional programs as we have been able to do in the past. Further, we will not be able to protect library collections which we have absolutely done through the past several years. This has been a mainstay of our budget-cutting approaches—the protection of library acquisitions and our instructional programs.

Other precise examples of the budget cuts are:

- Elimination of 65 filled and unfilled faculty positions
- Loss of 50-60 faculty because we would not be able to match competitive outside offers
- Canceling of searches for tenure-track positions and increasing the number of adjunct teaching faculty
- Loss of gains made in the last couple of years in increasing the number of courses with fewer than 20 students—one of our key measures of excellence

The Chancellor stated that we will work very hard to maintain the very positive relationship we've had with the Governor's Office and the Legislature to see that these projected cuts are minimal. Over the past several years in very difficult times, they have been very good in protecting their investments in education compared with the rest of state government.

We should not minimize the impact of what has been put on the table and that tells us how hard we must work to make sure that these suggested cuts don't become reality; thus, our job is to realize the seriousness of the situation, roll up our sleeves, and go to work with policymakers in Raleigh to make sure we can find other solutions to the state's budget. The state does have real structural problems in its budget that most policymakers think are in the neighborhood of \$1.2-\$1.3 billion. This is the first step in a long, long process.

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Chancellor Moeser concluded his remarks by commenting on the upcoming action to be taken by the Board to officially change the revenue allocation process in our Trademark Licensing Program. If the action is approved, it will formalize what the Board agreed to do in January—shift 100% of trademark licensing revenue to the Office of Scholarships and Financial Aid so we can expand support for our merit-based scholarship program. This would remove the remaining 25% of those revenues for merit-based scholarships. This is important since we want to attract more top high school graduating seniors, high performing students, to Chapel Hill from North Carolina and beyond. We want to keep more of North Carolina's brightest and best here at home. In the past, fewer than half of the very best North Carolina students whom we've admitted in the past have actually accepted our offer of admission to come to Chapel Hill. Among those choosing other campuses—mostly outside the State of North Carolina—their average SAT score was 1433. We know from our research that our inability to offer merit-based scholarships was a key factor in their decision not to come to Chapel Hill.

Starting next fall, these trademark licensing funds move to the Office of Scholarships and Financial Aid and will enable us to offer 55 North Carolina students renewable merit scholarships valued at \$10,000 over four years. That will make a significant difference for those 55 students who otherwise might be at Harvard, Princeton, Yale, Dartmouth, or Stanford. In addition to the 55 students from North Carolina, five out-of-state students will benefit from awards worth \$60,000 over four years. This is an excellent first step toward enhancing our ongoing efforts to provide a significant number of merit-based scholarships.

The Chancellor expressed a sense of incredible commitment from benefactors to the Carolina First Campaign. He feels we can raise a lot of money to continue to support our commitment to need-based scholarships and adding to that great support for merit. Not one penny will be moved away from need-based financial aid for this University. Our commitment to meeting 100% of the financial aid demonstrated by our students remains firm, absolute, and uncompromised. We have set a national standard in our commitment to need-based aid. It's on that foundation that we're building this new program for merit-based aid. This is the Carolina way of doing things—built on a foundation of integrity and access, commitment to need, and then a program to support merit.

We already have some wonderful merit-based programs—the Morehead Scholarship continues to be the gold standard in America. There is no finer scholarship. We have about 40 of those. We have the Robertson Scholars, a program that we share with Duke University—a wonderful program that admits fifteen students each Fall to the University. We have our own Carolina Scholars and about 130-plus National Merit Scholars on campus. We already have a program, but we need more and this is an important step. We're building a much more significant program that will give us the tools to achieve even better programs.

Chancellor Moeser thanked Faculty Chair Judith Wegner who did so much to bring this program forward. He also thanked Trustee Carter who put the passion of the Board behind the program and Matt Calabria who stood with the Chancellor in front of the Board of Governors and presented the proposal.

The Chancellor concluded his comments with the following town-gown issues:

- He has committed the University to participate in a proposed comprehensive long-range transit study where we will join together with the towns of Chapel Hill and Carrboro, as well as the North Carolina Department of Transportation. This is another significant signal of the University's desire to be a good partner with our local communities (both the towns of Chapel Hill and Carrboro) as well as the State of North Carolina DOT. Transit is a key component of the planning of future growth of Chapel Hill and Carrboro and is incredibly important to us as we begin to plan for the build-out of Carolina North. The Chancellor stated that he looks forward to working with our public transit partners and the state in planning for the improvement of our shared transit system and we stand ready to contribute appropriately to the cost of the work.
- Zoning Update: Two actions are currently pending before the Chapel Hill Town Council.

1. Down zoning of the current hodge-podge of zoning districts on the Carolina North property to a very restrictive Office-Institutional 2 category covering the Carolina North tract. This would seriously limit our ability to build Carolina North. We don't believe the down zoning is necessary because we've made it very clear that we have absolutely no plans to start any development on that property without entering into consultation with the town. That has been conveyed in a letter from the Chancellor to the Mayor and the town council and it was reiterated by our staff at the March 21 council meeting.
2. Revisions to the Office-Institutional 4 zoning category covering the main campus. The council is currently considering several changes in that zone, which was a negotiated agreement between the University and the Town of Chapel Hill. Some of the Board of Trustees members participated in this lengthy public negotiating process. The council is considering several changes in that zone—most of which we've already signaled are acceptable to us, and we've offered to negotiate the resolution of the remaining issues with the town. That process remains in flux at this point.

Chancellor Moeser announced that a full presentation on Carolina North will be presented at the May Board meeting for public discussion at that meeting.

Chairman Williams requested that the Chancellor advise the Board as quickly as possible when the town acts on the down zoning issue.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Calabria presented a bound copy of the October 2004 Report and the March 2005 Report to Chairman Williams. The reports provide a detailed history of student government activities during each of the six-month periods. Copies will be emailed to the members of the Board.

He introduced Seth Dearmin, student body president-elect. Seth will be administered the Oath of Office at the Board's May meeting.

Mr. Calabria thanked the members of the Board for helping to make his term on the Board of Trustees a pleasurable experience.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Mr. Schwab, Committee Chair, began his report by commenting on the Board's earlier work related to tuition and fees and the subsequent actions made by the Board of Governors and the Legislature.

Mr. Schwab presented the following item for ratification by the Board. The motion stated below was approved earlier by the Audit and Finance Committee.

"In light of the action of the Board of Governors at their March 18, 2005 meeting to approve a \$100 increase in the athletic fee, the Audit and Finance Committee moves that the remainder of the Trademark Licensing Review Program currently allocated to the Department of Athletics be reallocated to the Office of Scholarships and Financial Aid, effective July 1, 2005 for the purpose of funding merit-based scholarships."

The motion was unanimously ratified by the Board.

Mr. Schwab reported on the following items which were presented previously to the committee for information only (no formal action was requested at that time).

- Mr. Schwab reported on the March 23 meeting with the State Auditor's Exit Committee concerning their report for 2004 for the University. It was a very clean report with the exception of one management issue concerning a daily deposit procedure, which had been dealt with satisfactorily to the State Auditor.
- Effective & Efficient Business Practices presented by Dwayne Pinkney, Assistant Vice Chancellor, Finance & Administration. Mr. Pinkney updated the committee on several areas in which the University could benefit from more effective and efficient business practices—personnel, minor construction/renovation, the Commercial Paper Program, and purchasing.

A copy of the presentation is located at: www.unc.edu/depts/trustees

- Update on the Office of the President's Proposed Changes to University Employee Health Benefits presented by Laurie Charest, Associate Vice Chancellor for Human Resources.

(ATTACHMENT M)

A copy of the presentation is located at: www.unc.edu/depts/trustees

- Five-Year Financial Plan presented by Vice Chancellor Nancy Suttentfield, Finance & Administration. The Plan reflects the estimate of resources needed to achieve the University's top ten strategic priorities and possible funding sources. The Plan is not a budget plan; however, it is used as the framework for annual budget decisions. [A copy of the plan is filed in the Office of the Assistant Secretary.]
- Capital Program Vulnerabilities presented by Vice Chancellor Suttentfield. Mr. Schwab had requested this interim report on the work recently undertaken to identify possible "blind spots" in the execution of the remainder of our \$1.5 billion Capital Improvement Program. She talked with each member of both the Buildings and Grounds Committee and the Audit and Finance Committee, and has a senior team engaged in a comprehensive vulnerabilities assessment. [A copy of the information is filed in the Office of the Assistant Secretary.]
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the Campaign total now stands at \$1,439,633,742. There have been \$33.4 million in new commitments since the January Board meeting. There are 167 pending proposals totaling \$374,181,415. [A copy of the report is filed in the Office of the Assistant Secretary.]

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 at that time).

- Faculty Chair Judith Wegner commented on the Kauffman Entrepreneurial Initiative, which is a \$3.5 million award to the campus. She will be teaching a seminar on topics related to land development, using Carolina North as a scenario.
- Provost Remarks by Executive Associate Provost Steve Allred in the absence of Provost Shelton.
 - Pilot Part-time Undergraduate Degree Program for employees created as an outcome of the Chancellor's Task Force for a Better Workplace. The program will begin in the Fall Semester, 2005.
 - Senior Administrator Searches Update:
 - The School of Journalism & Mass Communication Dean Search Committee, chaired by Dean Tom James, delivered its report to the Provost with a recommendation for three candidates.
 - Dr. Holden Thorp has resigned as Director of the Morehead Planetarium & Science Center to become the new Chair of the Chemistry Department, effective July 1, and a search committee has been appointed by the Provost to conduct a national search for a new director. Peter White, Professor of Biology and Director of the Botanical Garden, is serving as Chair of the Search Committee.
 - Provost Shelton will meet with the Law School faculty on March 31 to discuss the appointment of an interim dean to replace Gene Nichol, who will become the President of the College of William and Mary on July 1. A search committee will soon be assembled to seek a new dean, with the goal of identifying finalists later this fall.
- Athletics Program Update by Dick Baddour, Athletics Director. Mr. Baddour thanked Chancellor Moeser, Faculty Chair Wegner, Mr. Calabria, and Mr. Carter for the leadership and support they have extended to the Athletics Department during the challenges of the discussions concerning athletic fees.

Mr. Baddour introduced Joe Sagula, head coach of Women's Volleyball, one of the most prolific winners in college volleyball today. Coach Sagula was recently named as President of the American Board Volleyball Association of Olympic Coaches. Coach Sagula commented on the positive impact that the new Rams Head Plaza will have on his recruiting mission. He stated that he had heard the same comment from other coaches.

- Undergraduate Student Retention & Graduation Study presented by Lynn Williford, Assistant Provost & Director, Office of Institutional Research, and Jerry Lucido, Vice Provost for Admissions & Enrollment Management. The study showed that in the classes of 1997 and 1998, 83.9 percent of students graduate from the University within five years, 5.7 percent of students transfer to another four-year institution, and 10.4 percent drop out. The study focused on the factors affecting retention and graduation and the impact of institutional policies and services. Socio-economic status, involvement on campus, and first-year grade-point averages were found to be crucial factors in whether a student remains at the University and graduates within five years. The first year is critical as far as engaging in campus life. The study group is looking at recommendations based on the results of the study.

A copy of the presentation is located at: www.unc.edu/depts/trustees

- Ombuds Office Update by Laurie Mesibov and Wayne Blair, leaders of the Ombuds Office. Ms. Mesibov and Mr. Blair talked about their efforts to improve employee mediation. Their office is scheduled to open on May 2 and is located on Franklin Street. The office was created in response to the Chancellor's Task Force for a Better Workplace.
- Human Subjects Protection Policies & Practices by Tony Waldrop, Vice Chancellor for Research & Economic Development, and Dan Nelson, Director of Human Research Oversight & Ethics. The University currently has eight Institutional Review Boards (IRBs), with the goal of protecting the rights and welfare of human research study participants. The IRB processes are federally mandated and guided. The Office of Human Research Ethics (OHRE) is responsible for ethical and regulatory oversight of all research at the University involving human subjects. The University hopes to become a part of the Association for Accreditation of Human Research Protection Programs (AAHRPP)—formed in 2001 to establish standards in this area which were not established before—only 21 institutions are presently accredited by this program. We will apply this year.

A copy of the presentation is located at: www.unc.edu/depts/trustees

- Update on Technology Transfer at Carolina by Vice Chancellor Tony Waldrop and Mark Crowell, Associate Vice Chancellor for Research, and Director, Office of Information & Communications. An update was presented describing the objectives of the technology transfer program at the University, as well as some of the entrepreneurial successes.

A copy of the presentation is located at: www.unc.edu/depts/trustees

INFORMATION TECHNOLOGY: AN INTELLECTUAL LEVER

Daniel A. Reed, Chancellor's Eminent Professor, Vice Chancellor for Information Technology and Chief Information Officer; Director, Renaissance Computing Institute (RENCI), gave a presentation on Information Technology Services (ITS) at the University, as well as the Renaissance Computing Institute.

A copy of the presentation is located at: www.unc.edu/depts/trustees

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, and seconded by Mr. Schwab, 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

Mr. Schwab, Committee Chair, presented the committee's report on the following items which were previously approved by the committee.

- Report of the Honorary Degrees and Special Awards Committee by Faculty Secretary Joe Ferrell, who presented five nominees for honorary degrees to be presented at Commencement 2006. [A copy of the Report of the Honorary Degrees and Special Awards Committee is filed in the Office of the Assistant Secretary.]

Mr. Schwab moved approval for ratification by the Board of the five nominees. Mr. Burnett seconded the motion and it carried. Four members of the Board abstained from voting on the slate of five nominees: Mr. Carter, Mr. Fulton, Ms. Kitchin, and Mr. Stallings.

- Report of the Naming Committee by Matt Kupec, Vice Chancellor for University Advancement. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Mr. Schwab moved approval for ratification by the Board of the naming recommendations. Ms. Kitchin seconded the motion and it carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated March 14, 2005 for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS N-O-P-Q)

BOARD OF VISITORS NOMINATIONS

Mr. Kupec presented the slate and information concerning nominations for the Class of 2009. [A copy of the Board of Visitors nomination information is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

Chairman Williams convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chairman Williams reconvened the Board in open session.

OPEN SESSION

UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated March 14, 2005, which were discussed earlier in closed session. seconded the motion and it carried.

- Personnel changes and salary increases in Academic Affairs.
(ATTACHMENT N)
- Personnel changes in Health Affairs.
(ATTACHMENT O)
- Promotions conferring tenure.
(ATTACHMENT P)
- The personnel changes for information did not require action by the Board.
(ATTACHMENT Q)

Chairman Williams 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, Chairman Williams adjourned the meeting at 1:00 p.m.

Assistant Secretary