

The Board of Trustees of The University of North Carolina at Chapel Hill met in regular session in the Chancellor's Ballroom of The Carolina Inn on March 22, 1996. Chairman Armfield called the meeting to order at 8:30 a.m.

Roll Call

Members Present: William J. Armfield, IV, Chairman
William R. Jordan, Vice Chairman
Anne W. Cates, Secretary
Angela R. Bryant
J. Calvin Cunningham, III
James E. S. Hynes
David E. Pardue, Jr.
Charles A. Sanders
Richard Y. Stevens
Cressie H. Thigpen, Jr.
David J. Whichard, II

Members Absent: Walter R. Davis
Annette Fairless Wood

Minutes

Mr. Whichard moved approval of the minutes of the regular meeting of the Board on January 26, 1996. Mrs. Cates seconded the motion and it carried unanimously.

Resolution for Student Body President James Calvin Cunningham, III

WHEREAS, during the past year James Calvin Cunningham, III, has served with distinction as President of the Student Body of The University of North Carolina at Chapel Hill and, by virtue of his elected office, as a member of this Board of Trustees;

WHEREAS, his January, 1996, report to the members of this Board reflected a solid record of accomplishment in behalf of students by the Executive Branch of Student Government under his leadership;

WHEREAS, he has been an unflagging and eloquent spokesman for the concerns and interests of the Student Body on this Board;

WHEREAS, he has given able service as a member of the Search Committee for a new Chancellor and through membership on the Student Affairs and Finance and Business Committees of this Board, manifesting in all of those assignments an unusually mature understanding of the other broad responsibilities of the Board;

WHEREAS, he has not been afraid to take positions unpopular at the moment in the conviction that the fair verdict of history would vindicate his judgment;

AND WHEREAS, his courteous willingness to understand and appreciate views different from his own has won support for him and for students generally in his work on the Board;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill extends its appreciation, admiration, and gratitude to James Calvin Cunningham, III, for his exemplary service as President of the Student Body, for his leadership of his fellow students, and for his excellent service as a member of this Board, and wishes for him a happy consummation of his undergraduate career at Commencement in May.

Dr. Jordan moved adoption, seconded by Mr. Stevens. The motion carried unanimously.

Chairman's Report

Chairman Armfield stated that he feels like all of the Trustees are very pleased that construction is about to begin on the Kenan Stadium Project. There are a few approvals pending and it is hoped that they can be consummated in the early stages by the Legislature in order to begin construction as soon as possible. He said that this project is very much needed in order to get our facilities, both academic and training, competitive in our conference. He reported on recent discussions regarding the Investment Committee of the Foundation and Endowment Board and the privatizing of that function. He stated that this has been done at universities such as Harvard, Yale, Duke, and Texas and can be a more effective way of managing our endowment funds. Chancellor Hooker and Ms. Susan Ehringhaus, Assistant to the Chancellor and Senior University Counsel, have both reviewed it. There are several approvals yet to be made. The membership of the Investment Committee would be comprised of professionals plus Chancellor Hooker, the vice chancellor for Advancement, the vice chancellor for Business and Finance, and the chairman of the Board of Trustees. The Investment Committee would have a chairman other than the chairman of the Board of Trustees, presumably a professional in financial management. This committee would suggest nominees to the Board of Trustees and the Board of Trustees would make those selections. Chairman Armfield said he hoped that this work could be consummated at the Trustees meeting in May.

Chairman Armfield referred to the Board's committee meetings held on Thursday, March 21, especially the Student Affairs Committee. He said it was gratifying and enlightening to see the outstanding community service work that is being done by various student groups on campus. He cited the Campus Y, the Carolina Community Foundation (CCF), the a.p.p.l.e.s. Program, and the BCC, stating that all of these groups are involved in outreach programs not only in the Chapel Hill-Carrboro community, but around the state with youth-at-risk, adult education classes, mentoring, and other areas. He stated that these students are a great credit to the University and he hopes that everyone on the Board will take it upon themselves to become more familiar and more supportive of these groups. He added that he was glad to see the students' recent objection to the anti-Semitism dialogue.

Chancellor's Report

Chancellor Hooker began his remarks by associating himself with the sentiments of the Resolution praising Student Body President Calvin Cunningham.

The Chancellor mentioned the work being done with the housekeepers since his arrival on campus to address issues of concern to them. These issues were primarily in three areas: job advancement possibilities, training programs, and the quality of supervision. The issue of training programs has been addressed, leading, hopefully, to job advancement possibilities for them. He said that effective May 1, 1996, a significant management change will be made that will improve substantially the relationship with the housekeepers and their working conditions. Barbara DeLon will become the director of Housekeeping Services. She is well known to the campus community and last year she was awarded the Massey Award. Since 1976, she has served as library personnel officer. She has been a long-time member of the University Staff Employee Grievance Committee and just recently completed the task of co-chairing the Task Force on Women, which is now in the process of rolling out its report. He stated that he had come to know her in the course of meeting with the co-chairs of that committee and

the committee as a whole, and was very much impressed by her and is convinced that her appointment as director of Housekeeping Services will go a long way toward addressing the issues of the housekeepers.

The Chancellor also pointed out that we are concerned about the Fifth Circuit Court ruling pertaining to the Texas Law School and their use of race as one of the criteria for admissions. The Fifth Circuit Court ruling goes directly against the Supreme Court ruling in the Bakke case some years ago in California at U-Cal Davis Medical School. He stated that it is expected that the Supreme Court will have to resolve this issue, but it is quite possible that there will be some time before the Supreme Court takes the case so it may bounce around in the lower courts for a while, and that will simply create confusion for everyone. The situation is that clarity cannot be brought to it right now. The University operates under the higher court ruling, which pertains to all other circuits except the Fifth Circuit--the Bakke ruling--which permits us to regard race as one of the criteria that we employ in admissions. It is important to be able to employ that criteria to provide a balanced student body. Therefore, awaiting final resolution from the Supreme Court, we will continue to act consistent with existing Supreme Court precedent.

Chancellor Hooker said that the University continues to work with the members of the State Legislature in support of the General Administration and the Board of Governors with respect to the budget upcoming in the short session. All of the meetings with the members of the Legislature are positive. There is an enormous depth of support for Chapel Hill and a great deal of pride in the flagship campus and its national and international stature among the legislators. He finds no sentiment or passion for diminishing the University in any way. In fact, he said it was just the opposite. Everyone is filled with pride in the University and wants to see it regain whatever national stature may have been lost during the budget trough of the early '90s. On the other hand, this is an election year and among the general populace there is sentiment for tax cuts. He said that he worries that the Legislature may in this

election year give in to popular sentiment in favor of tax cuts; and, of course, if that were to happen, it would significantly diminish the available revenues for allocation to salary increases for state employees and to operating budget increases for the University system. Therefore, he is concerned about the upcoming short session and especially concerned for the state's long-term well-being. Right now the North Carolina economy is very healthy. When times are flush, as they are now, that is of course the time to invest--not the time to disinvest. He said that he would like to see the Legislature seize the opportunity to take advantage of the state's sound fiscal condition right now and invest in its future by investing in education--in public education and in K-12, and in higher education. The most important thing that the state can do over the next five years is to invest in its future by building up its public education system, K-12, and by continuing to strengthen higher education. We are entering a knowledge-based economy and the well-being of any state, or any region of any state, in the future will depend almost exclusively on the extent to which it has developed, fostered, and nurtured its brain power. This is exactly the wrong time for the state to pull back from investing in education. He said that he is worried about the passion for tax cutting that seems to have taken hold nationwide. This is shortsighted, but is nonetheless there and is something that we need to be cognizant of. With respect to the public schools, he has said before that he doesn't think there is anything that is more urgent on the state's agenda right now than improving the quality of its public schools. He also said that the schools of education at our state university campuses should focus with passion on doing everything that they can to support and improve the public schools. That is the highest and most important thing that our School of Education can do. We are now engaged in a search for a new dean in the School of Education and the Chancellor said that he will be looking for someone who has proven ability at working with public schools and will bring to the leadership at our own School of Education a passion for doing everything possible for us, consistent with the resources that we

have, to make a significant difference to the public schools of North Carolina.

The Chancellor mentioned that he had been talking to incoming Student Body President Aaron Nelson about his campaign. Aaron did a lot of polling in the campaign determining what the issues were, and one of the most important issues for students was that of parking. That's no surprise, since it is a problem on every college campus, but the problem on this campus not only for students, but for faculty and staff as well, is as acute as it is on any campus that he has seen. The Chancellor said that we must simply do something about it and cited that he has a parking permit that permits him to park him anywhere on campus; the problem is finding a place. He very often drives around campus and is unable to find a parking place. Thus, he can appreciate the problem for others. He stated that he has asked Mr. Wayne Jones, vice chancellor for Business and Finance, to study the possibilities for alleviating the parking situation by looking for places where we can construct new parking. Polk Place has been ruled out, but that's about the only space on campus that we haven't ruled out. One thing in particular that he asked Mr. Jones to do is to study the possibility of solving two problems at once, and that is that the quality of the intramural fields beside Carmichael Gymnasium are very poor. They are used so heavily that it's impossible to keep grass growing there, so whenever there's a little bit of rain it turns in to a mud pit. It would be nice to be able to provide the students with turfed playing fields. This is possible, remembering that Georgetown University built a parking deck with turfed playing fields on top of it. The Chancellor said that he has asked Mr. Jones to study the possibility of building a parking deck on the playing field beside Carmichael and then turfing the top deck for a playing field, thus solving two problems at once if it can be done. This is only one of a number of possibilities being studied.

The Chancellor indicated that as we approach the end of his first year he is thinking about reporting to Chairman Armfield, as he will at the end of the year, on what he has observed, where he thinks

the University should be headed, and what he thinks we should be worried about. However, he wanted to say before that time that he is enormously impressed, as he was when he started, and more appreciative of the strength of Carolina. The theme that is a drumbeat for him is that higher education faces at least a decade, and probably more, of turbulent and radical rapid change, and that we have to anticipate the future and position Carolina for the future so we will be able to maintain the position of leadership in public higher education in the future that we have maintained in the past. He was happy to say that there is such strength here that we don't have to act precipitously. This is not something that we have to do immediately. We have the luxury of being able to look at our situation, to look at the changes taking place in higher education in the country, to anticipate where we ought to move, and to develop a plan for moving there. So, whatever he says at the end of the year about the future, it will involve looking much more closely at ourselves at higher education, at the changes that are taking place, and working with the faculty, staff and the students deliberately to devise a plan for our future with the luxury of being able to take the time necessary to do it right. This is fundamentally a very strong institution and we should take a great deal of comfort in that fact as we look to the turbulent future of higher education which will be a period of rapid and radical change.

Mission Statement for the Department of Athletics

Ms. Susan Ehringhaus, Assistant to the Chancellor and Senior University Counsel, presented information concerning the Department of Athletics Mission Statement and Principles of Operation. She said that the NCAA Certification Team issued the recommendation that we develop a process for regular review of the mission and goals statement of the Department of Athletics and that the process should include approval by the Board and appropriate constituencies within the University--the Athletic Council, the Faculty Athletic Committee, the Administrative Council, and the Chancellor. Mr. John Swofford, athletic director, and his colleagues have developed these statements and have been through all of the

constituencies and now are recommending it to the Board for review and approval.

Ms. Bryant moved that the Trustees accept the Mission Statement and the Principles of Operation for the Department of Athletics as presented. Mrs. Cates seconded the motion.

Dr. Jordan offered a comment concerning Item 2 of the Principles of Operation and questioned whether or not we presently recruit students who are committed to obtaining a degree from the institution. Mr. Swofford replied that every effort is made to have an athlete who leaves the University to go in to the pros to return to the University to complete their degree requirement. He cited that Coach Dean Smith insists that in contractual arrangements there is an additional bonus for coming back and completing the degree. Dr. Jordan reiterated that he thinks it is important that this be done at our University. Ms. Bryant added that she thinks it is important that the ones who stay get degrees as well, particularly since they might not have the resources as the ones who leave early. Mr. Swofford further clarified the Mission Statement and the Principles of Operation particularly emphasizing the integrity of the program, the academic commitment to our athletes, as well as the sportsmanship issues and the competitiveness of the program. He said that the main point is that the definition of success in intercollegiate athletics goes well beyond the competitive aspects of it. The motion carried unanimously.

(Attachment A)

Student Body President's Report

Mr. Cunningham thanked the Board for his Resolution and told them that he had enjoyed working with them, the Chancellor, and members of the administration who have helped the Student Body out with some very tough problems this year, particularly Ms. Ehringhaus, Dr. Elson Floyd, and Ms. Edith Wiggins. He said it has been a tremendous experience for him and a remarkable year. He was very pleased that the Student Body saw fit to give him the opportunity to be a part of it. He also thanked the Board for the opportunity to do the presentation at the Student Affairs Committee

meeting on March 21 and for the dinner that evening where the various student organization leaders were also invited. He said that he had heard back from just about everyone of them and it was a very, very positive experience for them. It has lead many of them to believe, rightfully so, that a new direction can be made, new bonds formed, new cooperation and partnerships in the decision-making process. He cited a Kennedy School of Government professor by the name of Robert Putnam in an article he was reading wherein Professor Putnam was describing what he called the strange disappearance of civic America; and one of the examples given was that now people bowl alone. There has been a 40% decrease in the bowling leagues and a 10% increase in people who bowl alone. Mr. Cunningham says there has been some dispute academically about this article, and he thinks that in terms of his experiences that he has tried to assess where his generation is going. He's not sure that his generation is bowling alone. There is a tremendous sense of shared responsibility that is expanding itself in to new areas. The Campus Y has a very long and rich history of being involved in community service, but also on this campus there are models for success in community service, such as a.p.p.l.e.s. and the Carolina Community Foundation. He also mentioned that 20-30 years ago some of the people that Dr. Putnam described as apathetic, those who don't go to the polls and those who don't pay attention or share a sense of civic responsibility, were the Greek system. Today, we're seeing a new direction in the mission that changed itself in order to better address some of the issues and problems of today. He remarked that the Greek system logged 16,000 hours of community service this past year and raised over \$60,000 which it gave to charities. That reflects the new sense of shared civic responsibility. We may not be bowling alone as a generation, but he thinks we're becoming active in things other than bowling leagues--finding new avenues for energy and time.

Mr. Cunningham also touched on two points that he wanted to leave with the Board. The first was the Board's accessibility to students. He said that he thinks that with opportunities for the

Board to get together with students and the types of things he has heard president-elect Aaron Nelson talk about, there is new possibility for this Board to be accessible to students, to become not a mysterious Board, but the very eclectic group of individuals that it is. The second point was that he was listening to 91.5 WUNC and heard the provost, the chancellor, Dr. Meyer, and several others talking about the institution, the direction it is taking, and the need and the challenge that we face to become the best public university in the country. He said that recognizing first of all that we want to be the best public university in the country is something that he has heard articulated for the first time in his three years here and he is very encouraged by that. There are so many students who care deeply about where we stand, about what their degree will mean next year, in five years, or in ten years. There have been some difficult votes taken this year on some very difficult issues--not the least of which was the tuition increase. Some of that reflects on a very sincere desire to do what is necessary to be the best public university in the country. He said that he had been approached by countless people who have said they don't think that tuition is the right way to do it, but they understand the need and understand that it may have to be done. A lot of people will be willing, particularly if we develop closer partnerships in the decision-making process. There will be a very willing student body that wants to contribute to the excellence of this University. It's doing so in a lot of ways right now, community service being just one of many, and they would love to continue to contribute if the Board can better explain to them how. He thinks that some fine steps have been made in this last year and he looks forward to seeing and reading about what directions are taken over the next few years.

Chairman Armfield thanked Mr. Cunningham for his report and for his leadership to the students and the University and assured him that his good works will be continued and the Board is looking forward to working with Aaron Nelson.

Report of the Student Affairs Committee

Mr. Whichard presented the following items previously approved by the Committee.

Student Community Concerns

Mr. Whichard reported that the presentations made by various student organization leaders were very well received by the committee.

Substance Abuse Treatment and Prevention Update

This matter was moved to the committee's meeting in May.

Food Service Improvement Project

Mr. Hynes moved to approve the proposed renovations to the University Dining Services with the understanding that the financing will be determined at a later date. Dr. Jordan seconded the motion and it carried unanimously.

(Attachment B)

Report of the Academic Affairs and Personnel Committee

Ms. Bryant reported that the committee heard a presentation concerning tuition remission and health insurance for graduate students and graduate student fundraising by Dr. Tom Meyer, Vice Chancellor for Graduate Studies and Research. His report was the second in a series of presentations to the committee concerning issues involving graduate students. There are three parts of that issue that are very important. One is the continuing issue of health insurance, the other is the adequacy of the stipends received of graduate students who do teaching duties, and finally the ongoing issue of evaluating and supporting of teaching assistants and doing that function more successfully.

The committee had also heard a report of the Food Services Advisory Committee. This report was presented by Claudia Scotty, a food facilities consultant from Thomas Ricca Associates, and Carolyn Elfland, a member of the Food Services Advisory Committee. Ms. Bryant commented that the enhancement of our food service on campus not only is about food and doing that in an economically feasible way, but it is also about improving the intellectual climate on campus and the opportunities for staff, students, and faculty to

interact and have a culture of interaction in an intellectually healthy atmosphere. She reiterated that Ms. Scotty had commented in her presentation that the unique mission of food service on college campuses is not about food for profit, which is what happens in the for-profit sector, but is about creating a college experience. This is what we want to focus on as we continue this project.

Report of the Finance and Business Committee

Mr. Thigpen presented the following items previously approved by the committee.

Final Plans and Specifications for WUNC Radio Station

Dr. Jordan moved to approve the final plans and specifications for the WUNC Radio Station. Mr. Cunningham seconded the motion and it carried unanimously.

(Attachment C)

Final Plans and Specifications for the Center for Dramatic Art

Mrs. Cates moved to approve the final plans and specifications for the Center for Dramatic Art. Mr. Cunningham seconded the motion and it carried unanimously.

(Attachment D)

Final Plans and Specifications for the New Electrical Substation

Mr. Stevens moved to approve the final plans and specifications for the New Electrical Substation. Mr. Whichard seconded the motion and it carried unanimously.

(Attachment E)

Design of Additions to Kenan Stadium

Dr. Jordan moved to approve the design of the additions to Kenan Stadium. Mr. Cunningham seconded the motion and it carried unanimously.

(Attachment F)

Selection of a Site for a New Building for the Institute for the Arts and Humanities

Mr. Pardue moved to approve a site south of Battle-Vance-Pettigrew and across the lawn from Person Hall for a new building for the Institute for the Arts and Humanities. Mr. Stevens seconded the motion and it carried unanimously.

(Attachment G)

Severance of Buildings from Land

Mr. Whichard moved to approve the severance from the land of the Scuttlebutt building, the Arboretum Greenhouse and the temporary Law School Clinic and snack bar buildings. Mr. Cunningham seconded the motion and it carried unanimously.

(Attachment H)

Acquisition by Lease of Approximately 2,825 Square Feet of Office and Related Space for the UNC-CH School of Public Health, Department of Environmental Sciences & Engineering AID-WASH Project

Mr. Stevens moved to approve the lease of approximately 2,825 net square feet of office and related space from Robert J. Page for the UNC-CH, School of Public Health, Department of Environmental Sciences & Engineering, AID-WASH Project, for a term of one year at an annual cost of \$37,703.04 or \$13.35 per square foot, including utilities and janitorial services and five employee parking spaces, with an option to renew for two additional six-month periods on the same terms. Mr. Cunningham seconded the motion and it carried unanimously.

(Attachment I)

Development

Associate Vice Chancellor Matt Kupec presented a report regarding the level of activity and current contributions in the Development Office. He pointed out the recent \$1 Million gift from Glaxo-Wellcome to the School of Pharmacy and stated that Glaxo-Wellcome has given over \$30 Million to the University over the years. He also thanked Trustee member Dr. Charles Sanders for his efforts in this regard. Mr. Kupec also referred to the University Campaign and the extraordinary response it is receiving from employees. A copy of the report is on file in the Office of the Assistant Secretary.

Motion to go into Closed Session

Mrs. Cates moved that the Board go into closed session to prevent the disclosure of privileged information under section 126.22 and following of the North Carolina General Statutes or regulations, to prevent the premature disclosure of an honorary award or scholarship, to consult with our attorney to protect the attorney-client privilege, to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action, to establish or instruct the staff or agent concerning the negotiation of the amount of compensation or other terms of an employment contract, to consider the qualifications, competence, performance, conditions of appointment of a public officer or employee or prospective public officer or employee. Dr. Sanders seconded the motion and it carried unanimously.

Closed Session

Development

Board of Visitors Nominations

Mr. Kupec presented information concerning the selection of the Board of Visitors Class of 2000.

Report of the Naming Committee

Mr. Kupec presented a report of the Naming Committee. Ms. Cates moved approval of the report as presented. Mr. Whichard seconded the motion and it carried unanimously. A copy of the report is on file in the Office of the Assistant Secretary.

Legal Advice and Update

Ms. Ehringhaus advised the Board concerning a letter received from the Internal Revenue Service announcing that the University is a participant in a Comprehensive Examination Program for Colleges and Universities and indicated areas that the Service would be examining. Chairman Armfield and other Board members offered their comments regarding this notification.

Ms. Ehringhaus also advised the Board concerning an ongoing investigation on the misuse of the University phone system by students in dormitory rooms.

Ms. Ehringhaus advised the Board on a threatened lawsuit by representatives from the press concerning the issue of the Open Meetings Law. At this time Mr. Whichard excused himself from this discussion due to a potential conflict of interest. She went on to further explain this situation.

She also advised the Board on another lawsuit that the University has not yet been served with which calls in to question the minority fellowship program that is funded by the legislature and is handled by General Administration.

Academic Affairs and Personnel Committee

Personnel Matters for Information

Ms. Bryant presented personnel matters for information not requiring action by the Board.

(Attachment J)

Personnel Matters for Consultation

Ms. Bryant moved approval to authorize the Chancellor to forward to the President and the Board of Governors, the personnel report and recommendations presented for consultation. The motion was seconded by Mr. Whichard and it carried unanimously.

(Attachment K)

Personnel Matters for Action in Academic Affairs

Mrs. Bryant presented the following personnel changes in Academic Affairs for discussion: Appointment, Reappointment at Same Rank, and Promotions.

(Attachment L)

Personnel Matters for Action in Health Affairs

Ms. Bryant presented the following personnel changes in Health Affairs for discussion: Designation to Named Professorship, Appointments, Reappointment at Same Rank, Promotion, and Removal of Contingency on Funding Status of Faculty Member.

(Attachment M)

Personnel Matters

At this time, Chairman Armfield excused everyone except the Chancellor and the members of the Board to discuss personnel matters.

Mr. Whichard moved to reconvene in open session. Mrs. Cates seconded the motion.

Open Session

Academic Affairs and Personnel Committee

Ms. Bryant moved approval of personnel changes in Academic Affairs. Mrs. Cates seconded the motion and it carried unanimously.

(Attachment L)

Ms. Bryant moved approval of personnel changes in Health Affairs. Mrs. Cates seconded the motion and it carried unanimously.

(Attachment M)

Ratification of the Mail Ballot

Ms. Bryant moved to ratify the mail ballot dated February 15, 1996. Mrs. Cates seconded the motion and it carried unanimously.

(Attachment N)

Adjournment

There being no further business to come before the Board, Chairman Armfield adjourned the meeting at 10:30 a.m.

Assistant Secretary