

BOARD OF TRUSTEES MEETING

The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session at the Wilson Library Assembly Room on March 25, 1999 at 1:10 p.m. Chairman Stevens presided.

ROLL CALL

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

Richard Y. Stevens, Chairman
Anne W. Cates, Vice Chairman
Angela R. Bryant, Secretary
William J. Armfield, IV
Walter R. Davis
William R. Jordan
David E. Pardue, Jr.
Charles A. Sanders
Cressie H. Thigpen, Jr.
Reyna Walters
Annette F. Wood

The following members were absent:

James E. S. Hynes
David J. Whichard, II

MINUTES

On motion of Mrs. Cates, seconded by Ms. Walters, the minutes of the meeting of January 29, 1999 were approved as distributed.

CHAIRMAN'S REMARKS

Chairman Stevens commented on the visit by members of the Board to the North Carolina State University Centennial Campus on March 24 and on the reception afterward, hosted by Chancellor Fox at her home.

Chairman Stevens commented that Ms. Bryant was recently elected to serve as a member of the Board of Governors.

Chairman Stevens requested that Ms. Bryant read the following resolutions.

RESOLUTION OF APPRECIATION FOR REYNA WALTERS STUDENT BODY PRESIDENT, 1998-99

WHEREAS, Reyna Walters has served as Student Body President of The University of North Carolina at Chapel Hill for the last year with enthusiasm and poise, giving a strong and insightful voice to student concerns on a wide variety of issues;

WHEREAS, in that capacity Reyna served as an ex officio member of The UNC-Chapel Hill Board of Trustees, offering valuable guidance, feedback and perspective to the Board on all matters concerning the University, but especially those directly affecting its students;

WHEREAS, during her tenure, Reyna, the first African-American female Student Body President, has left an indelible impression on Carolina by providing sound and thoughtful student input on such important issues as selection of a new campus police chief, land-use planning, and the campus budget and priorities--issues that will impact the University community for many years to come;

WHEREAS, Reyna and her staff have worked hard to make Carolina's needs known well beyond the boundaries of this campus through successful programs such as Local Relations Day and through effective lobbying of the Legislature for projects including the renovation of the Undergraduate Library;

WHEREAS, Reyna has been widely hailed for the breadth of her agenda, drawing from her personal experience in organizations including the Campus Y, where she began her student advocacy career; the Black Student Movement; and her sorority, Alpha Kappa Alpha, as well as from her extensive exposure to a wide variety of other campus groups to become a powerful and effective spokesperson for all students, embracing the diversity of our campus for the betterment of us all;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill heartily commends and thanks Student Body President and colleague Reyna Walters for her selfless and unparalleled dedication to the needs of all students, for her enduring commitment to student self-governance, and for her untiring efforts to assure that she leaves the University a better place for those yet to come.

The Board unanimously approved adoption of the resolution and applauded Ms. Walters.

RESOLUTION OF CONGRATULATIONS
FOR
DR. ELSON S. FLOYD
PRESIDENT, WESTERN MICHIGAN UNIVERSITY

WHEREAS, Dr. Elson S. Floyd will formally be installed as President of Western Michigan University on April 6, 1999;

WHEREAS, President Floyd is a three-time alumnus of The University of North Carolina at Chapel Hill and has held many positions at the University and within the UNC System, most recently serving with exceptional skill, insight and diplomacy as Executive Vice Chancellor;

WHEREAS, since his arrival in Kalamazoo in August, Dr. Floyd has continued to distinguish himself as an outstanding leader in public higher education, clearly establishing that both he and Western Michigan University are on an upward trajectory and have a bright and successful future together;

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of The University of North Carolina at Chapel Hill celebrates with Dr. Floyd his many achievements in Michigan and North Carolina and congratulates him upon the occasion of his inauguration as President.

The Board unanimously approved adoption of the resolution.

Ms. Bryant will personally deliver the resolution to Dr. Floyd on the occasion of his inauguration.

NOMINATING COMMITTEE

Chairman Stevens advised the Board on his appointment of the Nominating Committee to nominate officers for the 1999-2000 year. Mr. Whichard will chair the Nominating Committee. The other members of the committee are Mr. Davis and Mr. Thigpen. The Nominating Committee will present the proposed slate of nominees at the Board's May meeting.

CHANCELLOR'S REMARKS

Chancellor Hooker commented on Professor Greg Forest's presentation to the Academic Affairs and Personnel Committee. Professor Forest reported on science planning and vision from the perspective of the College of Arts & Sciences. The Chancellor referred to General Administration's study on physical plant needs for the University. The consultant's report indicates a deficit of at least 800,000 square feet and an even larger deficit with regard to research space. He commented that he felt a sense of duty to say something about the disparity between the present funding base and what is needed in order to move forward. In terms of an operating budget, Professor Forest needs about \$10 million a year (one percent of the University's budget) to begin implementing his program.

About four years ago, the Chancellor began urging the Faculty Council to create a budget committee to look at the challenge of reallocating resources from areas of low priority to areas of high priority. Professor Forest's presentation laid out some obvious areas of high priority that reflect the changing character of University research and the changing character of science. The University must look to taking care of its own needs concerning capital construction and bonding capacity. Vice Chancellor Jim Ramsey's work with General Administration will likely result in some proposals to the Legislature for the University System, which will benefit this campus. Eva Klein's study has now identified about \$7 billion (in present dollars) of capital needs for the System. About \$3 billion of that is for this campus. This would be for new construction to address growth, the current deficit, and renovation and repair needs that have not been previously addressed. The Chancellor said that he is hopeful that the System will be able to work out a proposal for the Legislature that will ultimately provide for those needs. However, he does not think there is any way that we can provide for those needs without looking at the other source of revenue, which is tuition.

The Chancellor invited the Board to begin examining the question of the University's tuition structure in the context of the charter of the University, the constitution of the State, the commitment to the people of North Carolina to provide access to the University, and in the context of the changing character of the academy and its needs. The Chancellor is convinced that the University is in the midst of a sea change in higher education, which is rewriting all rules of competition among universities. Twenty years from now, the universities that are national models and now thriving will not be those that have been national models and those

that have thrived over the last 200 years unless they radically change their direction, their way of doing business, and embrace new paradigms of activity. We will be seeing more and more the new paradigm of the research university as one that has blurred the boundaries between it, between corporations, and ultimately between those two entities and government.

The challenge to the University is to acknowledge that it has gotten to where it is because of 200 years of strong tradition, that its strength lies in that tradition, but that tradition will not save us. We have to keep looking at the question of how do we do things differently and what do we do that has not been done before that will enable this University to maintain the position in higher education leadership that it has enjoyed for the past 200 years? Just staying on a straight-line trajectory, extrapolating from the past into the future is guaranteed to fail. We have to design and embrace new models. We have to be experimental--willing to strike a course, achieve a vision, and then deal with the obstacles and barriers as they are encountered. The Chancellor's Cabinet, the faculty, and the deans have embraced this challenge.

Chancellor Hooker updated the Board on his health.

The Chancellor commented on the First Year Seminars, saying that this is a wonderful program that will revolutionize undergraduate education at Carolina. [A copy of the First Year Seminars information handout is filed in the Office of the Assistant Secretary.]

Members of the Board thanked the Chancellor for sharing the information concerning his health.

Mr. Armfield congratulated the Chancellor and his staff of deans regarding the University's having more of its schools in the Top Ten than did Duke University.

Mr. Pardue commented on the issue of reallocating funds from lower priority sources to higher priority sources. He asked if the Chancellor had any suggestion as to how the Board could help regarding this issue and commented that he felt like the Board would be receptive to any suggestion.

The Chancellor responded that part of the problem with reallocating funds is that there are no poor quality programs at the University and that is what would be looked at when reallocating funds. He will continue to work on this issue.

Mr. Davis commented that the University should become more involved in the legislative process.

STUDENT BODY PRESIDENT'S REMARKS

Ms. Walters commented on the recent passing of a resolution by the Board of Governors supporting the student vote on the Board of Governors. At the present time, students are planning to take that to the legislative level to get legislative support.

Ms. Walters commented that as a result of a February student referenda, in May 1999 all undergraduates will have their major, or double major if applicable, and Master of Arts students will have their major coursework shown on their diploma.

Ms. Walters commented on the issue of voting precincts. Initially, there was a lot of support for this issue. However, at the present time, it's moving at a snail's pace. Approximately January 2000 is the deadline to have voting precincts set in stone. She is encouraging Student Body President-elect Nicholas (Nic) Heinke to take up this project next year. This is an issue that could have lasting effect on the University and students will benefit from it in the long run.

Ms. Walters handed out a copy of the "Executive Branch of Student Government, March Report". She commented on some of the items contained in the report. [A copy of the report is filed in the Office of the Assistant Secretary.]

Ms. Walters thanked the members of the Board for the resolution presented to her earlier. She also thanked the Board members for their encouragement during her term as a member of the Board.

In conclusion, Ms. Walters introduced Nic Heinke to the members of the Board.

REPORT OF THE FINANCE AND BUSINESS COMMITTEE

Mr. Pardue, chairman of the Finance and Business Committee, presented the committee's report on the following items, which were previously approved by the committee:

1. Approval for submission to the Board of Governors of the tuition increase proposals by the School of Law and the School of Journalism and Mass Communication
(ATTACHMENT A)
2. Approval of a reimbursement resolution
(ATTACHMENT B)
3. Approval of ratified mail ballot dated February 3, 1999 regarding the Katherine R. Everett Trust, and mail ballot dated February 26, 1999 regarding the selection of an environmental engineer
(ATTACHMENT C)
4. Approval of The Ordinance Regulating Traffic and Parking on the Campus of The University of North Carolina at Chapel Hill effective August 15, 1999
(ATTACHMENT D)
5. Approval to lease to Orange County, for \$1.00 and other good and valuable consideration, for a term of thirty years, approximately 12 acres of land located on the east side of Homestead Road, and the south side of High School Road for the purpose of constructing, operating and maintaining playing fields associated with a new middle school for the Chapel Hill-Carrboro City Schools to be built on adjoining property. The lease would be contingent on the University and the Chapel Hill-Carrboro City Schools establishing a separate agreement to provide a location in the new middle school for School of Education offices and programs and collaboration opportunities
(ATTACHMENT E)

6. Approval to demolish the existing Indoor Track Building
(ATTACHMENT F)
7. Approval to lease to The Educational Foundation, Inc. for \$1.00 and other good and valuable consideration, for a term not to exceed three years, the Indoor Track Building and surrounding grounds for the purpose of demolishing the existing building, and constructing a new Indoor Track Facility; provided, however, that no construction shall commence until the Athletic Department has provided information satisfactory to the Vice Chancellor for Finance and Administration that it can fund the operating expenses for the new facility
(ATTACHMENT G)
8. Approval of the final design of the new Indoor Track Building
(ATTACHMENT H)
9. Approval of selection of the architectural firm of Hanbury Evans Newill Vlattas & Company for design of the New Residence Halls
(ATTACHMENT I)
10. Approval of siting the New Residence Halls in the area of Ehringhaus, Hinton-James, and Craige Residence Halls with the understanding that specific siting will be brought back to the Board of Trustees upon presentation of the building designs
(ATTACHMENT J)
11. Approval of the site south of Rosenau Hall along South Columbia Street as the site for the addition to the School of Public Health
(ATTACHMENT K)
12. Approval of selection of the engineering firm of Stewart Engineering to design the artificial playing surface for two of the Carmichael Playing Fields
(ATTACHMENT L)
13. Approval of the final design of an addition to the James T. Hedrick Office Building, UNC Hospitals
(ATTACHMENT M)
14. Approval of the site of the present Medical Building C as the site for the proposed Medical School Office Building
(ATTACHMENT N)

Mr. Pardue moved approval of the above items. Mr. Armfield seconded the motion and it carried.

The following items were presented to the committee for information only (no formal action was required):

1. Preliminary design review of the proposed Medical School Office Building
(ATTACHMENT O)
2. Preliminary design review of the proposed Herbarium Research Building for the North Carolina Botanical Gardens
(ATTACHMENT P)
3. Report on the meeting with the rating agencies.

4. Discussion concerning the possible expansion of the scope of the Ayers Saint Gross contract to include early design assistance in working with various architects who are designing future projects. The matter will be considered with discussions to take place at a later date.

REPORT OF THE STUDENT AFFAIRS COMMITTEE

In the absence of Mr. Whichard, chairman of the Student Affairs Committee, Ms. Walters presented the committee's report.

Campus Drug Report

Vice Chancellor Kitchen, Dean Exum, and several members of the Committee on Student Conduct presented information on the University's drug policy and how the numbers were obtained for the Campus Drug Report. The University currently operates under four policies: (1) Board of Governor's Policy, (2) the University policy, which was adopted by the Board of Trustees, and is consistent with the policy of the Board of Governors, (3) The Instrument of Student Judicial Governance, and (4) the Residence Hall Contract, which has slightly different language than the other three policies. The Residence Hall Contract is more inclusive and includes use of drugs, as well as paraphernalia.

Drug violations are reported in the following ways: primarily in residence halls, UNC-CH Police, and Chapel Hill Police (includes Granville and fraternities and sororities). All drug violations are also reported to the Dean of Students, as well as taken to the Student Attorney General who decides whether or not to prosecute. Then, a student is either charged or not charged.

Several recommendations were made by Dr. Kitchen: (1) have additional RA training to detect drugs; (2) orientation/first 8 weeks program sending a clear message to incoming students about the ramifications of drug use and the sanctions that will occur; (3) off campus loopholes, with Granville Towers having been handled; (4) dealing with The Instrument of Student Judicial Governance and the Committee on Student Conduct. This item has two parts. The first is changing the language so it's everyday language that students can understand. The present language is in statute language. The second part is the standard of proof. At the present time, the standard of proof for a conviction is beyond a reasonable doubt. The final recommendation was having people who are not charged go through the same process with the Dean of Students as students who use alcohol, and that is setting up meetings with the Dean of Students who then recommends treatment.

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Dr. Sanders, chairman of the Academic Affairs and Personnel Committee, presented the committee's report.

Science Planning and Vision: A College of Arts & Sciences Perspective

Professor Greg Forest, Senior Associate Dean, College of Arts & Sciences, presented this item to the committee. The program's goal is to place Carolina as one of the top five public science universities. This is essential if the University is to be the number one public university in the United States. Professor Forest will

employ a unique planning process, which will involve a multi-disciplinary advisory group focusing on technologies that will be affecting people primarily in the 21st Century in areas such as life sciences, development of new materials, and the environment. The requisite for leadership in this area is recruiting outstanding students. There is a plan for outreach in K through 12 throughout North Carolina to develop a better pool of students. Outstanding faculty will be needed, as well as space and resources to support that.

Enrollment

Vice Chancellor Ramsey described the planning process that is presently going on at the level of the Board of Governors. The plan focuses on trying to utilize existing capacity at the maximum, set minimum targets for various institutions and for five facilities for those institutions that are growing. We are now talking about 27,500 students as opposed to the 30,000 that was discussed previously. This will go from 24,000 in 1999 to 25,000 in 2003, and 27,500 in 2008. The lower growth rate will primarily affect the graduate programs. This is unfortunate because the graduate programs are the sources of a lot of the student teaching. In comparing this University with peer universities, we find that we are lower in terms of space in virtually all categories--10% low in gross square feet in the library, 40% low in teaching, and 50% below in terms of research. If you turn that around and look at the number of square feet per student, since we're in the middle of the pack as far as student teaching is concerned, we're still 50% below in terms of research space both for students and faculty.

The challenge being faced to bring Chapel Hill up to the average is that we will need 900,000 additional net square feet and 1.5 million gross square feet. That challenge is not insurmountable and can be dealt with over the next nine years.

Mr. Armfield asked Dr. Ramsey if the latest growth figure (27,500+ students) was suggested by General Administration? Dr. Ramsey responded that it was their suggestion. General Administration knows that there is a big bubble of students coming down the pipeline and they want to focus from a policy perspective on how to deal with that. Therefore, it is a suggested plan that will be revisited every year or every two years by General Administration based on funding, etc.

Mr. Armfield then asked Dr. Ramsey what sort of drop-dead date do we have in terms of going to 27,000 or 30,000? Dr. Ramsey responded that we're moving ahead, regardless of that outcome, on the 1,000 beds that were discussed previously. Beyond that, the direction given by the Board was that we would not move forward with the additional student enrollment without the funding and the support. The next step, based upon the action of the committee of the Board of Governors, will be to go back to the deans and tell them the suggested target from General Administration and the Board of Governors for this University. The impacts will need to be sorted on a school-by-school level. The financial analyses will

continue to be done. Then the plan will be developed to try to get funding through the General Assembly or whatever means is decided upon to get funding.

DEVELOPMENT

Development Update

Mrs. Cates presented a report regarding the level of activity and current contributions in the Office of University Advancement. [A copy of the report is filed in the Office of the Assistant Secretary.]

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL DRUG EDUCATION, SCREENING AND COUNSELING PROGRAM FOR INTERCOLLEGIATE ATHLETICS

Vice Chancellor Ehringhaus introduced this item to the Board. The policy was originally put into place on August 1, 1991. In response to a request from several members of the Board, this updated version of the policy was presented to the Board for its approval.

Mr. Baddour, Director of Athletics, presented the major changes in the policy. Changes have been made to the following pages:

Page 5, E.1.b.
Page 7, E.2.b.
Page 8, F.1.a.
Page 9, F.1.b., c., d.
Page 10, F.1.e., 2.a.
Page 11, F.2.b.
Page 12, F.2.d., e.
Page 13, F.3.b.
Page 17, H., J.

Regarding page 10, F.e., First occasion, the proposed change to this section is as follows: "At a minimum, the student will be suspended for the next scheduled contest and be placed on probation and notified of such in accordance with this Policy." Mr. Baddour commented that this policy goes from a first offense at that minimum to a second offense of 365 days of suspension of involvement in the program and a third offense of elimination of eligibility with the program.

Mr. Baddour presented the following additional option for the Board's consideration: "First Offense: At a minimum the student will be placed on probation and notified of such in accordance with the policy. Second Offense: Cancellation of eligibility. The athletic eligibility of the student will be cancelled permanently; the student may not be eligible for renewal of any athletic scholarship, and an existing scholarship may be subject to cancellation. Any such cancellation may be imposed only in accordance with procedures specified in Section G." Mr. Armfield moved, seconded by Ms. Walters, to accept the policy as amended and to accept the additional option of the first offense and the second offense. The motion carried.

(ATTACHMENT Q)

PROPOSED RESOLUTION CONCERNING THE OPTIONAL RETIREMENT PROGRAM

Vice Chancellor Ehringhaus presented this item to the Board for its approval. Mrs. Cates moved approval of the resolution. Dr. Sanders seconded the motion and it carried.

(ATTACHMENT R)

HORACE WILLIAMS CAMPUS

Ms. Ehringhaus announced to the Board that at the May Board meeting she, along with Dr. Ramsey and Jonathan Howes, would like to bring a brief report on progress with respect to the planning for the Horace Williams Campus.

TITLE CHANGE

Chancellor Hooker announced that the Board of Governors has approved the change in title for Susan Ehringhaus from Assistant to the Chancellor and Senior University Counsel to Vice Chancellor and General Counsel.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Bryant, seconded by Ms. Walters, 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 under Section 131E-97.3) and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

DEVELOPMENT

Board of Visitors Nominations

Mr. Kupec, Vice Chancellor for University Advancement, presented the slate and information concerning nominations for the Board of Visitors Class of 2003.

Report of the Naming Committee

Mr. Kupec presented the report of the Naming Committee. [A copy of the report is filed in the Office of the Assistant Secretary.]

Dr. Sanders moved approval of the naming recommendations. Mr. Pardue seconded the motion and it carried.

Ratification of Naming Mail Ballot

The Board unanimously approved ratification of the mail ballot dated February 19, 1999. [A copy of the mail ballot is filed in the Office of the Assistant Secretary.]

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Personnel Actions

Dr. Sanders, chairman of the Academic Affairs and Personnel Committee, presented the following personnel actions.

Personnel Changes for Information

These changes did not require action by the Board.

(ATTACHMENT S)

Personnel Changes for Consultation

Mrs. Cates moved approval to authorize the Chancellor to forward to the President and the Board of Governors the personnel report and recommendations presented for consultation. Ms. Wood seconded the motion and it carried.

(ATTACHMENT T)

Personnel Changes in Academic Affairs

New Appointments; Reappointments at the Same Rank; Promotions

(ATTACHMENT U)

Personnel Changes in Health Affairs

Reappointments at the Same Rank; Addition of a Joint Appointment; Salary Increases

(ATTACHMENT V)

Recommendations for Exceptions to *Employment Policies* Annual Leave Provisions

(ATTACHMENT W)

REPORT OF APPEAL PANEL

Mrs. Cates reported on a March 24, 1999 appeal panel hearing. Dr. Sanders moved that the Chancellor's decision be sustained. Mr. Armfield seconded the motion and it carried.

LEGAL ADVICE

Ms. Ehringhaus advised the Board regarding several legal matters.

Chairman Stevens reconvened the Board in open session.

OPEN SESSION

REPORT OF THE ACADEMIC AFFAIRS AND PERSONNEL COMMITTEE

Ms. Bryant moved approval of the following:

Personnel Changes in Academic Affairs (ATTACHMENT U)

Personnel Changes in Health Affairs (ATTACHMENT V)

Recommendations for Exceptions to (ATTACHMENT W)

Employment Policies Annual Leave Provisions

Ratification of Mail Ballot Dated (ATTACHMENT X)
February 17, 1999

Mr. Thigpen seconded the motion and it carried.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:50 p.m.