

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

The Board of Trustees met in regular session on Wednesday, May 21, 2003 at The Carolina Inn, Chancellor's Ballroom, at 5:10 p.m. Chairman Burnett presided.

**ROLL CALL**

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

Timothy B. Burnett, Chairman  
Richard T. Williams, Vice Chairman  
Jean Almand Kitchin, Secretary  
Philip G. Carson  
Russell M. Carter  
Paul Fulton, Jr.  
James E. S. Hynes  
Karol V. Mason  
David E. Pardue, Jr.  
Roger L. Perry, Sr.  
A. Donald Stallings  
Matthew S. Tepper

The following member was absent: Nelson Schwab III

**REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE**

Mr. Pardue, chair of the Buildings and Grounds Committee, presented the committee's report on the following Level 1 items, which were previously approved by the committee.

- Designer selection of the following three firms in priority order as listed for renovation to the Daniels Building:
  1. Gurlitz Architectural Group – Durham, North Carolina
  2. Davis Kane – Raleigh, North Carolina
  3. HagerSmith – Raleigh, North Carolina(ATTACHMENT A)
  
- Designer selection of the following three firms in priority order as listed for the Jackson Circle Parking Deck:
  1. Pearce, Brinkley, Cease + Lee, P.A. – Raleigh, North Carolina
  2. Perkins Eastman Architects – Charlotte, North Carolina
  3. The Freelon Group – Charlotte, North Carolina(ATTACHMENT B)
  
- Construction Manager selection of the following three firms in priority order as listed for the Morrison Residence Hall renovation:
  1. Skanska – Winston-Salem, North Carolina
  2. Gilbane – Durham, North Carolina
  3. FN Thompson – Charlotte, North Carolina(ATTACHMENT C)
  
- Construction Manager selection of the following three firms in priority order as listed for the School of Dentistry, Brauer Hall renovation:
  1. FN Thompson – Charlotte, North Carolina
  2. Whiting-Turner Contracting Company – Charlotte, North Carolina
  3. Turner Construction Company – Durham, North Carolina(ATTACHMENT D)
  
- Site selection for Addition to Cobb Residence Hall  
(ATTACHMENT E)

- Site selection located immediately south of the Craige Parking Deck for Residence Halls (Phase IIA)  
(ATTACHMENT F)
- Site selection for the North Carolina Clinical Cancer Center  
(ATTACHMENT G)
- Site selection located at the existing farmhouse site for the new building at The Faculty and Staff Recreation Association (The Farm)  
(ATTACHMENT H)
- Demolition approval of the farmhouse at The Farm  
(ATTACHMENT I)
- Design approval of the Student Family Housing project  
(ATTACHMENT J)
- Lease of approximately 5,062 square feet of office space at Bank of America Center, 136 East Rosemary Street, Suite 634, Chapel Hill, Orange County, North Carolina, from Franklin Street Plaza, Ltd. for the Carolina Environmental Program. The lease term is one five-year period commencing May 1, 2003, or as soon thereafter as possible, at an initial annual rent not to exceed \$84,788.50, or \$16.75 per square foot including utilities and janitorial services. Beginning in year two, the annual rent will increase 3% annually. There is one five-year renewal option with 3% annual increases.  
(ATTACHMENT K)
- Lease of 3,000 square feet of office space at 337 West Rosemary Street, Chapel Hill, Orange County, North Carolina, from Breadmen's, Inc. for the Department of Psychology. The lease term is one three-year period commencing June 1, 2003, or as soon thereafter as possible, at an initial annual rent not to exceed \$51,000, or \$17 per square foot including utilities and janitorial services. Beginning in year two, the annual rent will increase 2% annually. There are two one-year renewal options with 2% annual increases.  
(ATTACHMENT L)
- Lease of office space, not to exceed 2,830 square feet, from Franklin Street Plaza, Ltd. for the School of Public Health, Department of Epidemiology, in Bank of American Center, 136 East Rosemary Street, Suites 301 and 404, Chapel Hill, Orange County, North Carolina. The lease term is one five-year period commencing June 1, 2003, or as soon thereafter as possible, at an initial annual rent not to exceed \$47,402.50, or \$16.75 per square foot including utilities and janitorial services. Beginning in year two, the annual rent will increase 3% annually. There is one three-year renewal option with 3% annual increases.  
(ATTACHMENT M)

Mr. Pardue moved ratification by the Board of the above items. Mr. Hynes seconded the motion and it carried.

Mr. Pardue also moved ratification by the Board of the following Level 2 item. Mr. Williams seconded the motion and it carried.

- Design approval of the Manning Steam Plant  
(ATTACHMENT N)

The following item was presented previously to the committee for information only (no formal action was requested at that time).

- Preliminary design review of the Global Education Center.  
(ATTACHMENT O)

Ms. Anna Wu, director of Facilities Planning, presented the preliminary design of the Global Education Center to the members of the Board.

Ms. Andrea Leers, architect, Leers Weinzapfel Associates, Boston, Massachusetts, addressed the Board concerning the design of the building and its surrounding location.

Chairman Burnett requested that Ms. Wu send the color presentation material to the members of the Board for further review.

Several members of the Board expressed their opinion on the design of the building. The majority of concern of the Board centered on the window design, the brick work, and the roof line of the building.

Chairman Burnett expressed the Board's appreciation to Mr. Pardue, chair of the Buildings and Grounds Committee. Mr. Pardue's eight-year term on the Board expires on June 30. A round of applause was given to Mr. Pardue.

Chairman Burnett also welcomed Student Body President Matt Tepper, who will be sworn in as a member of the Board at tomorrow's Board meeting.

### **RECESS**

The Board meeting recessed at 6:10 p.m.

### **RECONVENE**

The Board meeting reconvened at 8:05 a.m. on Thursday, May 22, 2003 at The Carolina Inn, Chancellor's Ballroom. Chairman Burnett presided.

### **ROLL CALL**

Assistant Secretary Brenda Kirby called the roll and the attendance was the same as on May 21.

### **CONSENT AGENDA**

#### **Approval of Minutes**

On motion of Mr. Williams, seconded by Mr. Stallings, the minutes of the regular meeting of March 27, 2003 were approved as distributed.

#### **Ratification of Mail Ballots**

On motion of Mr. Williams, seconded by Mr. Stallings, the following mail ballots were approved as distributed:

- Mail ballot dated April 9, 2003 (Resignation Agreement between Coach Matthew Doherty and The University of North Carolina at Chapel Hill)  
(ATTACHMENT P)
- Mail ballot dated April 15, 2003 (Appointment of Roy Williams as Head Men's Basketball Coach)  
(ATTACHMENT Q)

### **RESOLUTIONS**

Chairman Burnett requested Secretary Kitchin read the following resolutions.

### **HONORARY RESOLUTION**

**WHEREAS**, James E. S. Hynes and David E. Pardue, Jr. have served the people of North Carolina and The University of North Carolina at Chapel Hill faithfully and wisely as Trustees of the University; and

**WHEREAS**, Mr. Hynes and Mr. Pardue have ended their service as Trustees;

**NOW, THEREFORE, BE IT ENACTED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL THAT**

1. Mr. Hynes and Mr. Pardue are elected Honorary Trustees of The University of North Carolina at Chapel Hill.
2. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall be invited to attend all regular meetings of the Board.
3. Those elected to the position of Honorary Trustee of The University of North Carolina at Chapel Hill shall become members ex-officio of the Board of Visitors.
4. An Honorary Trustee shall cease to hold that position if he or she again becomes a Trustee.

**RESOLUTION OF APPRECIATION  
FOR  
JAMES E. S. HYNES**

**WHEREAS**, Jim Hynes has ably served the University for the last eight years as a Trustee and in prior years as an advisor and volunteer to schools and units, always with a commitment to the University's well-being in mind;

**WHEREAS**, Jim Hynes, as a Trustee, readily accepted assignments to investigate and make recommendations concerning the most difficult problems, and did so with objectivity and strategic thinking; and, whereas, his political acumen was always greatly valued;

**WHEREAS**, Jim Hynes distinguished himself in Board deliberations with his willingness to listen to others, to look beyond easy answers and to challenge, when necessary, widely held views; and, whereas, the Board relied on his sense of fairness and rectitude;

**WHEREAS**, Jim Hynes is a fund-raising leader without peer and has helped the University reach fund-raising records that would once have been unimaginable; and, whereas, Jim Hynes has led by example;

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

**RESOLUTION OF APPRECIATION  
FOR  
DAVID E. PARDUE, JR.**

**WHEREAS**, David Pardue, as long-time chairman of the Board's Buildings and Grounds Committee, advocated for an updated campus master plan, resulting in the thorough, inclusive and imaginative plan submitted in 2000 by Ayers Saint Gross;

**WHEREAS**, David Pardue brought patience, professionalism, and an open mind to discussions with the Town of Chapel Hill and with University neighbors—discussions resulting in the town's approval in 2001 of the development plan that will guide the University's eight-year construction program, which is without precedent in scope;

**WHEREAS**, David Pardue has brought a unique combination of vision and pragmatism to campus planning; and, whereas, as a stalwart member of numerous panels selecting architects and engineers, he has helped shape the way the campus will look and work in the 21<sup>st</sup> century;

**WHEREAS**, David Pardue, with his wife Rebecca, has generously supported the University, in particular the faculty, by creating two endowed professorships and the first endowed faculty fellowship in the Institute for the Arts and Humanities;

**WHEREAS**, David Pardue has shown himself to be devoted to the University and selfless in working for its benefit;

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

Mr. Stallings moved approval of the resolutions. The motion was unanimously approved by the members of the Board.

A round of applause was given to both Mr. Hynes and Mr. Pardue

### **ADMINISTRATION OF OATH OF OFFICE**

Ms. Bettie Pilkington, notary public, administered the Oath of Office to Student Body President Matthew S. Tepper.

### **CHAIRMAN'S REMARKS**

Chairman Burnett introduced Mr. John Ellison, who will be sworn in as a member of the Board at the July meeting. Mr. Robert Winston will also be sworn in as a member of the Board; however, he was not present at this meeting.

Chairman Burnett acknowledged Professor Judith Wegner, who is the recently appointed faculty chair. Professor Wegner will succeed Professor Sue Estroff, the current faculty chair, effective July 1.

Chairman Burnett commented on the recent commencement ceremony and the dignity associated with the ceremonies since the arrival of Chancellor Moeser at the University. He thanked Trustee Carter for participating in the inaugural Graduate School doctoral hooding ceremony which took place the day before the commencement ceremony.

### **CHANCELLOR'S REMARKS**

Chancellor Moeser thanked Chairman Burnett for his comments about the commencement ceremony and stated that the first doctoral hooding ceremony was an enormous success.

Chancellor Moeser commented on the following:

- Tar Heel Bus Tour. The purpose of the tour is to show 32 new faculty and administrators where 82% of incoming students group up; to spotlight existing University engagement; to show new faculty how their own teaching, research, and service connects with the state's needs.
- Budget Update. We're in the conference committee phase of the budget process, now expected to continue into June. Any additional cuts, on top of others from prior years, will be painful. Our priorities remain maintaining budget flexibility and recognition of the link between research, economic development, and the retention of our overhead receipts originating from federally funded faculty research.

The Chancellor stated that plans are under way to cut HEELS for Health, which offers educational and physical activity opportunities for faculty, staff and their families, and Arts Carolina, an umbrella organization for the diverse performing, visual and literary programs at the University.

- Academic Plan Update. This is a plan for basing future decisions on in both good and bad budget times. As far as is known, it's a first in the University's history and a significant step in strategic planning. It will help drive a multi-year financial plan; meshes with the key priorities of the Carolina First Campaign; and it will help energize strategic planning within individual units. It's a plan with key recommendations

that the Chancellor wholeheartedly endorses and is proud that it has been produced by the campus community. Provost Shelton, co-chair of the Academic Plan Task Force, will present a full report on the Academic Plan later in the meeting.

- Search Updates. The Chancellor acknowledged the departure of two deans:
  1. Risa Palm, College of Arts and Sciences, to become a provost and executive vice chancellor at LSU.
  2. Jeff Houpt, School of Medicine, as well as vice chancellor for Medical Affairs, and CEO of UNC Health Care System. He will remain in place until a successor is named.

The Chancellor stated that Dick Soloway will be interim dean in the College of Arts and Sciences beginning July 1 through next June, or until a successor is named.

Searches are under way in Education and Business, as well as for vice chancellors for Student Affairs and Information Technology.

Chancellor Moeser commented that it is a compliment to the University when our top people are highly sought after and recruited away from Chapel Hill for better positions and it's indicative of the remarkable combination of top academic leaders we have at the University. We need to make sure that we hire equally strong people to fill these important leadership roles.

- ACC Expansion. The Chancellor stated that when the vote was taken he voted against expansion. A concern was the welfare of student athletes, as well as the economic viability of the proposal that is based on some assumptions that one has to accept. The concern about student athletes has to do with the amount of time away from class due to traveling schedules, and the distances become much greater due to traveling to and from New England and South Florida. The travel cost is also a major consideration.

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

Mr. Tepper began by expressing his excitement at being on the Board and stated that it is an honor to be on the Board.

He commented on a recent outing to the Pisgah Forest with other campus student group leaders.

Mr. Tepper commented on the following three issues, which he will continually mention during the year:

1. Connecting the student voice to the Carolina First Capital Campaign.
2. The livelihood of arts on campus.
3. The installation of an air pump station at the Student Union for bicycle tires.

Mr. Tepper distributed a copy of his Platform to the members of the Board. [A copy is filed in the Office of the Assistant Secretary.]

### **REPORT OF THE NOMINATING COMMITTEE**

Mr. Hynes, chair of the Nominating Committee, presented the following proposed slate of officers for the term July 2003 to July 2004:

Richard T. Williams, Chair  
Nelson Schwab III, Vice Chair  
Jean Almand Kitchin, Secretary

Action on these nominations will take place at the July meeting.

### **REPORT OF THE FINANCE COMMITTEE**

In the absence of Mr. Schwab, chair of the Finance Committee, Mr. Fulton, vice chair, presented the committee's report on the following items which were presented previously to the Finance Committee for information only (no formal action was requested at that time).

- Status Report and Long Term Strategies for Overcoming Deferred Maintenance. Nancy Suttentfield, vice chancellor for Finance and Administration, and Carolyn Elfland, associate vice chancellor for Campus Services, gave a presentation on facilities maintenance at the University.

Mr. Fulton reported that routine maintenance is funded through building operating reserves. The University calculates building operating reserves based on a formula for the building type and requests the reserves during the biennial budget process. The building reserve formula process normally provides adequate funding. However, with a projected 7% budget cut for next year, the Facilities Services budget will have been cut a total of 23% since Fiscal Year 1996, on a dollars-per-square-foot basis.

To compensate for these budget cuts, the University has provided about \$1 million in enrollment increase funding and also committed \$500,000 of overhead receipts to fund maintenance in buildings for which research is a significant component of the use.

In order to reach the Level 2 (Comprehensive Stewardship) benchmark established by the Association of Higher Education Facilities Officers, Carolina must increase annual spending for routine maintenance by \$6.8 million per year. And to maintain this standard for all the new facilities coming on line in the next 5 years, Carolina must increase annual spending for routine maintenance by an additional \$13.2 million per year. It is critically important to Carolina that the building reserve formula be retained and funded as new buildings come on line.

The current backlog of deferred maintenance, after all Higher Education Bond projects are completed, will be reduced from \$500 million to \$250 million. State legislation passed in 1993 calls for 3 percent of the current replacement value of facilities to be provided for system renewal and reduction of deferred maintenance. However, the actual funding has never been higher than 1.4 percent, and there has been zero funding for the last 3 years.

If the renewal and replacement funding is not restored by the State, the backlog of deferred maintenance will grow to \$550 million in 10 years. However, if renewal and replacement funding returns to pre-budget cut levels, the deferred backlog will only grow to about \$300 million in 5 years. We will be well positioned for the second phase of the state bond program, which would essentially eliminate our deferred maintenance problem.

- Endowment Forecast: Impact of Inflation and Equity Markets on Spending Policy. Bob Knight, assistant vice chancellor, Division of Finance and Administration, gave a presentation on how inflation and volatile equity markets have eroded the purchasing power of the endowment.

Mr. Fulton reported that the Investment Fund's policy goals are to:

1. Provide a source of spending support at a rate that is sustainable over the long term.
2. Provide funds to the annual budget in a stable stream.

To accomplish the goals of sustainability and stability, distributions are made as follows:

- The initial distribution rate for each account in the Fund is set at 5% of its average market value for the previous year.
- Each year thereafter, the amount allocated for distribution per account increases at the rate of inflation as measured by the CPI over the preceding fiscal year.
- Each year's distribution, however, is subject to a minimum rate of 4% and a maximum rate of 7% of each account's average market value.
- In addition, several years ago, a special supplemental distribution of 80 basis points was approved to support central and school-based development expenses associated with the Carolina First Campaign.

Given recent market performance, University Administration undertook a review of the appropriateness of our payout formula. Appreciation that has built up is in essence acting as a reserve from which the approved distribution has been made. The review included projections that this amount could be depleted assuming present payout levels and expected changes in market value.

At the meeting of the Investment Fund Board of Directors on May 14, a recommendation from University Administration to defer the annual CPI adjustment for Fiscal Year 2004 and freeze spending (per unit) at the current level (\$333.00) until the reserve is restored, was approved by the Board.

- Internal Audit Update.

Mr. Fulton reported that Phyllis Petree, director of Internal Audit, presented a summary of audit projects completed or in process for the period January – April 2003. Also presented were an update of the report of the Use of Audit Resources for the period July 2002 – April 2003, and an update of the Audit Plan for the year, including both routine audits and special projects completed, in process or scheduled.  
(ATTACHMENT R)

- Carolina First Campaign Update.

Mr. Fulton provided an update on the status of the Capital Campaign and other development business.

Mr. Fulton presented the committee's report on the following item, which was previously approved by the committee.

- Board of Visitors Elections

Ms. Mason moved ratification by the Board of the following 41 people for the Board of Visitors Class of 2007. Mr. Hynes seconded the motion and it carried.

Diane Kearney Adams	Kathryn Scott Long
W. Louis Bissette III	Scott Andrew Maitland
Jeffrey Forbes Buckalew	Robert Ray Mauldin
Robert Frederick Buckfelder	Ray Spencer Meiggs, Jr.
Terrence Van Loren Burroughs	Richard Warnock Morrell
Mark Evan Carpenter	Charles Riley Price, Jr.
Dudley Carlyle Chandler, Jr.	Nido R. Qubein
Max Carrol Chapman III	Harris A. Rainey, Jr.
Barbara Bitler Coughlin	Ripley Eagles Rand
Lana Theresea Dial	Scott Hanchet Richardson
Margaret Highsmith Dickson	Alexander Tucker Robertson
Laurice Ferris	Robert Gibson Steele



Robert Douglas Gillikin  
Wilson Hayman  
Steven Alan Hockfield  
R. Wayne Hutchins  
Charles Marion Johnson III  
Donald Perry Kanak, Jr.  
Paul Dewey Lawing, Jr.  
Barbara K. Lee  
Robert Jackson Little

Peace Sterling Sullivan  
James Leon Tanner, Jr.  
Paul Edward Viser  
Stephen Barry Westfall  
Billy Myles Williams  
Catherine Richards Williams  
W. Thomas York, Jr.  
Megan Wetherill Ziglar

Ms. Mason also moved ratification by the Board of H. Stewart Parker as chair and H. Kelly "Kel" Landis III as vice chair of the Board of Visitors. Mr. Hynes seconded the motion and it carried.

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

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, which were previously approved by the committee.

- Committee on Student Conduct Resolution presented by Dean Bresciani, interim vice chancellor for Student Affairs.

Mr. Carter read the following resolution:

### **RESOLUTION**

**WHEREAS**, The University of North Carolina at Chapel Hill, the nation's oldest public university, was founded on the principles of access and honor, and has a long and established tradition of student integrity embodied in our Student Honor Code; and

**WHEREAS**, the principles of the Student Honor Code represent enduring core values of this University; and

**WHEREAS**, the Chancellor has directed a process of review of the Student Honor Code document through a specially appointed task force and the Committee on Student Conduct; and

**WHEREAS**, the Chancellor has accepted recommendations from those bodies to affirm the principles of honor and integrity in the University community and accepted those enhancements to the Student Honor Code and its procedures;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Trustees endorses these actions and expresses its strongest affirmation that the Student Honor Code is a foundational and valued component of the Carolina tradition, and that the Honor Code principles be communicated to all levels of the University community.

Mr. Williams moved ratification by the Board of the Resolution. Mr. Stallings seconded the motion and it carried.

- Separation and Retreat Policy for Senior Academic and Administrative Officers presented by Robert Shelton, Executive Vice Chancellor and Provost

(ATTACHMENT S)

Ms. Mason moved ratification by the Board of the Separation and Retreat Policy for Senior Academic and Administrative Officers. Mr. Perry seconded the motion and it carried.

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

- A recent meeting headed by Vice Chancellor for Research and Economic Development Tony Waldrop with representation from various researchers within the University, as well as representation

from the Governor's Office, the Department of Commerce, and Senator Rand to discuss jobs and North Carolina's economical survival. It was a very good, productive meeting.

- Faculty Chair Remarks presented by Professor Sue Estroff. Professor Estroff commented on the following:
  - Health costs
  - The budget
  - The ACC Expansion
  - The Honor Code

Mr. Carter expressed the committee's appreciation to Professor Estroff for her contributions to both the University and the University Affairs Committee.

Mr. Carter recognized Professor Judith Wegner, who will be the Faculty Chair effective July 1.

- Provost's Remarks presented by Robert Shelton. Dr. Shelton commented on the number of dean searches at the University. Mr. Carter handed out a listing of "Recruitments of Senior Administrators at UNC Chapel Hill [status as of May 22, 2003]". [A copy of the listing is filed in the Office of the Assistant Secretary.]

- Carolina North Planning Process presented by Mark Crowell, associate vice chancellor and director, Office of Technology Development

(ATTACHMENT T)

- Recent Developments in the Athletics Program presented by Dick Baddour, director of Athletics. Mr. Baddour commented on the following:

- Video Board has been installed in Kenan Stadium and was very well received at the Commencement Ceremony.
- Completion of the basketball coaching transition.
- ACC expansion.

- Morehead Scholars Program presented by Charles Lovelace, executive director. Mr. Lovelace's presentation included information concerning the history of the Morehead Scholars Program; the selection process; current financial issues affecting the program; and the current class of scholars.

- Class of 2007 – Preliminary Overview presented by Jerry Lucido, director of Admissions and vice provost for Enrollment Management.

- 17,897 applications for admission were received (up about 400 from last year)
- 10,500 applications were from out-of-state for 600 positions
- in-state applications were down slightly from last year and prior years; however, 61% of applicants were accepted
- SAT average was up about 17 points
- 26-27% were non-white applicants
- Latino applicants accepted were up 2.1-3% of the class
- Average GPA of the class was 4.2

- Academic Plan. This was not presented at the committee meeting. It is being presented at the Board meeting today and will go back to the University Affairs Committee in July for further review and action. It will then be brought to the Full Board meeting in July for ratification.

Mr. Carter stated that the Summer Reading Program book ***Nickel and Dimed: On (Not) Getting By in America, by Barbara Ehrenreich*** was given to the committee members, as well as the remainder of the Board this morning.

Ms. Kitchin commented on her experience last year in participating in the group discussions and urged the other members of the Board to do so this year if possible.

Ms. Cindy Wolf-Johnson, associate vice chancellor for Student Learning, will send the members of the Board information concerning the scheduling of the group discussions.

### **ACADEMIC PLAN PRESENTATION**

Robert Shelton presented The 2003-2008 Academic Plan for UNC-Chapel Hill to the Board. [A copy of the presentation is filed in the Office of the Assistant Secretary.]

Dr. Shelton stated that the presentation was a first reading of the plan, to be followed in July by a more intense discussion in the University Affairs Committee meeting.

The 2003-2008 Academic Plan can be located at [www.unc.edu/provost/academicplan03.pdf](http://www.unc.edu/provost/academicplan03.pdf).

There was much discussion concerning the academic plan. Chancellor Moeser stated that the plan would be best viewed as a background document for many other things; i.e. for students—something focused toward students; however, this would be the master document which would guide a lot of other things such as the financial plan, strategic plans in the College and in the Schools. He stated that this academic plan is at 20,000 feet and does well if understood in that context.

Chairman Burnett commented on the concern of students wanting the University's bar to be raised and held at that level. In response, Dr. Shelton stated that in the academic plan document it should state clearly the high bar/expectations of academic standards for students at the University and that each component of the community has a certain way to ensure that occurrence.

In response to further comments from the members of the Board, Dr. Shelton expressed a desire to look at some trend lines in grades, number of hours taken, and try to get a sense of where we've been in order to help understand where we want to be on the issues of rigor in the academic experience for students here.

Chairman Burnett concluded the presentation with a suggestion to Dr. Shelton that the comments expressed in this presentation be incorporated, and indicated as such, in the document to be presented to the University Affairs Committee in July.

Chancellor Moeser stated that he hopes that a major focus in the plan will be made on honor and integrity, as well as a serious look at academic rigor at the University.

### **FACULTY CHAIR'S REMARKS**

Faculty Chair Sue Estroff began by thanking the Board for sharing with the faculty over the last three years a really historic set of circumstances—together, thinking about and working at the possibility of having another campus somewhere else in the world; seeing an attempt to open the minds of the people of North Carolina challenged and standing together in that endeavor; facing a huge tragedy in the nation's history; and now facing challenges about our future. A sense of trust and confidence is taken from this in both the process and the wisdom of the Board. Not the least of which was shown in the last historic thing which was the Board's wisdom in increasing the voice of the faculty leadership in your deliberations. Professor Estroff thanked the Board for crossing that historic boundary with the faculty.

Professor Estroff commented on the following things that are key in the minds of the faculty.

It's clear in the minds of the faculty that revenues are playing a bigger and bigger part in its worries and less and less of a part in daily lives. However, when one asks "What is the essence of Carolina?", "What are the guts of this place?", it has to be the following.

(a) Our enrollment and what we do have to be based on, and only on, our capacity for quality—first and foremost. More credit hours mean more faculty. First and foremost come class size, class selection. What makes a University great—faculty, students, and facilities. All big bucks have gone to facilities; we need to pay attention to the other. Students are being squeezed for more money and faculty loyalty and commitment are being squeezed very harshly at the present time.

Professor Estroff stated that the retention and quality issue of having an excellent faculty may require the Board to take on an even bigger challenge—that is, broader structural changes which will be necessary to address the faculty issues of benefits and compensation. These are where the University lags behind the most. Broader structural changes in how this University relates to the state, and how it relates to the University System have to be addressed honestly and squarely.

(b) A sense of precariousness that the University stands on in terms of the ability of the people who work here to continue to stay here. Many people who work at the University feed their families at the Inter-faith Food Kitchen in Carrboro.

Professor Estroff ended her remarks by stating that in terms of where we go from here, decisions have to be made carefully together. This is a faculty who is prepared to work very hard and work with the Board to set the points of focus that Mr. Carter has mentioned and to work with students to continue our work on the intellectual climate.

She asked the Board, as stewards of the University, to keep two questions in mind:

1. Why would we come?
2. Why would we stay?

If the answers to those questions are because it's the best, because the resources, the people, the atmosphere, the opportunities are what will motivate me for a career for a lifetime, then the Board has done its job beautifully well. This would apply to students, faculty, and other leadership.

The Board applauded Faculty Chair Estroff.

Chancellor Moeser seconded Faculty Chair Estroff's remarks.

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

On motion of Ms. Kitchin, seconded by Ms. Mason, 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 FINANCE COMMITTEE**

In the absence of Mr. Schwab, chair of the Finance Committee, Mr. Fulton, vice chair, presented the committee's report on the following item which was previously approved by the committee.

- William Richardson Davie Awards Nominations. The awards will be presented on November 19 or November 20, 2003.

Mr. Fulton moved approval for ratification by the Board of the four nominees previously selected by the committee. Mr. Hynes seconded the motion and it carried. [A copy of the Davie Award information is filed in the Office of the Assistant Secretary.]

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

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, previously approved by the committee and subject to final action in open session:

- Mail Ballot dated April 16, 2003  
(ATTACHMENT U)
- Personnel and Salary Actions dated May 12, 2003  
(ATTACHMENTS V, W, X, Y)

### **DEEP EXECUTIVE CLOSED SESSION**

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

### **MOTION TO RECONVENE IN OPEN SESSION**

Mr. Carter moved that the Board reconvene in open session. Ms. Kitchin seconded the motion and it carried.

## **OPEN SESSION**

### **UNIVERSITY AFFAIRS COMMITTEE**

Mr. Carter, chair of the University Affairs Committee, presented the committee's report on the following items, which were previously approved by the committee and discussed earlier in closed session:

- Mail ballot dated April 16, 2003 (Personnel changes for information, Personnel changes in Academic Affairs, Personnel changes in Health Affairs, Tenure conferring personnel actions)

Mr. Fulton moved approval for ratification by the Board of the mail ballot. Mr. Stallings seconded the motion and it carried.  
(ATTACHMENT U)

- Personnel changes in Academic Affairs and EPA Non-Faculty Salary Increases dated May 12, 2003  
(ATTACHMENT V)
- Personnel changes in Health Affairs dated May 12, 2003  
(ATTACHMENT W)
- Personnel tenure-conferring actions dated May 12, 2003  
(ATTACHMENT X)

Mr. Stallings moved approval for ratification by the Board of the personnel and salary actions. Ms. Kitchin seconded the motion and it carried.

- The personnel changes for information dated May 12, 2003 did not require action by the Board.

(ATTACHMENT Y)

It was noted 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 Burnett adjourned the meeting at 12:40 p.m.

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Assistant Secretary