

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

The Board of Trustees met in regular session at The Carolina Inn, Chancellor's Ballroom, on September 25, 2002 at 5:10 p.m. Chairman Burnett presided.

OATH OF OFFICE

The Honorable James Stanford, Orange County Clerk of Superior Court, administered the Oath of Office to Mr. Philip G. Carson, who will complete the term of Mr. Hugh McColl. The term expires on June 30, 2005.

On behalf of the Board, Chairman Burnett thanked Mr. Stanford for administering the oath to Mr. Carson.

Chairman Burnett welcomed Mr. Carson as a member of the Board of Trustees.

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
Jennifer A. Daum
Paul Fulton, Jr.
James E. S. Hynes
Karol V. Mason
David E. Pardue, Jr.
Nelson Schwab III
A. Donald Stallings
Richard Y. Stevens

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

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

- Design of the renovations to the Campus YMCA
(ATTACHMENT A)
- Design of the renovations to the Burnett Womack Clinical Sciences Building
(ATTACHMENT B)
- Selection of the following three firms in priority order as listed for renovations to Morrison Residence Hall and Hinton James Residence Hall:
 1. Little and Associates – Research Triangle Park, North Carolina
 2. PBC+L – Raleigh, North Carolina
 3. Jenkins Peer Architects – Charlotte, North Carolina
(ATTACHMENT C)
- Dedication of a 50 foot-right-of-way to the Town of Chapel Hill along Airport Drive between Estes Drive Extension and Airport Road
(ATTACHMENT D)

- Acquisition by lease approximately 2,400 square feet of office space at 116A South Merritt Mill Road, Chapel Hill, Orange County, North Carolina, from Ambient Air LLC for the School of Public Health, Department of Epidemiology and Maternal/Child Health. The lease term is one three-year period commencing October 1, 2002, or as soon thereafter as possible at an initial annual rent not to exceed \$40,800 or \$17.00 per square foot, excluding utilities and janitorial services. There are two one-year renewal options with 3% annual increases.

(ATTACHMENT E)

- Acquisition by lease approximately 1,705 square feet of additional office space at Bank of America Center, Suite 300B, 136 East Rosemary Street, Chapel Hill, Orange County, North Carolina, from Franklin Street Plaza, Ltd. for School of Public Health, Department of Biostatistics, Collaborative Studies Coordinating Center (CSCC). The lease term is a two-year and nine month period commencing October 1, 2002, or as soon thereafter as possible at an initial annual rent not to exceed \$29,820.45 or \$17.49 per square foot, including utilities and janitorial services. Effective July 1, 2003 the rental rate will increase 3%. There are two one-year renewal options with 3% annual increases.

(ATTACHMENT F)

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

The following items were presented for information only (no formal action was required).

- Preliminary design review of the Campus Services Support Facilities (Grounds, Print Services, and Environmental Health and Safety)

(ATTACHMENT G)

Mr. Pardue commented on recent correspondence sent to the Board from the Elkin Hills Neighborhood Organizing Committee concerning this proposed development, as well as recent meetings with residents of the neighborhood. Some of the concerns of the neighborhood relate to zoning issues, odors that may emanate from the facilities, and noise from the facilities.

Mr. Runberg, associate vice chancellor for Facilities Planning and Construction, addressed these concerns with a presentation of drawings of the facilities.

Mr. Pardue distributed a copy of an open letter to the Board dated January 25 from Mr. Fred Stang on behalf of the Elkin Hills Neighborhood Organizing Committee. Mr. Stang read the letter at the previously held Buildings and Grounds Committee meeting. [A copy of the letter is filed in the Office of the Assistant Secretary.]

Mr. Schwab questioned the legal status of the project concerning zoning issues. Ms. Ehringhaus, vice chancellor and general counsel, stated that the University believes that this is a permitted use within the zoning district involved.

- Preliminary design review of the Arts Common Plan

(ATTACHMENT H)

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, seconded by Mr. Carter, 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) (5) and (6).

CLOSED SESSION

The Board convened in closed session to discuss property and development matters.

EXECUTIVE CLOSED SESSION

Chairman Burnett convened the Board in executive closed session to discuss a personnel matter.

OPEN SESSION

Chairman Burnett reconvened the meeting in open session.

RECESS

The Board meeting recessed at 6:40 p.m.

RECONVENE

The Board meeting reconvened at 8:00 a.m. on September 26, 2002 at The Carolina Inn, Chancellor's Ballroom. Chairman Burnett presided.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll and all members of the Board were present.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Stallings, seconded by Ms. Kitchin, the minutes of the regular meeting of July 25, 2002 were approved as distributed.

Ratification of Mail Ballots

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

- Mail ballot dated August 14, 2002 (Personnel items for information, Personnel items for action in Academic Affairs, Personnel items for action in Health Affairs, and Personnel items for consultation)
(ATTACHMENT I)
- Mail ballot dated August 30, 2002 (acquisition by lease for The University of North Carolina at Chapel Hill School of Dentistry Dental Lab)
(ATTACHMENT J)
- Mail ballot dated September 3, 2002 (election of Mr. W. Allen Reed as a member of the Board of Trustees of The Endowment Fund of The University of North Carolina at Chapel Hill for a three-year term ending 2005)
(ATTACHMENT K)

Amendment to the Bylaws of The Board of Trustees of The University of North Carolina at Chapel Hill

On motion of Mr. Stallings, seconded by Ms. Kitchin, the Proposed Resolution amending the Bylaws was approved as distributed.

(ATTACHMENT L)

CHAIRMAN'S REMARKS

Chairman Burnett began his remarks by welcoming Mr. Carson to the Board.

Chairman Burnett commented on the Board's new meeting structure. He stated that the Board will work in committees in an effort to handle work in a more expeditious manner, particularly routine work. There are now three committees of the Board. Each Board member serves on one committee and it is the expectation that those committee meetings will handle the routine work routinely and simply report it to the Board for ratification. The work will be done in three levels:

- Level One: Routine work to be done during committee meetings.
- Level Two: Other action will be discussed at some length, but the Board trusts the committee members to process the business and to make a recommendation to the Full Board at which time the recommendations made by the committee will be ratified.
- Level Three: The Board really wants to get involved in these items. The committee responsibility for these items is to have the initial inspection of the material done in the committee meeting and then bring it to the Full Board for discussion.

Chairman Burnett stated that this structure will allow the Board to have time to go beyond what is done in the committees and move to high priority issues that the Board has previously expressed a desire to be able to spend more time on.

Chairman Burnett congratulated Chancellor Moeser on his recent State of the University Address.

He also recognized and congratulated Mr. Fulton and his volunteer colleague, Mr. Charlie Shaffer, who are heading up the Carolina First Campaign.

Further Amendment to the Bylaws of The Board of Trustees of The University of North Carolina at Chapel Hill

At the suggestion of Ms. Mason, Mr. Williams moved approval to further amend Section 2.01 of Article II of the Bylaws (Attachment L) to finally read as follows:

“There shall be six regular meetings of the Board of Trustees each year. These meetings shall be held on the fourth Thursday and the preceding Wednesday in the months of January, March, May, July, September, and November, unless otherwise determined by the Board. A notice specifying the time and place of each regular meeting of the Board shall be mailed by the Secretary or Assistant Secretary to each member of the Board at least ten days in advance of the meeting date. Any matter of business may be considered at a regular meeting of the Board.”

Ms. Kitchin seconded the motion and it carried.

CHANCELLOR'S REMARKS

Chancellor Moeser informed the Board of the death of Gladys Coates at the age of 100. He stated that Mrs. Coates and her husband Albert were the most important figures in Carolina's history—founding the Institute of Government, and making many critical contributions to the life of Carolina over the years. At the Chancellor's request, the Board paused for a moment of silence to remember Gladys and Albert Coates.

Chancellor Moeser underscored Chairman Burnett's praise for Mr. Fulton and Mr. Shaffer's leadership of the Carolina First Campaign, as well as numerous others involved in the campaign. He commented that everyone is looking forward to the public announcement of the campaign goal on October 11.

Chancellor Moeser commented on the following:

- **The Budget.** Overall, this campus and the University System fared very well in what has been one of the most difficult budgetary sessions in the history of the state. The Chancellor expressed relief and gratefulness to the members of the General Assembly for the way in which the University and education, in general, across North Carolina were valued in this budgetary situation. Of extreme importance for this campus is the fact that the University will keep 100% of its overhead receipts generated by the faculty for research grants. Two other areas that will be fully funded in the new budget are graduate student tuition remissions and enrollment growth for the University System.

An important proposal in the Senate is the launching of a new biotechnology initiative as part of a jobs incentive program. It is unresolved at this time, but a vote is expected in the Senate within a week. Under the proposal, UNC Hospitals would receive \$130 million for a new cancer treatment facility. Also included would be a new \$45 million biotechnology training facility for the University System that would be located at North Carolina State University's Centennial Campus. Community colleges would receive another \$10 million as an important partner in this initiative.

- **Measures of Excellence.** Later in the meeting, the Board will engage in an important conversation about this subject and its connection with the University's vision of becoming America's leading public university.
- **Recognitions.** The Chancellor distributed a copy of "Carolina's Recent National Rankings and Ratings". [A copy of the handout is filed in the Office of the Assistant Secretary.]

The School of Dentistry has been selected by the Robert Wood Johnson Foundation as one of ten U.S. dental schools for a new community-based dental education initiative. The five-year, \$1.34 million grant will focus on addressing North Carolina's dental workforce shortage. It will lead to innovations in clinical education at community sites in underserved settings, in the school's social science curriculum, and in recruitment of minority and disadvantaged students. A result of the initiative is that dental school students will spend more time involved in community-based clinical education activities. Project partners include the North Carolina Area Health Education Centers Program. Chancellor Moeser congratulated Dean John Stamm and the dental school faculty on this achievement.

UNC-Chapel Hill is among a consortium of research universities, including Princeton, Northwestern, and the University of California at Santa Barbara, selected by NASA to develop new generations of materials that could revolutionize civil aviation and space travel. The Department of Chemistry will be involved in this endeavor. NASA has committed \$3 million annually for up to a decade for a new Institute for Biologically Inspired Materials, which will be headquartered at Princeton. The institute will investigate and design materials that stimulate repair mechanisms used by biological organisms to heal wounds. Practical applications could include making airplanes and spacecraft lighter, stronger and more reliable. Other partners are a NASA research center in Virginia and North Carolina A&T State University. Professor Ed Samulski of UNC's Chemistry Department will lead the University's team of scientists in this project. This institute is one of seven just established by NASA to develop an area of technology of long-term strategic interest to the agency and the United States.

The Chancellor concluded his remarks by reminding the Board of the annual University Day Convocation to be held on Saturday, October 12, at 9:30 a.m. in the Hill Hall Auditorium. The featured speaker will be Bill Ferris, former chairman of the National Endowment for the Humanities, and now a professor and associate director of the University's Center for the Study of the American South. Distinguished Alumnus Awards will be presented to Dr. Phillip Clay, chancellor of the Massachusetts Institute of Technology, and Benjamin Long IV, a world-renowned artist known for his frescos.

On the same day, there will also be a football game with North Carolina State University, a ribbon-cutting ceremony for the Institute for the Arts and Humanities, and an open house at the School of Pharmacy, which will have dedicated its addition a day earlier.

FACULTY CHAIR'S REMARKS

Dr. Sue Estroff commented on the following:

- The Summer Reading Program. She stated that the Chancellor and the Provost demonstrated their commitment to and passion embraced of intellectual autonomy in the essential liberty of the academy. The faculty appreciated the support of colleagues at other institutions.
- The State Budget and its constant shifting of size and shape, which kept many faculty from relaxation during the summer, with more anxious times to come.
- Faculty Governance on Campus. It promises to be a very busy year. Over the past two years, in collaboration with the Chancellor and the Provost, there has been an engagement of critical reviews of the college curriculum; the appointment, promotion, and tenure system; the honors system; the Faculty Code; the equity or inequity of faculty salaries in relation to gender; transportation and parking; tuition; and the academic framework for the campus. Each of these efforts will come before the Faculty Council for review and action over the coming months. The Board should predictably expect to receive resolutions requesting some adjustments in the tenure regulations to bring them up to date; and there will be substantive changes in the honors system. The Faculty Code will be streamlined and will more accurately reflect the way the faculty wants to do business.

- Measures of Excellence. The faculty look forward to vigorous discussions with the Board on this issue.
- Carolina First Campaign. The faculty applauds the efforts of the Board and others involved in the campaign to raise the resources that are increasingly a necessity for the well being and continued development of the University.
- National Rankings. Dr. Estroff stated that what is keeping the University's national rankings lower than anyone would like is primarily the meagerness of faculty salaries, compensation and resources.
- Resolution Concerning a Nonvoting Seat on the Board of Trustees. Dr. Estroff expressed the faculty's disappointment in the response of the Board's subcommittee to the resolution proposing a nonvoting seat on the Board of Trustees by the elected faculty chair. Dr. Estroff stated, "Were the Full Board to sustain the subcommittee's recommendation, this would be a missed opportunity of substantial proportions. At a time when there's a huge disconnect between our productivity and achievements and the rewards, this would be a missed chance to improve morale and underscore our work that would cost the Board and the institution nothing financially." Dr. Estroff urged the Board to carefully consider amending the subcommittee's recommendation. She stated that the Chancellor, the Provost and the Deans could all speak to the Board about faculty; however, with all due respect, only faculty leaders can speak for the faculty. She further stated that there would be future resolutions to come before the Board on this subject. The only question is which Board will it be to innovate and break paths to recognize the wisdom of governing in this informed and consultative matter. In the faculty's view, this is part of what it means to be a leading public university. She concluded by stating "we will regret it if it is not this Board".

STUDENT BODY PRESIDENT'S REMARKS

Ms. Daum commented as follows.

"The Chancellor has said that we express our values with what we build. And, as we use the bond money and private gifts so generously given to us by North Carolina's voters and friends of the University, I challenge us as a Board to remember that how we value our accessibility is judged by what we build as well.

Accessibility can take many meanings. Just yesterday, I was talking with Brad Wilson, chair of the Board of Governors, and he said that he believed accessibility should be achieved through enrollment growth. The word is often used in tuition discussions. Don't worry, that's not where I'm going to use it today.

If we are truly to be a leading public university, or the leading public university, I'll give you the first standard by which we can be judged. The time, energy, and resources that we put into assuring that all the students, faculty, and staff with mobility impairments can get into a building should be our first priority.

Disability access is not a sexy topic. It's practical. And the University does a fairly adequate job of surpassing the Code required by the federal and state governments. But "fairly adequate" has never been enough for us.

This time is critical for us to take forward steps and to start rewarding architects and others involved who value disability access.

As we set the measures of excellence that we judge ourselves by, let's remember that in order to recruit the best and brightest from both outside and inside North Carolina, we must prove that we value their presence. Just yesterday in the Student Affairs meeting, we discussed the different standards that students have today for making their college decisions. Increasingly, we are expected to actively recruit and provide merit-based scholarships for the students we most want to entice. Similarly, we must prove that we value diversity by what we build.

The most important step we are taking right now is the construction of the elevator in South Building. I commend and respect the Chancellor for finally making the decision that anyone will be able to get in to his and other offices. It has been a long time coming. But as we create and renovate, remember that there are many students on campus who we value immensely, but have special needs.

The challenge that we face is to try not to paint access issues as a zero-sum game. If you want space for a larger lab, we'll have to cut out some of the automatic door openers. I don't think this is an acceptable way to paint this argument. We should not be putting students or faculty in the awkward position of making decisions like that. And, as we have the Master Plan come to life, we must re-evaluate the ways that we think about access and the value we place on being able to truly bring the best and brightest to our campus because sometimes the best and brightest need a wheelchair to get around. Access is not cheap. But the opportunity costs that we face for not planning leadership on this issue will be even greater."

REPORT OF THE FINANCE COMMITTEE

Mr. Schwab, chair of the Finance Committee, presented the committee's report to the Board. The following items were previously presented to the committee for information only (no formal action was required).

Committee Agendas

The committee discussed strategic resource issues and reviewed a draft calendar of agenda topics for future meetings. The strategic resource issues primarily focused on five areas: (1) Financial Planning, (2) Implications of Research Growth, (3) State Regulations, (4) University System, and (5) Development.

Update on Debt Management Program and Downgrade of State Bond Rating

Mr. Roger Patterson, associate vice chancellor for Finance, presented this report to the committee.

(ATTACHMENT M)

Internal Audit Report, including Risk Assessment Process

Ms. Phyllis Petree, director of Internal Audit, presented this report to the committee.

(ATTACHMENT N)

Trademark Licensing Report for the Fiscal Year Ending June 30, 2002

Mr. Rut Tufts, director of Trademarks and Licensing, presented this report to the committee.

(ATTACHMENT O)

Campaign Update

Mr. Fulton and Mr. Kupec, vice chancellor for University Advancement, presented this report to the committee.

Mr. Fulton commented to the Board that the campaign continues to go well. Commitments as of the middle of the week are about \$853 million, which puts the campaign at approximately 62% of the unofficial goal of \$1.5 billion. An official goal will be announced at a ceremony on October 11.

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.

- Amendment to Policy on Controlled Substances Education, Screening, and Counseling Program for Intercollegiate Athletics
(ATTACHMENT P)
- 2002-2003 Atlantic Coast Conference (ACC) Governing Board Certification Form
(ATTACHMENT Q)

Mr. Carter moved ratification by the Board of the above items. Mr. Schwab seconded the motion and it carried.

The following items were presented for information only (no formal action was required).

- Update on Undergraduate Admissions. Mr. Jerry Lucido, vice provost for Enrollment Management and director of Admissions, presented the report to the committee. [A copy of the report is filed in the Office of the Assistant Secretary.]

Mr. Carter commented that Mr. Lucido reported that more emphasis will be placed on enrollment management and further information on a study concerning enrollment management will be presented to the committee at a future meeting.

- Update on Scholarships & Student Aid. Ms. Shirley Ort, associate provost and director of Scholarships & Student Aid, presented the report to the committee. [A copy of the report is filed in the Office of the Assistant Secretary.]

Ms. Ort commented to the Board that the University is not competitive as an institution in its offer of merit-based scholarships.

Mr. Carter stated that information would be brought to the committee at future meetings concerning the various task forces on campus, as well as search committee reports for the various administrative positions to be filled.

MOTION CONCERNING STUDENT DISCIPLINARY APPEALS

Mr. Pardue moved that the Board consider, through such mechanisms as the Chair may determine, the delegation of its decision-making authority on student disciplinary appeals to the Board of Trustees to the Trustee panel that hears the appeal. Such a delegation would avoid the delays associated with

either convening a special meeting of the Board of Trustees to resolve an appeal or waiting for a regular meeting of the Full Board for final resolution. Mr. Schwab seconded the motion and it carried unanimously.

Mr. Pardue further moved that the University Administration review its policy regarding the transferability to UNC of academic credits earned from other institutions during periods a student is suspended from the University for disciplinary reasons. If following such review the Administration decides any changes should be made to the current policy, consideration be given to allowing those changes to apply to students currently in disciplinary suspension status. Mr. Stallings seconded the motion and it carried unanimously.

**REPORT OF THE AD HOC COMMITTEE TO STUDY
REPRESENTATION ON THE BOARD OF TRUSTEES**

Mr. Hynes, chair of the Ad Hoc Committee, presented the committee's report on the following item, which was previously approved by the committee.

- Board Composition. Mr. Hynes read the following statement to the Board.

"The University of North Carolina has a cherished tradition of shared governance, with clear delegations of authority to the faculty as well as the administration in specific areas. The faculty of the University already have substantial authority and responsibility for the curriculum and degree programs of the University. This is as it should be. In addition, faculty have a major responsibility in the peer review of their own colleagues for initial appointment, promotion in rank, and award of tenure. The Code and Bylaws of the University are explicit in the delineation of these lines of faculty responsibility and authority.

There is, indeed, some virtue in the wisdom of separating the governance authority of the faculty (in the Faculty Council and its executive committee as well as other constituted committees of the faculty) and that of the Board of Trustees. The request for a seat and a voice speaks to the need for the faculty voice to be heard, and this board should be sensitive and responsive to that request.

The request of the faculty has now led to a similar request from the Employee Forum for a seat and a voice for a member of the staff at the board table, further complicating our response. While the concept of shared governance has typically centered around faculty responsibility for academic matters and student responsibility for administration of the judicial code and other areas clearly under the purview of student government, the voice of our staff, who perform invaluable service in the day-to-day operations of the University, clearly needs to be heard.

Our committee recognizes the importance of hearing the voice of the University's faculty and our employees. We also recognize that the relationship between faculty and staff is not always symmetrical or analogous, and that in seeking to improve communication, the solution for one may not be the best solution for the other."

Mr. Hynes moved as follows: It is our recommendation to find means other than creating new seats on the board table in order to satisfy the legitimate requests for improved communication between the board and the University's faculty and employees. Mr. Schwab seconded the motion and it carried unanimously.

MEASURES OF EXCELLENCE

Chancellor Moeser stated that this presentation was being made in response to the Board's request that the University develop the measures of excellence by which it wants to be held accountable and by which it wants to measure progress to the stated goal of being "The Leading Public University". The information was formulated following an all-day retreat with the Deans and members of the Chancellor's Cabinet. The information will be taken to various groups of faculty and students throughout the year, and will be massaged over the course of the next semester. It is anticipated that the list will be brought back to the Board on an annual basis showing the progress of the measures at that time.

Executive Vice Chancellor and Provost Robert Shelton gave the presentation. A copy of the presentation was distributed to the Board, and a copy of the presentation is filed in the Office of the Assistant Secretary.

The measures of excellence were presented in six categories:

I. UNDERGRADUATE PROGRAM STRENGTHS

- Recruitment strengths
 - Financial accessibility
 - Need based scholarships: percentage of need met
 - Merit scholarships and fellowships: number
 - Proportion of courses with under 20 enrollment
- Quality of incoming students
 - SAT scores
 - AP courses
 - Diversity of student body: ethnic/racial, socio-economic status, background, and experiences
- Success in educating and graduating students
 - Freshmen retention rates
 - 4-, 5-, and 6-year graduation rates
 - Rate of student participation in undergraduate research and independent study
 - Number in honors programs and courses
 - Number of distinguished scholarship recipients: Rhodes, Marshals, Fulbrights
 - Student experience indices: teaching, advising, intellectual climate
 - Engagement in intellectual, political, and social issues

II. GRADUATE AND PROFESSIONAL STUDENTS

- Admission scores (school specific tests)
- Placement of doctoral recipients
- Tuition, fellowship, and assistantship funding (total dollars and percent of students supported)
- Yield (rate of acceptance by admitted students)
- Total externally funded training grants and awards
- Diversity: Ethnic/racial, background and life experiences
- Passing rates for professional examinations
- Student evaluation of quality of instruction, research supervision, and professional training

III. FACULTY STRENGTHS

- Faculty awards and prizes, e.g. NEH, Fulbright, Humboldt, Guggenheim
- Memberships in research, scholarly, and creative societies (e.g. national academies of sciences and engineering, Institute of Medicine, American Academy of Arts and Sciences, American Academy of Arts and Letters, etc.)
- Publications impact: Publications adjusted by citation frequency

- External funds received for research and scholarship
- Evaluations of faculty teaching
- Diversity: Ethnic/racial, gender, and background diversity among tenure track and fixed-term faculty

IV. RESEARCH AND PROGRAMS

- Total external funds for research, scholarship, and artistic creation
- External support per faculty FTE
- Ranking of library system by the Association of Research Libraries
- Number of intellectual property disclosures
- Number of patents issued times the frequency of citations

V. EXTENDING THE UNIVERSITY BEYOND THE CAMPUS

- Contributions to the state
 - Number of major programs investigating and serving the particular needs of NC and the region
 - Number of staff and faculty positions created through external grants and contracts
 - Number of businesses created from research patents and licenses
 - Percentage of Carolina graduate and professional students who work in the state
 - Number of state's professional workforce (e.g., medicine, law, teaching, pharmacy, etc.) trained at Carolina
 - Number of client and patients contacts (e.g., through AHEC, schools of Social Work and Government, Health Care System, etc.)
- Public service
 - Number of undergraduate service learning courses offered
 - Number of students enrolled in service learning courses
 - Level of volunteer participation by faculty, staff, and students
 - Number of faculty and staff appointments to state, national, international service panels
- Educational leadership
 - Number of faculty and staff with national leadership roles in professional societies, disciplinary and educational societies
 - Number of faculty and staff appointments to national and state review panels and boards
- Global experiences
 - Number (and breadth) of international and study abroad programs
 - Rate of student participation in international and study abroad programs
 - Number of faculty projects providing service to foreign nations
 - Level and trend of Title VI, USAID funding
 - Number of visiting scholars, teachers, and researchers

VI. FINANCE, FACILITIES, STAFF DEVELOPMENT

- Financial Strength
 - Standard Ratings: Moody, S&P, Fitch
 - Salaries and benefits in relation of market averages
 - Portfolio of diverse resources: desired combination of state, endowment, trust, grants and contracts
- Financial Growth
 - Growth rate over time
 - Total research awards
 - Total endowment
 - Annual giving: Total annual gifts
 - Annual giving: Rate of alumni participation
 - Number of endowed professorships
 - Endowment investment performance
 - Appropriation per student, endowment per student
 - Faculty start-up packages

- Facilities
 - Classroom, lab, and office utilization and need
 - Average useful life remaining until major renewal needed
 - Ratio of annual investment in renewal to annual investment needed to reduce/stabilize deferred maintenance
- Staff Development
 - Ethnic/racial, and background diversity among all levels of University staff
 - Number of professional development opportunities sponsored by the University
 - Number of staff participating in University professional development activities
 - Number of tuition waivers granted to staff

Throughout the presentation, the Board made comments and suggestions on this first draft of the University's measures of excellence. The measures of excellence will be reworked and presented to the Board again for review at its November meeting.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Ms. Kitchin, seconded by Ms. Daum, 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 to prevent the disclosure of privileged information under The Family Education Rights and Privacy Act of the United States); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

LEGAL ADVICE

Ms. Ehringhaus advised the Board regarding several legal matters.

REPORT OF STUDENT APPEAL HEARING

Mr. Pardue presented the Trustee Student Appeal Panel's recommendation concerning the student appeal hearing held on September 25. The other panel members were Mr. Schwab and Mr. Stallings.

Mr. Pardue moved that the Board uphold the decision by Dr. Bresciani on behalf of the Chancellor to deny the appeal. Ms. Daum and Mr. Stallings seconded the motion and it carried unanimously.

REPORT OF THE FINANCE COMMITTEE

Report of the Naming Committee

Mr. Kupec, vice chancellor for University Advancement, presented the Report of the Naming Committee as previously approved by the Finance Committee.

Mr. Hynes moved ratification by the Board of the report. Ms. Daum seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Mr. Hynes also moved approval of an additional naming recommendation presented at the Board meeting by Mr. Kupec. Mr. Carter seconded the motion and it carried. [A copy of the additional naming recommendation is filed in the Office of the Assistant Secretary.]

Distinguished Alumnus and Alumna Award Nominee Selection for University Day 2003

Mr. Schwab, chair of the Finance Committee, presented the report on this item as previously approved by the committee.

Mr. Schwab moved ratification by the Board of the nominee selected by the committee for submission to the Faculty Committee on Honorary Degrees and Special Awards. Mr. Hynes seconded the motion and it carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Personnel and Salary Actions

Mr. Carter moved ratification by the Board of the personnel and salary actions listed below as previously approved by the committee. Mr. Stallings seconded the motion and it carried.

- Personnel changes in Academic Affairs
(ATTACHMENT R)
- Personnel changes in Health Affairs
(ATTACHMENT S)
- Personnel changes for consultation. The Chancellor will forward this information to the President and the Board of Governors.
(ATTACHMENT T)

The personnel changes for information did not require action by the Board.

(ATTACHMENT U)

EXECUTIVE CLOSED SESSION

Chairman Burnett convened the Board in executive closed session to discuss a personnel matter.

OPEN SESSION

Chairman Burnett reconvened the meeting in open session.

ADJOURNMENT

There being no further business to come before the Board, Mr. Stallings moved that the meeting be adjourned at 12:10 p.m. Ms. Daum seconded the motion and it carried.

Assistant Secretary