

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

The Board of Trustees met in regular session on Wednesday, September 27, 2006 at The Carolina Inn, Chancellor Ballroom West, at 5:02 p.m. Chair Schwab presided.

ROLL CALL

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

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

Barbara R. Hyde was absent.

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, Committee Chair, moved ratification by the Board of the following three Level 1 items, which were previously approved by the committee. The motions carried for each item.

- Acquisition by lease of office and clinic space for School of Medicine, Asheville TEACCH Center, for approximately 3,800 SF of office and clinic space at location to be determined. The lease term is five years with a three to five year renewal option desired commencing January 15, 2007, at an initial annual rent not to exceed \$66,500 or \$17.50 per SF not including utilities or janitorial services.

(ATTACHMENT A)

- Acquisition by lease of office and clinic space for School of Medicine, Thurston Arthritis Center, Smithfield, NC, for approximately 2,750 SF of office and clinical space at location to be determined. The lease term is three years with two one-year renewal options desired commencing October 1, 2006, at an initial annual rent not to exceed \$48,125 or \$17.50 per SF in the initial year not including utilities or janitorial services.

(ATTACHMENT B)

- Acquisition by lease of office and clinic space for School of Public Health, Department of Epidemiology, for approximately 2,800 SF of office and clinic space at the location to be determined. The lease term is three years with two one-year renewal options desired commencing December 1, 2006, at an initial annual rent not to exceed \$53,200 or \$19.00 per SF in the initial year not including utilities or janitorial services.

(ATTACHMENT C)

The following items were presented for information only (no formal action was requested at this time).

- Carolina North Update- Jack Evans, the new Executive Director of Carolina North gave a report on the Leadership Advisory Council, which is made up of representatives from the town of Chapel Hill, town of Carrboro, Orange County, the University, and citizens from the community that are involved with the process. Chancellor Moeser's charge to the committee

was to provide guiding principals for the university to use in its planning process for Carolina North. An issue that received a lot of attention from the committee centered around the idea that the university should take seventy-five percent of the approximate 1000 acres and put them into perpetual easement or conservation easement, and take them out from under the control and jurisdiction of the university. The university made it clear that in our fiduciary responsibilities, this is ill-advised. The University has pledged to try to build Carolina North on only twenty-five percent of the land, but is reserving the remainder of the land for potential use by future administrations of the University. When the final report is completed, it will contain an appendix with full details and specific items reflecting guiding principals to be implemented. Mr. Evans stated that ecological, transit and other studies are running concurrently. The concept planning process will begin around March 2007. There are now two meetings per month to keep the process going in a timely manner.

- Preliminary design review of the Genomics Sciences Building. This project is the first phase of the Bell Tower development. It provides a 200,000 SF building to house research laboratories, faculty offices, a greenhouse for research for Genomic Sciences and general purpose classrooms for the College of Arts and Sciences; a new pedestrian bridge across South Road; and new open space improvements.

(ATTACHMENT D)

Anna Wu, Director of Facilities Planning, presented information to the Board concerning this project. A project model was also provided for review by the Board.

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

A copy of the presentation is also filed in the Office of the Assistant Secretary.

Much discussion was generated as a result of the presentation. A few trustees were concerned about the modern look of the building. Chair Schwab noted that in the past where there was a departure from the overall thematic, we now look at those buildings as problems on campus. The incompatibility of this building with its surroundings is a concern. Other trustees praised the design of the building and were excited to have such an advanced design for this building.

Chancellor Moeser spoke to the significance of the architecture of the building and why the architecture of the building not only needs to express the function of the building, but the connectivity we are trying to establish with this building. Chancellor Moeser thinks the most important thing about this building is the creation of a physical connection between the College of Arts and Sciences, going through what is the most important science of the twenty-first century, that being Genomics, into the Health Sciences. The real connection is not the recreation of McCorkle Place for students. This building is intended to create a walking connection between the basic sciences in the college and the life sciences in Health Affairs. Therefore, the architecture really needs to express that transition between Chapman, Caudill, New Venable, Genomics Sciences and the Medical School, and beyond the Medical School into the Genetic Medicine field. He feels it would be inappropriate for this building to look like it was transplanted from Polk Place or McCorkle Place. He also feels that the architects have expressed well what is going on inside of the building and the connectivity we want to establish and visibly establish between the College and the Health Affairs. The function and mission of this building should really dictate the design.

The trustees asked that the design team come back with a larger model to include Kenan

Stadium and the Bell Tower. The design team should also bring back ideas for using other materials and samples of proposed materials.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Carter, and 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) (5), and (6).

CLOSED SESSION

Chancellor Moeser presented a personnel matter for the board's consideration. Chair Schwab moved to approve the recommendation. The motion was duly seconded and carried.

RECONVENE MEETING IN OPEN SESSION

Chair Schwab reconvened the meeting in open session at 6:22 p.m.

OPEN SESSION

Chair Schwab moved approval by the Board of the following personnel action dated September 25, 2006, which was discussed in closed session. The motion was duly seconded and carried.

- Personnel changes with an addition to title.
(ATTACHMENT E)

RECESS

Chair Schwab recessed the Board meeting at 6:30 p.m.

RECONVENE

Chair Schwab reconvened the Board meeting at 8:04 a.m. on Thursday, September 28, 2006 at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

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

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Burnett, seconded by Mr. Williams, the minutes of the regular meeting of July 26-27, 2006 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Burnett, seconded by Mr. Williams, the following mail ballot dated August 8, 2006 was approved as distributed:

- Election to the Board of Trustees of The Endowment Fund of The University of North Carolina at Chapel Hill:
 - a. Max Chapman re-elected; term ends 2009.
 - b. Allen Morgan re-elected; term ends 2009.

(ATTACHMENT F)

On motion of Mr. Burnett, seconded by Mr. Williams, the following mail ballot dated August 11, 2006 was approved as distributed:

- Election to the Board of Directors of The University of North Carolina at Chapel Hill

Foundation, Inc.:

- a. Sallie Shuping Russell re-elected; term ends 2010.
- b. Max Chapman re-elected; term ends 2010.

(ATTACHMENT G)

On motion of Mr. Burnett, seconded by Mr. Williams, the following mail ballot dated August 16, 2006 was approved as distributed:

- Personnel changes for information, personnel changes in Academic Affairs, personnel changes in Health Affairs, and tenured personnel actions.

(ATTACHMENT H)

CHAIR'S REMARKS

Chair Schwab began by giving an update on the Tuition Task Force appointed by the Board of Governors of which he is a member. The draft looks encouraging. It contains guidelines that speak to both flexibility and predictability.

Chair Schwab also commented on yesterday's lunch meeting with student leaders. Mr. Perry asked the students what they would do if they were 'Chancellor for a Day.' That led to a very broad based discussion with many different view points. Chair Schwab shared some of the highlights.

- Funding- there seems to be a fairly big disparity between the College of Arts and Sciences and the professional schools.
- Faculty Retention- students are saying that there are two-thirds terrific professors and one-third who are less inspired. How do we move to enlarging that two-thirds section and decreasing that one-thirds section?
- Accountability- having a website that shows professor's scores for classes, the testing, and methods used. The more emphasis placed on teaching, the better. The value of the education came more from the professor than the curriculum itself.
- Advising- that needs to be improved. The students appreciate the strides made to improve, but there still needs to be a lot more. Emphasis was placed on providing advising to students early in the process, both to impact the quality of education by heading people in the right direction and helping people who are struggling to get on the right path.
- Graduate students- There is still a viewpoint expressed that the graduate students are not as much a part of the university as they would like to be. There is a separateness that we need to work on.
- Working students- it is difficult for those students who have to work to make ends meet given the time pressures of being a student. A lot of students are caught in the middle of not qualifying for financial aid, having to work, and not really making enough money to make a living.
- Service to the community- students mentioned Habitat house, Speaker series, Center for Public Service, ways in which there is a real emphasis on the part of the student to get involved in the community. Chair Schwab expressed his gratitude that service is becoming a way of life for the students and that it is shaping their experiences in a real and positive way.

Chair Schwab concluded his remarks by praising the "Politics of Inclusion: Higher Education at a Crossroads" conference as another example of Carolina leading the national conversation about access and affordability. He recognized Shirley Ort, Jack Boger, and Professor Jim Johnson for their leadership in organizing this conference. We attracted professionals from all over the country for this three-day seminar on what's going on in this area and how it impacts

the society and education. Chair Schwab thanked Trustees Carter, Fulton and Kitchin for attending the conference. He also thanked the Chancellor for his support and leadership in this program.

CHANCELLOR'S REMARKS

Chancellor Moeser recognized the following individuals:

- Professor Gary Pielak, Professor of chemistry, biochemistry and biophysics. He became our first scientist to receive the prestigious Director's Pioneer Award from the National Institute of Health. The \$2.5 million grant will fund his research on the role of proteins in neurodegenerative disorders such as Parkinson's and Alzheimer's diseases. These awards support exceptionally creative scientists who take innovative approaches to key challenges in biomedical research.
- Roger Patterson, Associate Vice Chancellor for Finance, received the David Robinson Award from the National Association of College and University Business Officers (NACUBO), in recognition of individual excellence and leadership in the advancement of accounting and reporting. He was credited with raising awareness about an aspect of accounting called managerial analysis and with spearheading a publication devoted to that topic. He has also served NACUBO in a variety of leadership roles.

Each year, state employees are honored for exceptional service with the State Employees' Award for Excellence. Carolina employees will account for more than one-fourth of all of the state employees honored this year. We have four winners at the state level. This is an unprecedented achievement.

- Victoria Dowd, executive assistant, Ombuds Office, in the category of public service. Her efforts have included a community support project to benefit Brant Daye, a N.C. Central football player who suffered a spinal cord injury.
- Gary Mesibov, director, Division TEACCH (Treatment and Education of Autistic and related Communication-handicapped Children), School of Medicine, in the category of human relations. He has been instrumental in expanding this internationally known program to reach people of all ages with autism and their families.
- Ruth Miller, special services coordinator, Frank Porter Graham Child Development Institute, in the category of public service. She also works in the UNC-Chapel Hill branch of the Division TEACCH program and is widely recognized for her extra efforts to provide service to children and their families.
- Nasr Rezk, research associate, School of Pharmacy, in the category of innovations. His work is a major reason the Clinical Pharmacology and Analytical Chemistry Laboratory consistently ranks first among national and international labs for testing and validating results.

They will be among the 15 winners honored October 16th in Raleigh. We are proud of their accomplishments and they way in which they serve the university.

The Chancellor also spoke about the three Carolina connections featured in the September 18th issue of Forbes Magazine. First, Rich Boucher, director of our world-renowned Cystic Fibrosis Research Center, is featured in this edition in a story that mentions Inspire, one of our early and

successful spin-off companies. There is also a ranking of top Wall Street women that include two Carolina alumna: Sallie Krawcheck, chief financial officer and head of strategy for CitiGroup, Inc., and Ann Martinelli Livermore, executive vice president of the technology solutions group, Hewlett Packard Company.

Chancellor Moeser reported on the Millikan Institute Rankings. The Millikan Institute, a publicly supported economic think tank in Santa Monica, California, just released a new report ranking the world's universities based on the quality of their biomedical research. Carolina looks strong in these rankings compared with our public and private peers here in the United States and abroad. The report looks at three metrics: Publications, Patents (both number and quality) and technology transfer and commercialization. Our rankings are 28th, 41st, and 25th, respectively. The Chancellor said that this is good news in a very competitive, world-wide environment and is just one more indication of the high quality of the science our faculty practices. It shows a glimpse of our future potential with more improved facilities and the promise of Carolina North.

The Chancellor mentioned that he and Trustee Perry just returned from a visit to Madison, Wisconsin. Twenty people from the university and eighty people from the communities of Chapel Hill, Carrboro, Hillsborough and Orange County traveled to Madison, to the University of Wisconsin to see how they manage their downtown relations, how the city and university work together, how they have solved their problems and how they have addressed their problems. Chancellor Moeser felt like it was a really beneficial visit. The most significant thing that the Chancellor took away from his visit is the mechanism they have in place where they have neighborhood committees that are jointly appointed by the Chancellor and the Mayor that review and discuss at the earliest conceptual stages developments that are planned for the campus. In Madison, the question is not should we do it, but how we are going to do it. The community is brought in at the conceptual stages even before architects are brought in so that the neighbors and the university are jointly involved in the conceptualization of a project. The good news about this is once it passes the neighborhood committee, the city council is not likely to second guess the recommendations that come out of the process. It has been a process that has facilitated more seamless and far less contentious and confrontational relationships. The Chancellor commented that the most important benefit of this visit was the fact that the one hundred and two people who went to Madison spent three days together and they established relationships with each other that did not exist before the trip.

Chancellor Moeser informed the Board of the President's Advisory Committee on Effectiveness and Efficiency (P.A.C.E). President Bowles has reduced the size of the General Administration by ten percent. There is a committee that he appointed, primarily made up of people from the corporate sector, but we are represented on that committee by Jack Evans and by Nancy Suttentfield. Since the initial administrative downsizing, the P.A.C.E. committee has created working groups in various functional areas that are looking at efficiencies across the UNC System, areas where costs can be reduced by either combining operations, or in our case, Chapel Hill has a tremendous opportunity to provide services to some of the smaller campuses. Campuses like Chapel Hill and NC State are well positioned and have a sophisticated and large enough organization to provide some essential services that other campuses might not need to provide for themselves. With cooperative relationships, the Chancellor believes we can lower our costs and provide some services to other campuses. Chancellor Moeser has suggested two fundamental principals back to that committee: 1) no campus in the system should be forced into an environment that raises their costs, or 2) forced into a system that lowers the quality of service delivery on that campus. The Chancellor has charged David Perry, Interim Vice Chancellor for Finance, to look at how we can reduce our administrative overhead and how we can lower our costs. This intersects with the System Process Re-design and Re-

engineering presentation to be given later in this meeting. It is one of the most important things we must undertake. We must redesign all of our business processes to accommodate new technologies. Ultimately, this will be the merger of both the P.A.C.E. process and the system re-design. This is where we will achieve savings. We have not been assigned any number or percentage. Every campus in the system has a different set of circumstances and has to approach this in a rational way. We need to be serious about it and produce some results. It will be a helpful and constructive process to make this university better. Everything we do ought to be toward our overall ambition of being the leading public university. We ought to lead in this effort as well.

Chancellor Moeser continued his remarks with the announcement of the appointment of Dean Mike Smith as the Vice Chancellor for Engagement. Dean Smith has been among the great champions on this campus for doing more with engagement over the past several years. He has worked tirelessly and with passion. He will help us define the even deeper level of engagement that I know we are capable of achieving. Dean Smith will serve as an advocate and a facilitator for our greater engagement with North Carolina. His appointment, effective November 1st, will encourage greater coordination inside the University and promote collaborations that respond to the challenges facing our state. This University needs to be determined in bringing all of the knowledge that it can contribute to the success of each North Carolina community and the entire state. In the 21st Century, with China and India in the fast track and with the whole world now moving into an economy based on information and knowledge, we must be at the top of our game to help North Carolina compete internationally. It is vital that we be fully engaged and invested in the ongoing success of our public service mission. The people of North Carolina should expect nothing less.

The Chancellor finalized his comments with a reminder to the Board about University Day on October 12 at 11 a.m. in Memorial Hall. UNC President Erskine Bowles will be the featured speaker and will present Distinguished Alumni and Alumna Awards. We will also hold a 3 p.m. symposium in Wilson Library to unveil an exciting new project: a virtual museum of University history. This Web project is a joint effort of the Center for the Study of the American South and the University Library.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Allred began his remarks by thanking the Chancellor for bringing Dr. Pielak and encouraging the administration to continue to think creatively about rewarding the many excellent faculty members at the University.

Mr. Allred described the season as one of "new buildings and new programs," and said he was looking forward to taking a class in the newly opened Chapman Hall which the trustees toured yesterday. He described a new printing program that allows students to print at any ITS lab printer from their laptops, from anywhere on campus using wireless internet. Allred also described changes in the course registration system, and thanked the University Registrar Alice Poehls for her hard work and collaboration in building and explaining this new system.

Mr. Allred described the new athletic ticket distribution system. He explained that tickets are now distributed online and that students are generally receptive to the change and are glad not to stand in line early on Saturday mornings. Allred mentioned that a few students had been upset with the change, and that the athletics department was working to restore group seating under the new system.

Mr. Allred thanked the advising department for continued excellence and said he is looking forward to continuing to work with them on the peer academic support services.

Mr. Allred updated the board briefly on the tuition and fee processes. He commented on the importance of maintaining an established structure to the process and thanked the administration for giving students a voice in the process.

Finally, Mr. Allred described two service projects conducted by students. First, he related that the Senior Class is funding and building a habitat for humanity house for a family in Orange County. He also described a partnership between UNC, Duke, and Bennett College to complete the United Nations' Millennium Village Goals in an African village. He said this project was made possible by a matching grant from an anonymous donor, and that students were working hard to raise \$300,000 for aid in healthcare, poverty reduction, education, and personal liberties in this village.

Chair Schwab challenged the Board to raise \$6,000 to match the Senior Class's donation.

ANNUAL UPDATE: UNDERGRADUATE ADMISSIONS, AND SCHOLARSHIPS & STUDENT AID

Stephen Farmer, Assistant Provost and Director of Undergraduate Admissions, reported on the Class of 2010—19,736 applications were received; 6,734 (34.1%) were admitted; and 3,816 (56.7%) were enrolled at the University. The class average SAT is 1293—a 6 point decrease over last year. He also spoke about the gender gap here on campus. Since 1980, UNC-Chapel Hill has enrolled approximately sixty percent females and forty percent males. This is consistent with the national average of males and females enrolled at most public universities. More research will be done to define the impact of this gender gap on campus.

Shirley A. Ort, Associate Provost and Director of Scholarships and Student Aid, commented that the Office of Scholarships and Student Aid supports the mission of the University by removing financial barriers (need-based aid) and recognizing and rewarding talent (academic scholarships). She announced that UNC-Chapel Hill was named “Best Value in Public Colleges” by Kiplinger's for the fifth straight year. About fifty percent of students, graduate and undergraduate, received some type of financial aid for 2004-2005. 2005-2006 data is not yet available. Ms. Ort gave an update on the Carolina Covenant and the success of the program.

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

A copy of the presentation is also filed in the Office of the Assistant Secretary.

SYSTEM PROCESS RE-DESIGN AND RE-ENGINEERING

Dr. Dan Reed, Vice Chancellor for Information Technology Services, reported on the direction UNC-Chapel Hill must go in order to re-design and re-engineer its business systems processes. Our current systems are home-grown and no longer meet the needs of the University. Many of our operating systems are over forty years old and will no longer be supported by the suppliers and manufacturers of the hardware and software. We must look at what we currently have in place to create new and better systems that incorporate the great things we already have and build on them. We must be careful to look at this process of re-design and re-engineering as an opportunity and not a burden we must bear. By going through this process we will be able to increase efficiency and organize ourselves to be more nimble and globally competitive. The major systems we are looking to re-design and re-engineer are our student information systems, our Human Resources/Payroll systems, and our financial systems.

Dr. David Perry spoke to the financial piece of this undertaking. The replacement of our systems will be a multi-year process and the ultimate pay-off will be realized several years in the future. This investment will be costly, but ultimately invaluable. Regular updates will be given at future Audit and Finance Committee meetings. Funding for this project will be provided by a combination of cash reserves, current operating funds, and debt instruments.

Trustee Perry offered the observation that the University would be wise to not under invest in the implementation process in order to derive the greatest benefit from this systems redesign investment.

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

A copy of the presentation is also filed in the Office of the Assistant Secretary.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Ms. Mason moved ratification by the Board of the following items which were previously approved by the committee. The motion carried.

- Special Obligation Bond Projects Resolution approving the issuance of special obligation bonds for the following self-liquidating capital projects recently approved by the North Carolina General Assembly: Bell Tower Development- Phase I, Boshamer Baseball Stadium- Improvements, Botanical Garden Visitor Education Center, Carmichael Auditorium- Renovation and Expansion, Cogeneration warehouse, Electrical Infrastructure Improvements, Food Service Facilities- Renovation and Expansion, Global Education & International Studies Center- Improvements, Research Resource Facility- Phase II, Residence Halls- Improvements, Science Complex- Phase II, Steam Infrastructure Improvements, Woolen Gymnasium- Renovation.

North Carolina General Statutes require the Board of Trustees to approve the issuance of the bonds for its special obligation bond projects. Debt service will be funded consistent with each project's funding plan.

(ATTACHMENT I)

- Internal Audit Report by Phyllis Petree, Director, Internal Audit. Ms. Petree presented a status report on the current audits for this year and described her audit plan for 2006-2007. Ms. Mason stated that the Board of Trustees must officially approve the audit plan for the facilities office. [A copy of the signed certification letter is filed in the Office of the Assistant Secretary.]

(ATTACHMENT J)

Ms. Mason, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- Trademark Licensing Report by Derek Lochbaum, Director, Campus Services. There has been much success this year. The net revenue this year for trademark licensing is \$3.95 million. This is up twenty-two percent from last year. This is a record for the program's history. After the payment of expenses, the net to scholarships is \$3.64 million, available for distribution for merit-based and needs-based scholarships. According to the collegiate

licensing report, for the past four years we have been the number one school in terms of licensing and trademark revenue. This year, we fell to number five, behind the number one ranked Texas. We have a team focused on getting us back to number one and enhancing the products offered, especially in the women's apparel market.

(ATTACHMENT K)

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

A copy of the presentation is also filed in the Office of the Assistant Secretary.

- Employee Forum Chair Ernie Patterson reported on the Flexible Scheduling and Telecommuting Survey. He also asked for support in making UNC a leader in the use of current best practices in building and design construction. The Forum feels that UNC should pledge now to develop Carolina North using these best practices.
- Carolina First Campaign Update by Paul Fulton. Mr. Fulton reported that the Campaign continues to do very well and now stands at \$1.857 billion. There have been \$52 million in new commitments since the last Board of Trustees meeting in July 2006. We need to average \$9.3 million per month to reach our \$2 billion goal. There are 178 proposals pending totaling \$209 million. [A copy of the report is filed in the Office of the Assistant Secretary.]

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- Faculty Chair Joe Templeton commented favorably on the increase of state support for higher education, particularly for faculty salaries. The faculty agenda included the following three items: 1) opportunities to create new knowledge/research; 2) issues of campus size; and 3) how we can make Carolina even stronger.
- Provost Bernadette Gray- Little reported on the following:
Searches underway:
 - 1) Permanent Dean, Arts and Sciences
 - 2) Vice Chancellor for Finance
 - 3) Director, Native American Center
 - 4) Director, Museum- concluded

Provost Gray-Little also commented favorably on the salary increases.

- Diversity Plan Implementation by Archie Ervin, Associate Provost for Diversity and Multicultural Affairs. Mr. Ervin presented an overview of the assessment of diversity on campus. He and his committee have been working to develop a plan to strengthen diversity on campus.
- Student Aid for Graduate Students by Vince Amoroso for Shirley Ort, Associate Provost and Director for Scholarships and Student Aid. Mr. Amoroso talked about aid disbursement patterns (grants, loans, and work) for graduate and professional school students. The office handles approximately \$200 million of aid and loans each year. Half of that money goes to

graduate students, approximately \$104 million. Graduate students have a disproportionate level of loans to grants. About \$78 million of the \$104 million are loans and \$25 million in grants.

- Programs for ESL Instructors by Linda Dykstra, Dean, Graduate School and Vice Chancellor for Research. Ms. Dykstra brought some requested information regarding the preparation of Graduate teaching assistants who do not have English as their first spoken language. Some of the students' comments addressed the importance of hiring teaching assistants who are approachable, who acknowledge their English deficiency rather than apologize for it, and who can learn classroom expressions and terms commonly used to elicit feedback. Currently, there is a course designed to help those TA's with their English. The course meets three hours a week for thirteen weeks and is free of charge. There was discussion about having generalized TA training to help equip new TA's for the classroom and give them mentoring guidance.

(ATTACHMENT L)

- School of Pharmacy Compensation Plan by Robert Blouin, Dean, School of Pharmacy. Dean Blouin reported on their new Academic Excellence Awards program. This program is funded through faculty salary recovery dollars with the goal of encouraging and rewarding outstanding research, teaching and service.

2006-07 ACC GOVERNING BOARD CERTIFICATION FORM

Leslie Strohm, General Counsel, presented information concerning the 2006-07 Atlantic Coast Conference Governing Board Certification Form, which is required to be completed annually by the Chair of the Governing Board in order for a member institution to enter a team or individual competitors in an ACC Championship as indicated in Article XIII-2 of the ACC Bylaws.

Mr. Ellison moved approval of the form. Ms. Kitchin seconded the motion and it carried. In signing the form, Chair Schwab attested the following:

1. Responsibility for the administration of the athletics program has been delegated to the Chief Executive Officer of the Institution.
2. The Chief Executive Officer has the mandate and support of the Board to operate a program of integrity in full compliance with NCAA, ACC and all other relevant rules and regulations.
3. The Chief Executive Officer, in consultation with the Faculty Representative and the Director of Athletics, determines how the institutional vote shall be cast on issues of athletic policy presented to the NCAA and the ACC.

(ATTACHMENT M)

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Carter, and 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 AUDIT & FINANCE COMMITTEE

Report of the Naming Committee

Ms. Mason, Committee Chair, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee.

Ms. Mason moved ratification by the Board of the naming recommendations. The motion carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Report of the Committee on Honorary Degrees & Special Awards

Ms. Mason, Committee Chair, presented nominees for Honorary Degrees to be given at Commencement 2007. The nominees were previously presented to the Audit & Finance Committee and approved by the committee. [A copy of the Report of the Committee on Honorary Degrees & Special Awards is filed in the Office of the Assistant Secretary.]

Ms. Mason moved ratification by the Board of the nominees. The motion carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated September 18, 2006 for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS O-P-Q)

LEGAL ADVICE

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

DEEP EXECUTIVE CLOSED SESSION

Chair Schwab convened the Board in Deep Executive Closed Session to discuss a personnel matter.

RECONVENE MEETING IN OPEN SESSION

Chair Schwab reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, moved approval by the Board of the following personnel actions dated September 18, 2006, which were discussed earlier in closed session. The motion was duly seconded and it carried.

- The personnel changes for information did not require action by the Board.
(ATTACHMENT N)
- Personnel changes in Academic Affairs.
(ATTACHMENT O)
- Personnel changes in Health Affairs.
(ATTACHMENT P)
- Tenured Personnel Actions.
(ATTACHMENT Q)

Chair Schwab stated that the personnel and salary actions voted on in open session have been distributed to the press.

Chair Schwab expressed the Board's concern to the Chancellor, regarding the English language issue. The consensus is that this is a much bigger issue than what was reported today.

ADJOURNMENT

There being no further business to come before the Board, Ms. Kitchin moved adjournment. Ms. Hyde seconded the motion and the meeting adjourned at 1:10 p.m.

Assistant Secretary