

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

The Board of Trustees met in regular session on Wednesday, November 14, 2007, at The Carolina Inn, Chancellor Ballroom West, at 5:08 p.m. Chair Perry presided.

ROLL CALL

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

Roger L. Perry, Sr., Chair	J. Alston Gardner
Karol V. Mason, Vice Chair	Sallie Shuping Russell
Russell M. Carter, Secretary	Nelson Schwab III
Phillip L. Clay	A. Donald Stallings
John G. B. Ellison, Jr.	Robert W. Winston
Paul Fulton	

Barbara R. Hyde and Eve M. Carson were absent.

Chair Perry read the following statement regarding the State Government Ethics Act:

“As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees’ meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.”

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

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

- Designer Selection- Environmental Audit Study. The University has agreed to perform an environmental self-audit under the US Environmental Protection Agency’s self-audit policy entitled “Incentives for Self-Policing: Discovery, Disclosure, Correction and Prevention of Violations.” The budget for the self-audit is \$150 K with funding from the University.

The interview committee recommended the selection of the three firms in the following priority order:

- | | |
|----------------------|--------------|
| 1. Rodak Engineering | Cary, NC |
| 2. Woodard & Curran | Portland, ME |
| 3. O'Brien & Gere | Raleigh, NC |

The firm in the number one position, Rodak Engineering, was recommended because of the strength of its team and its recent and relevant experience.

(ATTACHMENT A)

- Designer Selection- Mary Ellen Jones Comprehensive Renovation. This project provides a programming and feasibility study for the renovation of the Mary Ellen Jones Building. This 11-story building, built in 1978, contains 230,000 gross SF of laboratory facilities. It is anticipated that the existing building medical research laboratory facilities and the existing building mechanical and electrical systems will be completely replaced. The budget for the study is \$1 M with funding from the School of Medicine.

The interview committee recommended the selection of the three firms in the following priority order:

- | | |
|----------------------|------------------|
| 1. Lord Aeck Sargent | Chapel Hill, NC |
| 2. Ballinger | Philadelphia, PA |
| 3. SmithGroup | Durham, NC |

The firm in the number one position, Lord Aeck Sargent, was recommended because of the strength of its team and its recent and relevant experience.

(ATTACHMENT B)

- Designer Selection- Medical Education Building. This project provides a programming and feasibility study for a medical education facility for the School of Medicine. The study will consider the following: renovation of Berryhill, the present education facility; replacement of the present education facility; and construction of new medical education facilities on adjacent sites. The overall program is estimated at 297,000 SF with classrooms, class laboratories, computer simulation center for applied technology in medical science training, video teleconferencing facilities for use statewide, and 270 seat auditorium. The budget for the study is \$1 M with funding from the School of Medicine.

The interview committee recommended the selection of the three firms in the following priority order:

- | | |
|---------------|------------------|
| 1. Ballinger | Philadelphia, PA |
| 2. HOK | Atlanta, GA |
| 3. Ellenzweig | Cambridge, MA |

The firm in the number one position, Ballinger, was recommended because of the strength of its team and its recent and relevant experience.

(ATTACHMENT C)

- Acquisition by lease for approximately 24 SF on the tower at 650' for a FM broadcast antenna with associated Studio Transmitter Link (STL) and off air monitor antennas and transmission line, including approximately 100 SF of ground space located at the base of the tower for WUNC-FM. The tower is located on State Road #1124 intersection with State Road #1003 at 4452 Temperance Hall Road, Pinetops, Edgecomb County, North Carolina and will be leased from GTP Acquisition Partners II, LLC. The proposed lease term is ten years commencing January 1, 2008. The annual rental cost is not to exceed \$15,600 per year in the initial year not including utilities services. Beginning January 1, 2009, of the lease, the annual rent will increase 3% in years 2-10. There are no renewal options.

(ATTACHMENT D)

- Acquisition by lease for approximately 1,900 SF of office space at a location to be determined. The proposed lease term is a three-year period commencing March 1, 2008, with two one-year renewal options. The annual rental cost is not to exceed \$35,150 per year or \$18.50 per SF in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options shall not exceed 3%.

(ATTACHMENT E)

- Acquisition by lease for approximately 1,700 SF of office space at a location to be determined. The proposed lease term is a three-year period commencing March 1, 2008, with two one-year renewal options. The annual rental cost is not to exceed \$31,450 per year or \$18.50 per SF in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options should not exceed 3%.

(ATTACHMENT F)

- Acquisition by lease for approximately 2,800 SF of office and meeting space at a location to be determined. The proposed lease term is a three-year period commencing February 1, 2008, with two one-year renewal options. The annual rental cost is not to exceed \$51,800 per year or \$18.50 per SF in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options should not exceed 3%.

(ATTACHMENT G)

- Acquisition by lease for approximately 50,000 overall SF of office (10,000 SF) and wet lab (40,000 SF) space at a location to be determined. The proposed lease term is a three-year period commencing March 1, 2008, with one one-year renewal option. The annual rental cost for the office space is not to exceed \$185,000 per year or \$18.50 per SF in the initial year not including utilities and janitorial services; annual rental cost for the wet lab space is not to exceed \$1,160,000 per year or \$29.00 per SF in the initial year not including utilities and janitorial services. Estimated cost for the overall square footage should not exceed \$1,345,000 in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options should not exceed 3%.

(ATTACHMENT H)

- Acquisition by lease for approximately 3,600 SF of office space at a location to be determined. The proposed lease term is a three-year period commencing March 1, 2008, or as soon as possible thereafter with two one-year renewal options. The annual rental cost is not to exceed \$71,300 per year or \$19.50 per SF in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options should not exceed 3%.

(ATTACHMENT I)

- Acquisition by lease for approximately 50,000 overall SF of office (30,000 SF) and wet lab (20,000 SF) space at a location to be determined. The proposed lease term is a five-year period commencing June 1, 2008, with one five-year renewal option. The annual rental cost for the office space is not to exceed \$555,000 per year or \$18.50 per SF in the initial year not including utilities and janitorial services; annual rental cost for the wet lab space is not to exceed \$580,000 per year or \$29.00 per SF in the initial year not including utilities and janitorial services. Estimated cost for the overall square footage should not exceed \$1,135,000 in the initial year not including utilities and janitorial services. Annual increases in the base year and renewal options should not exceed 3%.

(ATTACHMENT J)

- Property Disposition by ground lease to authorize a ground lease to the Robertson Scholars Program (a private foundation organized to support the administration and operation of the Robertson Scholars program at the University and Duke University) for a new building to house the program, consisting of administrative offices and meeting space for the Robertson Scholars Program (the "Project"). The ground lease area will be approximately 22,670 SF or 0.52 acres of land on the current site of Hill Annex, east of Porthole Alley, south of Hill Commercial Building on East Franklin Street, and on the north side of the Arts Common as shown on the attached map. This site is designated on the Campus Master Plan and was approved at the Trustees' meeting on May 23, 2007. The Project will consist of an 11,800 SF building with courtyard and landscaped areas.

The following steps describe the process of construction:

- The site is leased by the State of North Carolina on behalf of the University to the Robertson Scholars Program at a rental rate of \$1.00 for a term lasting through the construction period but no later than the date the University accepts the completed improvements.
- The Robertson Scholars Program contracts with the developer for the design and construction of the Project according to the plans and specifications approved by the Robertson Scholars Program and the University.
- The Robertson Scholars Program constructs the Project using its own resources.
- Upon completion of the construction of the Project in accordance with the plans and specifications, the Robertson Scholars Program conveys by way of a gift the Project to the University.

(ATTACHMENT K)

RECESS

Chair Perry recessed the Board meeting at 5:20 p.m.

RECONVENE

Chair Perry reconvened the Board meeting at 8:03 a.m. on Thursday, November 15, 2007, at The Carolina Inn, Chancellor Ballroom East and West.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll. Barbara R. Hyde was absent.

CONSENT AGENDA

Approval of Minutes

On motion of Ms. Mason seconded by Ms. Shuping Russell, the minutes of the regular meeting of September 26-27, 2007, were approved as distributed.

Ratification of Mail Ballots

On motion of Ms. Mason seconded by Ms. Shuping Russell, the following mail ballot dated October 11, 2007, was approved as distributed:

- Designer Selection for Imaging Research Building.

(ATTACHMENT L)

On motion of Ms. Mason seconded by Ms. Shuping Russell, the following mail ballot dated October 16, 2007, was approved as distributed:

- Acquisition by Lease for UNC Chapel Hill institute of Medicine and Cecil G. Sheps Health Services Research.

(ATTACHMENT M)

On motion of Ms. Mason seconded by Ms. Shuping Russell, the following mail ballot dated October 17, 2007, was approved as distributed:

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

(ATTACHMENT N)

CHAIR'S REMARKS

Chair Perry began his remarks by thanking his fellow trustees for participating in last night's William Richardson Davie Award Dinner to honor special members of the Carolina family:

- Joe Hackney, speaker of the North Carolina House of Representatives
- Mike Overlock, senior director of Goldman Sachs Group Inc. and co-chair of the Carolina First Campaign

- Ken Thompson, chairman, president and chief executive officer of Wachovia Corp.
- Patricia Timmons-Goodson, associate justice, Supreme Court of North Carolina

Chair Perry asked Trustee Schwab to give an update on the Chancellor Search Committee. Mr. Schwab reported that they have chosen a search firm and begun a series of open forums. There have been three forums to date and the final forum is scheduled tonight from 6-8 p.m. in Gerrard Hall. The committee will meet again December 12, 2007. Chair Perry encouraged the trustees to attend the committee meetings.

Chair Perry called on Trustee Paul Fulton for remarks. Mr. Fulton spoke about the success of the Carolina First Campaign and then requested that Secretary Carter read the following resolution:

**RESOLUTION OF APPRECIATION
FOR
MATTHEW G. KUPEC**

WHEREAS, Matthew G. Kupec is a proud alumnus of the University of North Carolina at Chapel Hill, Class of 1980;

WHEREAS, Matthew G. Kupec has served Carolina's development efforts since 1992 and led University of Advancement since 1996, overseeing fund raising, government relations, community relations and public relations;

WHEREAS, Matthew G. Kupec directed Carolina's successful \$440 million Bicentennial Campaign;

WHEREAS, under the leadership of Matthew G. Kupec, Carolina's development operation has been recognized with eight awards for excellence in fund raising from the Council for Advancement and Support of Education;

WHEREAS, under the leadership of Matthew G. Kupec, Carolina's development operations have set new records in giving totals in 14 of the last 16 years, with gifts climbing from \$59 million in 1992 to \$251 million in 2007, an increase of more than 400 percent;

WHEREAS, under the leadership of Matthew G. Kupec, the Carolina First Campaign will go down as the most successful fund-raising drive in Carolina history and the 11th most successful in the history of higher education, having raised \$2.26 billion to date -- exceeding the campaign goal by \$260 million;

WHEREAS, all of these achievements have supported Carolina's vision to be the nation's leading public university and have come at a time when private support plays an evermore critical role in enabling Carolina to fulfill its mission of teaching, research and public service;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of North Carolina at Chapel Hill offers its most sincere thanks and gratitude to Matthew G. Kupec for his extraordinary leadership, service and dedication.

On motion of Mr. Fulton, and dually seconded, the Board unanimously approved adoption of the Resolution of Appreciation and applauded Mr. Kupec.

Mr. Kupec thanked the Board and the University. He recognized the development team for their hard work and dedication to the campaign. He thanked Chancellor Moeser and Trustee Fulton for their leadership.

Chair Perry concluded his remarks by recognizing Trustee Mason for being named the Chair of the Management Committee for Alston Bird, LLC, a preeminent law firm in America.

CHANCELLOR'S REMARKS

Chancellor Moeser began his remarks by commenting on the following:

- Microsoft Research announced at the end of last week that Dan Reed will become its director of scalable computing and multicore. The appointment is effective December 3rd. This is a great opportunity for Dan to apply his academic and high-performance computing expertise in a major corporate setting like Microsoft, which has such a broad reach in the commercial marketplace. Dan successfully launched RENCi and its strategic partnerships with other universities and the state. His service in national leadership positions addressing important science and technology issues has also brought an invaluable perspective to our thinking about the research enterprise at the University. We wish Dan the very best in his new pursuits at Microsoft. Alan Blatecky, deputy director of RENCi since 2004, will serve as the institute's interim director. He was the first employee for RENCi recruited by Dan and previously was executive director of the San Diego Supercomputer Center following extensive experience here in North Carolina.
- Water Conservation Efforts- We recently sent a comprehensive report on the University's efforts to President Bowles, who reported to the Board of Governors last week that the UNC system is state government's largest single water user. Our report showed about a 25 percent annual reduction in the water usage across campus. Many of those savings were achieved with permanent changes in equipment or technology. And much of that is part of the standard way we are equipping new buildings like the FedEx Global Education Center. We are also appealing to faculty, students and staff to do their part, too. One of the biggest opportunities is in the residence halls and student housing. Our students are accepting the challenge. They have gotten off to a quick start in mobilizing for a friendly contest suggested by N.C. State Chancellor James Oblinger to me. Starting last Saturday, timed with our football game in Raleigh, we started the clock to compare how much water our resident students can save until the State basketball team comes to the Smith Center in February. Part of the students' leaders' message has focused on taking shorter showers, as just one example. We work very closely with the Orange Water and Sewer Authority and have been pleased with their support for our efforts here on campus.

STUDENT BODY PRESIDENT'S REMARKS

Ms. Carson spoke briefly about tuition, the desire for predictability, and sharing a strategic vision in regard to tuition and tuition processes. She then asked a number of students to speak about their tuition experiences.

[A copy of Ms. Carson's remarks is filed in the office of the Assistant Secretary.]

Trustee Shuping Russell invited the students to come to future Board of Trustees meetings to better understand the issues that surround tuition and provide answers to the questions students have regarding tuition, predictability, funding sources, and money allocation.

REPORT ON INVESTMENT FUNDS

Mr. Max Chapman, Chair of the Board of Directors of the University of North Carolina at Chapel Hill Foundation Investment Fund, Inc., presented this report to the Board. He was accompanied by Mr. Jonathon King, President and Chief Executive Officer of the UNC Management

Company, Inc.

- UNC Investment Fund Fiscal 2007 Summary.
 - 1) The 23.4% return in FY 2007 was the second highest return for the Fund in the past 20 years- only FY 2000's 27.3% ("bubble year") was higher.
 - 2) The 19.3% 3-year compound return generated by the Fund was the highest 3-year return over the past 20 years.
 - 3) The Fund outperformed SIPP by 669 basis points in FY 2007, representing approximately \$115 million in "value-added".
- UNC Chapel Hill Foundation Investment Fund Fiscal 2007 Summary.
 - 1) The market value of UNC CH Foundation Investment Fund increased by \$545.6 million in FY 2007, by far the Fund's largest single-year increase ever (the prior record was FY 2006's \$258 million).
 - 2) Over the past three fiscal years, the UNC CH Investment Fund has grown by \$959 million, from \$1.06 billion at June 30, 2004, to \$2.02 billion at June 30, 2007, (after distributing \$213 million for spending over this three year period).

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.

Chancellor Moeser praised the UNC Management Company team and the Investment Fund Board for their outstanding work. Chair Perry echoed the chancellor's remarks.

MEASURES OF EXCELLENCE

The Measures of Excellence were presented by Provost Gray-Little. The Measures of Excellence serve as indicators of Carolina's accomplishments and quality in the following broad areas: undergraduate education, graduate and professional education, faculty, staff, public service and engagement, internationalization, finance and facilities, and athletics.

To assess Carolina's performance in these critical areas, the University team developed a variety of measures to track progress over the past five years and to provide comparisons with Carolina's public peer universities. The measures presented comprise only a small sampling of the data collected to continue monitoring the University's future performance. Some of the measures presented also serve as illustrative examples of benchmarks for the Academic Plan.

Chancellor Moeser noted that we need to do much better about increasing the number of faculty with memberships in national academies because we are seriously lagging behind our peers in this area. Only members of the academies can nominate others to join so we must encourage our faculty to recognize their peers and nominate them for memberships.

Trustee Carter asked for more information on Grad student stipends and other financial compensation for Grad students who teach.

Trustee Gardner recommended that we look at a strategic plan for recruitment. Chair Perry agreed with Trustee Gardner and suggested that the University look at ways to train faculty who are promoted into departmental chair positions, deanships, and other managerial type positions in regard to faculty recruiting and managing. Provost Gray-Little noted that the departments do a great job at recruiting, but they are not prepared for the volume of recruiting and hiring that needs to take place over the next ten years. Trustee Stallings recommended that we look at hiring a recruiting specialist/coordinator to help with the volume of recruiting and hiring. Trustee Winston added to the idea about training. He explained a process already in use by another company called "Chair School." It is a training/mentoring program by others who previously have been in those positions. [A copy of the report is filed in the Office of the Assistant

Secretary.]

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.

UNIVERSITY OF NORTH CAROLINA TOMORROW UPDATE

Michael Smith, Vice Chancellor for Public Service and Engagement, reported to the Board on the University of North Carolina Tomorrow Initiative. UNC Tomorrow is an initiative designed to answer one questions: "How is the University System going to help meet the needs of North Carolina over the next twenty years?" The process is a classic gap analysis: what are we doing now as the university system?; what are the needs of the state for the next twenty years?; and how do we close that gap?

In Spring 2007, President Bowles, members of the Board of Governors, members of the UNC Tomorrow Commission went to all sixteen campuses and asked: "What are you doing now?"

Over the last few months, the same group of people has conducted eleven Community Listening Forums all across North Carolina. The forums' format included an open mic session where anyone could speak and say whatever they wanted to about the challenges facing North Carolina. Over two thousand seven hundred people showed up to the eleven forums. At the end of each forum, President Bowles let the people know that the Commission listened to them. He then summarized and synthesized what was discussed so that it was clear he heard their message.

In addition, President Bowles created a Scholar's Counsel that is made up of faculty from each university in the system to look at how we will address the needs expressed in the forums. Professor Jim Johnson and Professor Tom Ricketts are two UNC Chapel Hill faculty who are part of the Scholar's Counsel.

A video about UNC Tomorrow was shown. The video can be found at www.nctomorrow.org.

Tom Ricketts, Professor and Deputy Director of SHEPS, spoke to the Trustees about:

- Frustration- People young and old, rich and poor came to the forums to speak about their frustration with poverty, job loss/risk of job loss, alienation of young people and their distrust of education, inability to readily access quality medical care, lack of leadership, and their own inability to acquire new skills to learn and innovate and make change happen.
- Expectation- The people came to these forums with a belief that talking about this frustration could help change things. They came with an expectation that the University of North Carolina and its campuses could change the future.
- Imagination- These people had the expectation that the University has the imagination to find the solutions to the problems they see and share. Do we have the imagination to make things change?
- Inspiration- The people of North Carolina expect that we inspire the people, the organizations, and the leaders to make those changes and come up with those solutions.
- Application- The people feel we have the ability to turn this imagination and inspiration into application, to put these solutions into practice.

Vice Chancellor Smith said a report from the Commission is being prepared with recommendations that will go to the Board of Governors in January. The recommendations include:

- Economic development
- Health

- Energy
- Education
- Access & affordability
- University Outreach, Engagement & Innovation
 - Apply and translate research more broadly
 - Develop a strategic plan for specific scholarly public service
 - Reengineer tenure, promotion, and the incentive system to place a greater value on faculty involvement and engagement
 - Develop a plan to fund public service
 - Examine the missions of the 16 universities in light of state and regional needs from a system perspective
 - Communicate what we are already doing.

(ATTACHMENT O)

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Mr. Fulton moved ratification by the Board of the following item which was previously approved by the committee.

- Endowment Fund Annual Report- Vice Chancellor Richard Mann presented results from the Endowment Fund annual report for the year ended June 30, 2007, and we are pleased to report another top-quartile performance. Net investment returns for the year were \$191 million. Gifts and bequests totaled \$31.9 million. The spending distribution for FY 2007 was \$41.7 million. This resulted in an increase in market value of \$181.2 million for FY 2007.

Ms. Mason seconded the motion to approve the June 30, 2007, Annual Report of the Endowment Fund and to transmit the report to the Board of Governors, subject to approval by the Board of Trustees of the Endowment Fund. The motion carried.

(ATTACHMENT P)

Mr. Fulton, 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).

- Tuition Use Analyses. Sr. Associate Provost Elmira Mangum provided an overview of how Carolina has allocated its tuition revenue for the current academic year and for the previous four years. For 2007-2008, sixty two percent of campus-based tuition revenue is devoted to faculty salaries; three percent is devoted to TA salaries; and thirty five percent is devoted to student aid.

Detailed information was provided on the progress made and the importance of campus-based tuition to remaining competitive in our goal of reaching the 80th percentile of our institutional level peers and our academic school level peers.

- Annual Report on Enterprise- Wide Risk Management Program. We had three short presentations by Chief Jeff McCracken, Ray Hackney (of Environment, Health, and Safety), and Steve Kenny (of Risk Management Services) that gave us a sense of where we are in our planning for campus emergencies, pandemic flu preparation, and business continuity in the event of a major disruption to our business processes. It is clear that we are making good progress on these fronts and we urge our campus planners to remain alert and to maintain their diligence in planning for all types of emergencies and potential disruptions.

- Review of First Quarter FY 07-08 Budget Status. Vice Chancellor Mann presented the first quarter budget status for FY 2007-08 and noted that there were no surprises at this point in the fiscal year.

- Five Year Plan by Roger Patterson, Associate Vice Chancellor for Finance provided three different revenue projections (low, medium and high) for the current (FY 07-08 and FY 08-09) and next biennium (FY 09-10 and FY 10-11). The projections were developed based on a number of underlying assumptions for each revenue line, which were reviewed with the committee. The revenue model predicts revenues ranging somewhere between \$2.15 billion and \$2.35 billion in FY 07-08, and between \$2.40 billion and \$2.96 billion in 10-11.

- Carolina First Campaign Update by Matt Kupec. Mr. Kupec reported that the campaign is at \$2.26 billion and is still going strong. [A copy of the report is filed in the Office of the Assistant Secretary.]

- Employee Forum Chair Ernie Patterson briefed the committee on the importance of the literacy campaign which he presented last Board meeting. He thanked the Board and the Chancellor for expressing support for the concept and for other staff development efforts. [A copy of the report is filed in the Office of the Assistant Secretary.]

Mr. Fulton moved ratification by the Board of the following item which was previously approved by the committee. The motion was dually seconded and carried.

- Tuition and Fee Preliminary Review- Provost Gray-Little presented a summary of the deliberations of the Tuition and Fee Advisory Task Force (TFATF). The Task Force's report identified the relevant Board of Governor policies regarding tuition and fees. The maximum allowable increase for tuition and for fees is 6.5% under the Board of Governors' Four-Year Plan. The plan also establishes a ceiling based on the increase in General Fund operating appropriations per/FTE that is greater than 6%. According to this provision, any increase in appropriations above 6% results in a corresponding reduction in the amount of campus-based tuition that a constituent institution can establish for resident undergraduate students. The General Assembly increased the University's state appropriations by 14.7%. As a result, UNC-Chapel Hill's ceiling for the 2007-2008 academic year is 0% for undergraduate residents.

The Task Force presented a range of tuition increases for nonresident undergraduates, resident graduate students, and nonresident graduate students. The Task Force also presented an alternate plan that was suggested by students as a way to moderate the tuition increase for continuing students.

Based on the deliberations of the Task Force, the Chancellor is recommending the following increases in tuition for 2007-2008:

- Nonresident undergraduates - \$1,250
- Nonresident graduates - \$800
- Resident graduates - \$400

Chancellor Moeser provided his rationale for the recommendations. Then Provost Gray-Little showed the Trustees a few slides from the report she made in the Audit and Finance Committee meeting the day before. There was much discussion amongst the trustees about different issues surrounding tuition and the tuition increases.

Chair Perry asked for a full detailed report about how the allocation works on campus-based tuition and the professional schools. Shirley Ort will need to confirm and add the stipulation that Chancellor Moeser suggested, that there is no co-mingling of undergraduate need-based aid and graduate need-based aid. After discussion on the topic, Chair Perry also asked for a plan for the graduate school to come back in January to address TA and RA stipends.

(ATTACHMENT Q)

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.

Ms. Carson brought up the issue of predictability. There was discussion about the topic and a report will come back to the board in the near future.

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).

- Provost Bernadette Gray-Little reported on the following:
 - Searches for the CIO and several deans are underway.

- Bobbi Owen provided an update on the Academic Advising Implementation Committee. Students prefer the assignment of a primary advisor, and we will be looking at ways to improve the process. There is interest in a "service center" approach to advising.

- Counseling and Wellness by Margaret Jablonski, Vice Chancellor for Student Affairs. They have made significant improvements in service, reducing the time for an initial appointment from seven days to twenty five minutes.

Dr. Jablonski also provided an update on Greek Life, and discussed the "Carolina Fraternity and Sorority Standards of Excellence Program. [A copy of the report is filed in the office of the assistant Secretary.]

- University of North Carolina Cancer Research Fund. Dr. Etta Pisano, Vice Dean for Academic Affairs and Shelton Earp, Director of Lineberger Comprehensive Cancer Center made a presentation on the University Cancer Research Fund and their \$50 million goal for 2009-2010.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Carter, and duly seconded, 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 UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated November 5, 2007, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS S-T-U-V)

CONFIDENTIAL HEALTH SYSTEM MATTER

REPORT OF THE AUDIT & FINANCE COMMITTEE

Report of the Committee on Honorary Degrees & Special Awards

Mr. Fulton, Committee Chair, presented nominees for Distinguished Alumna/Alumnus Awards to be presented on University Day, October 12, 2008, and an Honorary Degree to be conferred at May Commencement 2008. All nominees were previously presented to the Audit & Finance

Committee and approved by the committee. Ms. Mason seconded the motion and it carried. [A copy of the Report of the Committee on Honorary Degrees & Special Awards is filed in the Office of the Assistant Secretary.]

Report of the Naming Committee

Mr. Fulton, Committee Chair, presented naming recommendations which were previously presented to the Audit & Finance Committee and approved by the committee. Ms. Mason seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

LEGAL ADVICE

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

EXECUTIVE CLOSED SESSION

Chair Perry convened the Board in Executive Closed Session to discuss personnel and legal matters.

RECONVENE MEETING IN OPEN SESSION

Chair Perry 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 November 5, 2007, which were discussed earlier in closed session. Mr. Clay seconded the motion and it carried.

- The personnel changes for information did not require action by the Board.
(ATTACHMENT R)
- Personnel changes in Academic Affairs.
(ATTACHMENT S)
- Personnel changes in Health Affairs.
(ATTACHMENT T)
- Tenured Personnel Actions.
(ATTACHMENT U)
- Proposals for Salary Increases.
(ATTACHMENT V)

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

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 3:00 p.m.

Assistant Secretary