

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

The Board of Trustees met in regular session on Wednesday, March 22, 2006 at The Carolina Inn, Chancellor's Ballroom East, at 5:05 p.m. Vice Chair Kitchin presided.

ROLL CALL

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

Jean Almand Kitchin, Vice Chair	Paul Fulton, Jr.
Russell M. Carter, Secretary	Barbara R. Hyde
Timothy B. Burnett	Karol V. Mason
Seth M. Dearmin	Roger L. Perry, Sr.
John G. B. Ellison, Jr.	Richard T. Williams
	Robert W. Winston

The following members were absent:

Nelson Schwab III, Chair (excused absence)
A. Donald Stallings (excused absence)

REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE

Mr. Perry, Committee Chair, reported on a special presentation to the Buildings and Grounds Committee by the West House Coalition, headed by Senator Ellie Kinnaird. The coalition is interested in the preservation of West House on the Arts Common site. The coalition feels that the Board of Trustees should reconsider the demolition of West House and consider keeping it at its current location on campus. Senator Kinnaird stated that West House, in the opinion of the coalition and a number of other preservationist groups, does have significant architectural character to it and would add a human scale to the Arts Common that would enhance the overall fabric of Arts Common with its quirky architecture and its hidden garden. The coalition suggested some uses for West House that might include it becoming a visitor center or being refurbished and renovated into a guest house for artists performing at Memorial Hall or on the Arts Common in the future. A point was made that the Board approved the recommendation of the Facilities staff that West House be torn down because it was going to be in conflict with the underground parking deck that was going to go in Arts Common. Since that time, the parking deck has been eliminated and the building for Arts Common has actually shifted toward Columbia Street. Now, West House would only conflict with the existing design for the Arts Common Plaza public space surrounded by Ackland and the Arts Common.

Mr. Perry stated that the Buildings and Grounds Committee did not have a specific recommendation to make to the Board other than request that the Board members review the information that was handed out at the committee meeting, and to contact Vice Chair Kitchin or Chair Schwab if they desire further discussion about this matter. [A copy of the handout information is filed in the Office of the Assistant Secretary.]

Mr. Burnett encouraged any Board members who are not familiar with West House to go there and walk around the building, look at it from all sides and consider its orientation to the rest of the Arts Common. That is a critical thing to be considered.

Mr. Burnett suggested that it would be useful for members of the Board to receive a one page copy of the finish of the Arts Common with West House superimposed on it. It would be very useful as people walk around and look at the building. Also, before the matter is considered again by the Board, budget information should be prepared for the Board concerning gutting the building inside—rewiring, re-plumbing, and reconfiguring the space layout.

Paul Kapp, Campus Historic Preservation Manager, advised the Board that West House doesn't warrant significant enough to be saved, and noted that if the house was in a historic district neighborhood, the case might be different. It lacks significant architectural merit to be saved at a campus location where it is clearly out of place and of little value. The building would need to be renovated and brought up to meet current codes. These renovations would be expensive and would further reduce the building's historical significance. Due to the current structure of the house, it would cost between \$500,000 and \$700,000 to relocate it successfully. Renovating it inside and bringing it up to code would also make it lose a lot more of its significance.

Mr. Perry moved ratification by the Board of the following two Level 1 items, which were previously approved by the committee. Mr. Burnett seconded the motion and it carried.

- Designer selection of the following three firms in priority order as listed for a new Sports Medicine Facility to replace the existing facility in Fetzer Gymnasium. The facility will serve as a clinical and educational facility to be shared by Athletics, Exercise and Sports Science, and Campus Health Services. The proposed location is the Women's Gym.

1. Corley Redfoot Zack Chapel Hill, NC
2. Davis Kane Architects Raleigh, NC
3. Perkins & Will Charlotte, NC

(ATTACHMENT A)

- Acquisition by lease for approximately 5,800 square feet of office space at a location to be determined for the Carolina Population Center. The lease term is a five-year period commencing July 1, 2006, or as soon thereafter as possible at an initial annual rent not to exceed \$100,050 or \$17.25 per square foot not including utilities or janitorial services. The annual rent increase will not exceed 2% per annum.

(ATTACHMENT B)

Mr. Bruce Runberg, Associate Vice Chancellor for Facilities Planning and Construction, presented information on the following item, which was previously approved by the committee. Mr. Perry moved ratification by the Board, seconded by Mr. Burnett, and the motion carried.

- Acquisition by purchase of approximately 0.55 acres of land and approximately 2,910 square feet of improvements located at 215 West Cameron Avenue, Chapel Hill, North Carolina from The University of North Carolina at Chapel Hill Foundation, Inc. for \$800,000 plus certain carrying costs incurred by the Foundation. The property consists of a 2,136 square foot four bedroom, four bath residence and a 774 square foot, one bedroom, one bath cottage. The property is located in close proximity to University owned property known as the Nash (Water Tower) Parking Lot and is currently zoned for office/institutional use.

(ATTACHMENT C)

Ms. Anna Wu, Director of Facilities Planning and Construction, presented information on the following item, which was previously approved by the committee. Mr. Perry moved ratification by the Board, seconded by Mr. Burnett, and the motion carried. The motion included a request for further study on the entrance to the satisfaction of the Chancellor.

- Design approval for construction of a 161,000 square foot building to house the Departments of Chemistry and Marine Sciences, Science Library, and classrooms. The project scope also includes the demolition of Venable Hall.

A project model was provided for review by the Board of Trustees.

(ATTACHMENT D)

The preliminary design review for the Dental Sciences Building project constructing a new 207,000 square foot addition for the School of Dentistry will be brought to the Board at a later date.

(ATTACHMENT E)

CAMPUS MASTER PLAN UPDATE

Chancellor Moeser introduced this item to the Board. He commented as follows:

"Today we're presenting to you an update of the 2001 Campus Master Plan. Any good plan needs periodic updating, taking into account experience with development and revised needs for the future, and that's what brings us to this point. With this update, we believe that we've identified the few remaining developable sites on the main campus and reaffirmed the responsible capacity of the land for which we have stewardship that came with this campus.

It's clear that if we're to continue to build upon our mission, to move into the future, we must look beyond the current campus. That is why Carolina North looms ever more important to us as we think about our future.

The Master Plan update is true to the history of the campus and the principles which this Board adopted in the 2001 Plan:

- Maintaining and enhancing the fundamental beauty and character of the main campus, especially Polk and McCorkle Places;
- Transforming the surface parking in the Bell Tower into a new open space which will be framed by new buildings for academic and research programs;
- Providing space and context for the Arts Common;
- Removing and replacing Davie Hall; and
- Expanding South Campus by exporting the qualities of Polk and McCorkle and making it a vital hub of student activity.

This update to the Master Plan also integrates the lessons we have learned to date, especially with regard to infrastructure (both utilities and parking) and natural resources.

We have all been pleased to see the key elements of the Master Plan start coming to life as you're seeing today, especially on South Campus, and also on Central Campus. We see this update as improving upon an already excellent plan that is serving us extremely well."

Chancellor Moeser introduced Ms. Anna Wu to make the presentation.

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

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

Following the presentation, Mr. Winston moved approval of the Campus Master Plan Update. Mr. Williams seconded the motion and it carried.

(ATTACHMENT F)

RECESS

Vice Chair Kitchin recessed the Board meeting to 8:00 a.m. on Thursday, March 23.

RECONVENE

Vice Chair Kitchin reconvened the Board meeting at 8:00 a.m. on Thursday, March 23, 2006 at The Morehead Building, Faculty Lounge.

ROLL CALL

Assistant Secretary Brenda Kirby called the roll. The roll was the same as on Wednesday, March 22.

CONSENT AGENDA

Approval of Minutes

On motion of Mr. Burnett, seconded by Ms. Hyde, the minutes of the regular meeting of January 25-26, 2006 were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Burnett, seconded by Ms. Hyde, the following mail ballot dated February 6, 2006 was approved as distributed:

- Appointment of Bernadette Gray-Little to Provost and Executive Vice Chancellor effective July 1, 2006.

(ATTACHMENT G)

On motion of Mr. Burnett, seconded by Ms. Hyde, the following mail ballot dated February 15, 2006 was approved as distributed:

- Personnel changes for information, salary increase in the Department of Athletics, personnel changes in Health Affairs, and tenured personnel actions.

(ATTACHMENT H)

VICE CHAIR'S REMARKS

Vice Chair Kitchin commented on the absence of Chair Schwab, who was traveling. His itinerary included a visit to the Kenan Institute in Thailand. He will share information concerning his experiences and the University's presence there when the Board meets in May.

Vice Chair Kitchin announced the appointment by Chair Schwab of the Nominating Committee to select a slate of officers for the 2006-2007 Year:

Roger Perry, Chair
Barbara Hyde
John Ellison

The Nominating Committee will present the proposed slate of nominees at the May Board meeting, and the officers will be elected at the July Board meeting.

Vice Chair Kitchin congratulated Coach Roy Williams and Coach Sylvia Hatchell for the outstanding seasons of the Men's and Women's Basketball Teams. The coaches and players have represented the University in a very classy manner. The women will participate in the Sweet Sixteen Regional Finals on Sunday in Cleveland, Ohio.

She also commented on the Women's Indoor Track Team which finished in the top five and on the high ranking of a number of our sprint teams.

Vice Chair Kitchin commented on the Level 3 agenda item concerning graduation and retention rates which would be presented by Jerry Lucido, Vice Provost for Enrollment Policy and Management, and Dr. Bernadette Gray-Little, Dean of the College of Arts and Sciences, later in the meeting. Projections show that we are expecting both our four- and six-year graduation rates to rise.

Vice Chair Kitchin introduced Student Body President Elect James Allred and welcomed him to the Board meeting. She commented that the Board looks forward to working with him in the coming year and congratulated him on running a successful campaign.

Vice Chair Kitchin concluded her remarks by commenting on the April 12 installation ceremony for President Erskine Bowles. Chair Schwab and a majority of the members of the Board of Trustees plan to join Chancellor Moeser, vice chancellors, deans, and others, in representing the University.

Vice Chair Kitchin called on Secretary Carter to read the following resolution.

**RESOLUTION OF APPRECIATION
FOR
SETH MICAH DEARMIN**

WHEREAS, Seth Dearmin, as Student Body President, served his constituents with admirable courage and wisdom, enhancing communication between students and Trustees, and advocating effectively on behalf of his constituents;

WHEREAS, Seth Dearmin worked with University administrators, faculty and staff on issues involving campus life, long-range planning, athletics, and academics; collaborated with the Graduate and Professional Student Federation to address the needs of its students; served on the Chancellor's Committee on Student Fees, and co-chaired the Tuition Advisory Task Force;

WHEREAS, Seth Dearmin, as a Trustee, commanded respect for his thorough preparation for meetings and always-thoughtful engagement with the business of the Board; and was valued particularly for his open and honest communication and his willingness to listen; and showed exceptional leadership by balancing the interests of students and the interests of the University;

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

A round of applause was given to Mr. Dearmin. Secretary Carter moved approval of the resolution. Ms. Mason seconded the motion and it carried.

CHANCELLOR'S REMARKS

Chancellor Moeser began his remarks by commenting on two sobering events that occurred on campus just before Spring Break. On February 24, there was a tragic accident in a residence hall in which one student fell to his death and another was seriously injured. On March 3, there was a hit-and-run attack in the Pit.

The Chancellor stated “Events like this, I think, can do one of two things at a university. They can either tear us apart and create uncertainty, anxiety, fear, and division; or they can bring a community together and make it stronger. I think the way a campus responds is really drawn from the deep wells that already exist on that campus and the groundwork that has been laid in bringing groups together and in fostering understanding. I’m happy to tell you that the response of this University has been the latter and not the former. This campus has really responded in a beautiful way to serious, sobering, threatening events that I think should make you very proud.

We’re obviously saddened by the death of Keith Shawn Smith, a young man whom I did not know, but from all reports was a fine, fine young student and a person with a great potential of leadership, who was an entrepreneur. He was obviously much loved by the students on his residence hall floor. There’s a great deal of sadness and loss. The other young man, Tyler Downey, is recuperating at his home in Asheville and expects to be back at Carolina next year.

The healing process will continue in that residence hall and among that community of friends and students who were very close to them; but it is going on and I think going on very constructively.

All of you are aware of the second event which could have been a horrible situation with multiple deaths. There was clearly a lethal intent in the actions of this individual, whom as far as all of our investigations show, acted solely alone, without any association with any other person or group. But, I don’t want to diminish the seriousness of that event and the degree to which we escaped a very, very serious situation.

In both of these situations, what I want to emphasize is the way this campus has responded, which I think really reflects the maturity of our students, the good work that faculty, staff, and administrators have done on this campus, obviously since 9/11, to build reservoirs of understanding and goodwill so that there has been very little of that kind of division, retaliation, or anger. I think this process will continue.

I want to especially acknowledge the work of a number of University offices which responded with incredible dispatch and effectiveness—Department of Public Safety and several components of the Division of Student Affairs, and individual faculty members. I received an email from a faculty member whose teaching assistant was one of those injured in the Pitt attack, and who immediately went to the side of the student in the Pitt and then went to the emergency room and witnessed firsthand the on-the-scene response not only of our emergency personnel, but Student Affairs counselors who were already on the scene dealing with these students and other students who were concerned about their welfare.

Thanks to the leadership of the students, on Monday, March 20, Student Body President Seth Dearmin led a reclaiming of the Pit—that this area of the campus continues to be what we know it to be—a place of student gathering and fellowship and the great activities that take place there.

Someone asked me, Is this campus safe? I said, I don’t know a safer place in the world, but I can also tell you that there is no place in the world that is utterly safe. That is the reality of the world in which we live. I think we showed our true strength under the stress of these tests, and I salute my colleagues and the students on this campus for that.”

Chancellor Moeser recognized the following individuals and their accomplishments:

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- Steve Farmer, Director of Undergraduate Admissions, principal investigator in an exciting new grant program with the Jack Kent Cooke Foundation. The \$27 million partnership will help more deserving community college students from families with low to moderate income levels earn bachelor's degrees from selective four-year universities and colleges. Other partners are Amherst and Mount Holyoke colleges, Bucknell and Cornell universities, and the Universities of California at Berkeley, Michigan at Ann Arbor, and Southern California. The University of North Carolina at Chapel Hill will receive nearly \$900,000 and our participation will benefit students from Alamance Community College, Durham Technical Community College, and Wake Technical Community College. Elements of the program include the Carolina Student Transfer Excellence Program, which aims to encourage community college students of great talent and potential, who by coming here, will make our campus an even better place.

Shirley Ort, Scholarships and Student Aid, and Mark Meares, Development, as well as others in the College of Arts and Sciences and Student Affairs, assisted in the preparation of the proposal.

Chancellor Moeser stated that he looked forward to visiting Durham Technical Community College on March 30 to help celebrate this new partnership.

- Dr. Dan Reed, Vice Chancellor for Information Technology and Director of the Renaissance Computing Institute, was recently appointed to the President's Council of Advisers on Science and Technology. The appointment was announced by the White House earlier in the month, along with that of thirteen other key scientists. This group will advise the President on technology, scientific research priorities, and math and science education.
- Ira Simon, Director of Food and Vending Services, Carolina Dining Services. Chancellor Moeser had asked Mr. Simon to represent those who played a key role in the opening of the Rams Head Center, which was selected for one of *Food Magazine's Best Concept Awards for 2006*, and featured in the March issue of the magazine. The Rams Head dining facility offers five separate serving areas, each designated as a distinct restaurant with its own décor and cuisine. It also features a sports café called the End Zone and a grocery store called the Market Express.

The award citation called the Rams Head complex "a spectacularly successful melding of multiple dining and retail venues in a single location".

- Chancellor Moeser reiterated Vice Chair Kitchin's comments about the men's and women's basketball programs. He stated that both Roy Williams and Sylvia Hatchell are consummate teachers and their skills and talents in that regard have been in the national spotlight all season long. Both have done wonderful jobs in nurturing our student-athletes, both on and off the court.

Coach Williams was just named the United States Basketball Writers Association Coach of the Year. This is the second time he has won the award and the first in its history to receive it while at two different programs—Kansas in 1990. Coach Williams will be honored next weekend at the Final Four in Indianapolis. He had already been named ACC Coach of the Year.

Tyler Hansbrough, of the men's basketball team, also won the United States Basketball Writers Association Freshman of the Year Award.

Chancellor Moeser commented on the following recent visits he has made in North Carolina.

- Ligon Middle School, a magnet school in Raleigh. He joined our Admissions staff and student volunteers from our Carolina Helping to Advance Middle-School Parents and Students Group in talking to eighth graders about preparing for college.
- New Hanover High School, Wilmington. The Chancellor, UNC-Wilmington Chancellor DePaulo, and Wilmington area Board of Governors members met with students from two special learning environments, and visited with former North Carolina school superintendents and current education officials.

- Elizabeth City State University. Dean Bob Blouin, UNC-Chapel Hill School of Pharmacy, and the Chancellor met with Chancellor Burnim. They saw a biochemistry class taught via video-teleconference by a professor from our pharmacy school—part of our joint doctor of pharmacy partnership program, which aims to help increase the number of pharmacists working in the underserved area of northeastern North Carolina.

The Chancellor commented on the Chancellor's Task Force on Engagement with North Carolina, which is continuing its work this Spring. One subcommittee, chaired by School of Education Dean Tom James, is focusing on K-12 education. Dean James spoke to the University of Affairs Committee yesterday about some of these developments. A full report on the task force's work will be shared with the Board at a later date.

Chancellor Moeser reported on the pre-site visit with University of Georgia President Michael Adams, who chairs the team coming to Chapel Hill April 11-13 with the Southern Association of Colleges and Schools (SACS) to consider the reaffirmation of the University's reaccreditation. We are well on track with the April visit. Chair Schwab will meet with the site team and represent the Board.

Chancellor Moeser informed the Board of Jerry Lucido's acceptance of the opportunity to become Vice Provost for Enrollment Policy and Management at the University of Southern California effective August 1, 2006. He will be responsible for enrollment management, including admissions, financial aid and enrollment policy. He will also be directing a new interdisciplinary center at USC that will address issues surrounding access to higher education. His leadership in Chapel Hill has garnered national attention, and it's a real tribute to Carolina that USC has sought him to lead their new efforts.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Dearmin commented on the following programs and initiatives created by Student Government this past year:

- Implementation of an online calendar system called SLICE (Student Life Integrated Calendar of Events) for use by all of the 600+ student organizations on campus.
- Tuition Predictability, which will allow for far greater planning and financial responsibility in the future.
- Creation of the Student Organization Council, the Women's Forum, Environmental Forum, and Public Service Clearinghouse to help in the facilitation of student organizations.

Student Government appointed students to over 70 external University committees to ensure a student voice is present in decision making processes.

None of the work that took place over the last year would have been possible without the commitment and sacrifices of five other Student Government officers, twelve internal committees, a group of executive assistants, and the office manager and advisor.

Mr. Dearmin thanked the members of the Board and the Chancellor for their guidance and support.

He commended the Board's work this year in focusing on Graduate Students and a widening view of tuition.

He concluded his remarks by recognizing the achievements of two students:

- Mary Williams, a junior Robertson Scholar from Washington, DC, who recently earned a Truman Scholarship.
- James Allred, who was elected as the new Student Body President and will be a great asset to the Board of Trustees.

UNDERGRADUATE PERSISTENCE AND GRADUATION RATES

Robert Shelton, Executive Vice Chancellor and Provost, introduced this item to the Board, which was presented by Bernadette Gray-Little, Dean, College of Arts & Sciences, and Jerry Lucido, Vice Provost for Enrollment Policy and Management.

The following recommendations were presented:

1. Expand the Summer Bridge Program to include 100 students from the current level of 50 to 60.
2. Provide to first year students who appear to need it, the type of advising and mentoring Carolina Covenant students receive.
3. Increase academic eligibility standards:
 - a. We require a cumulative GPA OF 1.5 for continuation after the first year. This is lower than all our select peers and lower than the NCAA requirement for continued academic eligibility.
 - b. Allowing students to continue to the 8th semester with less than a 2.0 makes graduation very difficult.
4. Increase academic support services:
 - a. Increasing eligibility requirements would raise expectations, but could increase failure rates unless we offer additional support.
 - b. Move the drop deadline from the 6th week to the 8th week (to provide time for academic status reports and for students to react).
 - c. Provide better academic warning notification, including provision for faculty to provide early status reports for students.
5. Institute a system of academic probation:
 - a. Require students in academic difficulty to work with an advisor to formulate a plan to restore good standing.
 - b. Students under probation would remain on the campus.
 - c. Only if probation is unsuccessful would a student become ineligible.

With the implementation of the new curriculum, the College will be hiring a new team of advisors. At the same time, improved retention and graduation goals suggest that we will need more academic services personnel as well (tutors, learning specialists, academic counselors).

Following extensive discussion, Provost Shelton expressed appreciation to the members of the Board for their passion concerning this issue. He commented that there are a number of additional analyses that will be done to look more closely at the Five-Year Plan to see how we're losing students and which students we're losing.

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

A copy is also 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).

- Academic Programs: A New Path for the School of Education. Tom James, Dean of the School of Education, updated the committee on various organizational activities he has been engaged in since his arrival two years ago. He has had a lot of interface with President Bowles' office since its announcement concerning his K-12 agenda in North Carolina as it relates to the Education School. It will be a high priority. The School of Education is partnering with a number of schools to help strengthen teacher preparation.

Dean James identified three areas of recommendation that are part of the Chancellor's Task Force on Engagement:

1. Creation of education related "signature initiatives" similar to The Carolina Covenant or FirstSchool, supported by the whole University.
2. Creation of new infrastructure designed to do outreach to K-12 and to contribute to educators' professional development.
3. Improved policy analysis and the development of policy alternatives. Example: The recruitment of a visiting scholar, Dr. Gary Henry, who will bring a \$20 million contract with him to analyze the state's disadvantaged student fund.

- Academic Programs: FirstSchool: Building on 40 Years of Research at the Frank Porter Graham Child Development Institute. Don Bailey, Director of the FPG Child Development Institute, updated the committee on the Institute and the development of the FirstSchool, which is a new vision for early schooling of children ages 3 to 8. FirstSchool is being developed through a partnership among families, the community, the FPG Child Development Institute, and the University. Together these groups are thinking carefully about the future of schools and schooling for young children.

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

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

- Graduate Students, Research Assistants, and Students in Professional Masters Programs: Their Contribution to our Research Mission and the Economic Development throughout the State. Dr. Linda Dykstra, Dean of the Graduate School, presented a report focusing largely on the research assistant component of graduate education.

Graduate students represent about one-third of the University population. The most pressing needs of graduate students continue to be tuition support, particularly for out-of-state students; multi-year fellowships with competitive stipends; and a stronger sense of community.

(ATTACHMENT I)

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

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

Mr. Carter recognized the following individuals for their work related to bringing the information concerning graduate education to the committee during the past several meetings:

- ❖ Professor Judith Wegner, School of Law, and Faculty Chair
- ❖ Dr. Lynn Williford, Assistant Provost for Institutional Research & Assessment
- ❖ Dr. Linda Dykstra, Dean of the Graduate School

Mr. Carter handed out a Graduate School Survey that was prepared by Professor Wegner. A copy of the Graduate Education Survey Preliminary Report dated March 21, 2006 is filed in the Office of the Assistant Secretary.

Mr. Carter stated that Shirley Ort, Director, Scholarships and Student Aid, will present information concerning funding models which relate to the graduate program at the May 24 University Affairs Committee meeting.

- Provost Shelton reported to the committee on the following items:
 - SACS Review
 - Jack Kent Cooke Foundation Grant
 - Professor Madeline Levine will serve as Interim Dean of the College of Arts & Sciences. Dr. Dkystra will serve as chair of the search committee.
 - Effective June 12, the new Director of the Carolina Women's Center is Dr. Donna Bickford.
 - Interviews continue concerning the search for the Dean of the School of Law. It is hoped there will be a Dean by May.

REPORT OF THE AUDIT AND FINANCE COMMITTEE

Ms. Mason, Committee Chair, presented the committee's report on the following item, which was previously presented for approval by the committee.

- Ordinance Regulating Traffic and Parking Effective August 15, 2006 presented by Chief Derek Poarch. The significant changes relate to the following:
 - a. Parking rates for Miscellaneous Events have been increased to cover operational expenses and to compensate for removing a 10% administrative fee.
 - b. Increase fire lane violations from \$100 to \$250.

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- c. Language changes to clarify abandoned vehicle procedures.
- d. A change in the voluntary bicycle registration program to a mandatory program to reduce larceny and aid in the recovery of stolen property.

Other Ordinance changes are minor and include such items as adjusting zone and lot identifiers.

Ms. Mason moved ratification of the Ordinance. Mr. Williams seconded the motion and it carried.

(ATTACHMENT J)

Ms. Mason 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).

- Employee Forum Chair Remarks. Ernie Patterson reemphasized the importance of addressing health insurance needs for employees and also talked about ways that the Employee Forum can be used as a partner to achieve the University's legislative agenda.
- Overview of Fee Process and Fee Structure. John Adams, Director, Financial Planning & Budgets, presented an overview of how we decide the fees to be charged to students and the fee increases. At its January meeting, the Board asked for further information on the University's current fee process.

The Board of Governors has the authority over setting fees on campus and dictating the procedures that must be followed in setting and determining what the student fees will be for each campus. There are four categories of fees: (1) application fees, (2) general fees (athletic, student health, student activity, educational and technology), (3) indebtedness fees, and (4) special fees.

The process begins with each of the departments submitting to Mr. Adams what their fee recommendations are; then the Board of Governors dictates the minimum requirements of who should be a part of the committee structure. There are six staff members and six student members on our Chancellor's Committee on Student Fees. The process begins in July with the fee proposals coming from different campus units to Mr. Adams; in September the information is disseminated to the members of the Student Fee Committee. There's a separate Student Fee Audit Committee, which is a group of students who review this data and come forward with recommendations and advice on the fee proposals and present that to the Student Fee Committee. The committees typically meet in September/October, and by late October they try to form a consensus decision, but don't actually take a vote. They are only an advisory committee. They bring a recommendation to the Chancellor. The Chancellor brings that recommendation to the Board in November. The Board typically votes on the proposal in January.

The Committee expressed a desire to integrate the review of fees with the tuition process. In May, the Administration will bring back to the Committee, as information, an integrated process that will satisfy Board of Governors requirements, as well as the Committee's desire to consider tuition and fees as a total set of student charges.

(ATTACHMENT K)

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

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

- Status of Deferred Maintenance/Facilities Operating Budget. Jim Alty, Director of Facilities Services, presented a report on the status of campus facilities. He reported that the money being received from the State is not keeping pace with what is needed in order to be good stewards of the physical assets on campus. Mr. Alty presented a proposal on what is needed in order to keep pace and be able to maintain the buildings adequately. The bond money we received helped with a lot of the deferred maintenance; however, it by no means helped us keep pace. We continue to fall behind in being able to maintain the facilities in a number of different ways. As a result of budget cuts over the years, we've lost approximately 100 maintenance staff positions. Therefore, we have more buildings and fewer people to maintain them. We do get new positions approved as new buildings come on line; but overall, we're

significantly under staffed in terms of people needed to maintain the facilities. In addition, new positions used to be funded at a median level which allowed for hiring at the skill level needed. The funding model has been changed and produces fewer dollars. Therefore, fewer people are being hired because we still need to pay at the right level in order to have the qualified people needed to maintain the new sophisticated systems in the buildings.

The overall recommendations are:

1. That the \$7.3 million annual shortfall for routine maintenance be funded in the operating budget and future buildings be fully funded with salaries at the mid-point of the pay range.
2. That \$13 million be provided annually for system renewal.
3. That \$26 million be provided annually over the next ten years to address the deferred maintenance backlog.

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

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

- Carolina First Campaign Update. Mr. Fulton reported that \$1,688,923,408 has been raised to date. \$35.6 million in new commitments have been raised since the January Board meeting. There have been \$20.1 million in new commitments per month in fiscal year 2006; \$14.5 million in new commitments per month is needed to reach the \$2 billion goal. There are 165 proposals pending, totaling \$258 million. \$161,308,346 cash gifts have been received to date in fiscal year 2006—a 36% increase over the fiscal year 2005 record-breaking total at this time last year. [A copy of the report is filed in the Office of the Assistant Secretary.]

Chancellor Moeser reported that the Carolina Campus made a very high priority to the issue of R&R funding, as was done to compensation and benefits for faculty and staff. Both issues will be addressed in the System's legislative budget to the Short Session. It received very strong support from President Bowles and other chancellors were also supportive. This problem exists across the UNC System. Every campus can make a similar case. Carolina is the oldest and has problems related to being 213 years of age and having a very aging infrastructure; therefore, our problems are greater in that sense.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Carter, and seconded by Mr. Burnett, 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

LEGAL ADVICE

Adrian Shelton, Research Compliance Officer, gave a presentation on the University's Compliance Program. [A copy of the PowerPoint presentation is filed in the Office of the Assistant Secretary.]

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

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. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

Ms. Mason moved ratification by the Board of the naming recommendations. Mr. Perry seconded the motion and it carried.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Carter, Committee Chair, presented the personnel and salary approvals dated March 13, 2006 for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS L-M-N-O)

BOARD OF VISITORS NOMINATIONS

Matt Kupec, Vice Chancellor for University Advancement, presented the slate and information concerning nominations for the Class of 2010. [A copy of the Board of Visitors nomination information is filed in the Office of the Assistant Secretary.]

The Board also discussed Honorary Degree candidates for 2007.

DEEP EXECUTIVE CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Vice Chair Kitchin 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 March 13, 2006, which were discussed earlier in closed session. Mr. Winston seconded the motion and it carried.

- Personnel changes in Academic Affairs.
(ATTACHMENT L)
- Personnel changes in Health Affairs.
(ATTACHMENT M)
- Appointment of a Dean and Tenured Personnel Actions.
(ATTACHMENT N)
- The personnel changes for information did not require action by the Board.
(ATTACHMENT O)

Vice Chair Kitchin stated that the personnel and salary actions voted on in open session had been distributed to the press.

ADJOURNMENT

There being no further business to come before the Board, Mr. Burnett moved adjournment of the meeting. The motion was seconded by Mr. Winston and carried. The meeting was adjourned at 12:55 p.m.

Assistant Secretary