

**BOARD OF GOVERNORS MEETING**

The University of North Carolina

August 9, 1996

The Board of Governors met in special session in the General Administration Building, Chapel Hill, on August 9, 1996, at 9:30 a.m. Mr. Cameron, the chairman, presided.

**INVOCATION**

Mrs. Owen gave the invocation.

**ROLL CALL**

Secretary Cecil called the roll. The following members were present:

C. C. Cameron	Jack P. Jordan
G. Irvin Aldridge	Helen R. Marvin
Mark L. Bibbs	W. Kenneth Morgan, Sr.
Lois G. Britt	D. Samuel Neill
F. Edward Broadwell, Jr.	Ellen S. Newbold
Robert J. Brown	Maxine H. O'Kelley
William T. Brown	Cary C. Owen
John F.A.V. Cecil	Barbara S. Perry
Derick S. Close	Earl N. Phillips, Jr.
Bert Collins	Samuel H. Poole
John E. Dervin	Marshall A. Rauch
John C. Fennebresque	H. D. Reaves, Jr.
James E. Holshouser, Jr.	Paul J. Rizzo
John A. Garwood	Benjamin S. Ruffin
Larnie G. Horton, Sr.	Joseph E. Thomas
C. Ralph Kinsey, Jr.	Harold H. Webb
Wallace N. Hyde	

The following members were absent:

Orville D. Coward, Sr.  
D. Wayne Peterson

**MINUTES**

On motion of Mrs. Newbold, seconded by Mrs. Britt, the minutes of the meeting of July 12, 1996, were approved as distributed.

**RESOLUTIONS HONORING FORMER OFFICERS OF THE BOARD**

On behalf of the board, Mr. Poole presented and moved approval of the following resolution expressing appreciation to D. Samuel Neill for his service as chairman of the Board of Governors.

## RESOLUTION HONORING

**D. Samuel Neill**

CHAIRMAN  
THE UNIVERSITY OF NORTH CAROLINA  
BOARD OF GOVERNORS

WHEREAS D. Samuel Neill served honorably and with distinction as chairman of The University of North Carolina Board of Governors from August 11, 1995, until July 12, 1996; and

WHEREAS, under his leadership, the Board of Governors continued its tradition of outstanding service to the cause of higher education in North Carolina by addressing and resolving difficult issues for the benefit of all; and

WHEREAS he demonstrated integrity and superior organizational skills as the University dealt firmly with issues of sexual misconduct by certain faculty members, leading to the establishment of the Commission to Investigate Improper Student-Faculty Relationships at the North Carolina School of the Arts and the Policy of the Board of Governors of the University of North Carolina Concerning Improper Relationships between Students and Employees; and

WHEREAS he focused on improving communication with all constituents while emphasizing dialogue with the General Assembly, an effort highlighted by effective legislative workshops held across the state that resulted in increased awareness of the University's accomplishments and needs; and

WHEREAS he provided sound guidance as the Board of Governors developed a comprehensive assessment process for the chief executives and governing boards of the University, and established a formal policy and procedures for the selection of the president of the University; and

WHEREAS his chairmanship will be remembered for his personal energy and dedication to inclusive governance, as the leader of the Board, while working aggressively to build consensus and to develop a greater sense of cooperation among his colleagues and throughout the University; and

WHEREAS, he concluded his term as chairman of The Board of Governors on July 12, 1996, but will continue to serve as a valued member of this Board;

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors of The University of North Carolina hereby expresses its deepest gratitude to D. Samuel Neill for the patient, thoughtful, inclusive leadership he provided this Board and for his uncommon devotion to the University and to the state of North Carolina.

The motion was unanimously seconded by the entire board. Mr. Poole presented Mr. Neill with a copy of the resolution and Mr. Neill responded.

Mr. Poole also presented and moved approval of the following resolution honoring the service of Joseph E. Thomas, former vice chairman of the Board of Governors.

#### RESOLUTION HONORING

**Joseph E. Thomas**

VICE CHAIRMAN  
THE UNIVERSITY OF NORTH CAROLINA  
BOARD OF GOVERNORS

WHEREAS Joseph E. Thomas served honorably and with distinction as vice chairman of The University of North Carolina Board of Governors from July 29, 1994, until July 12, 1996; and

WHEREAS, under his leadership, the Board of Governors continued its tradition of outstanding service to the cause of higher education in North Carolina by addressing and resolving difficult issues for the benefit of all; and

WHEREAS he quietly demonstrated strength of character as he provided counsel and support for the chairman of the Board of Governors, and for a critical period of time served as the interim chair, maintaining the stability of the board during a period of transition; and

WHEREAS he functioned as the spokesman for the Board of Governors with the Office of the Governor and the General Assembly in important matters of governance, relying upon his wealth of legislative experience and skill as an arbitrator; and

WHEREAS he served effectively on ad hoc committees as the Board of Governors developed a comprehensive assessment process for the chief executives and governing boards of the University, and established a formal policy and procedures for the selection of the president of the University; and

WHEREAS his vice chairmanship will be remembered for his unquestioned resolve to sustain the ideals of higher education throughout the University; and

WHEREAS, he concluded his term as vice chairman of The Board of Governors on July 12, 1996, but will continue to serve as a valued member of this Board;

NOW, THEREFORE, BE IT RESOLVED that the Board of Governors of The University of North Carolina hereby expresses its appreciation to Joseph E. Thomas for the strong, sound leadership he provided this Board and for his steadfast devotion to the University and to the state of North Carolina.

The motion was unanimously seconded by the entire board. Following the presentation of a copy of the resolution, Mr. Thomas responded.

### **REPORT OF COMMITTEE ON BUDGET AND FINANCE**

Mr. Rauch, chair of the Committee on Budget and Finance, presented the committee's report.

As a matter of information, Mr. Rauch reported that the Committee on Budget and Finance, acting in accordance with authority granted by the board, sold refunding revenue bonds for three separate issues for North Carolina State University. The university, through refunding and by properly timing the sale, saved over \$468,000. Four bids were received for each issue and the refunding bonds were awarded as follows:

- Dining System Bonds - awarded to Prudential Securities at a true interest cost rate of 5.128 percent,
- Parking System Bonds - awarded to Wachovia at a true interest cost rate of 4.916 percent, and
- Student Center Bonds - awarded to Wachovia at a true interest cost rate of 4.9357 percent.

#### **Authorization of New Capital Improvements Project - The University of North Carolina at Chapel Hill**

Mr. Rauch presented a request from the University of North Carolina at Chapel Hill for authorization to establish a new capital improvements project, New Soccer Center, and approval of the proposed method of financing. The project would provide for the construction of a two-story 6,600 square foot Soccer Center on the west end of Fetzer Field. The facility would accommodate both the men's and women's soccer programs, replacing a 1200 square foot facility now in use. The estimated cost of the project is \$934,100 and the university proposes to finance the project from gifts. On behalf of the committee, Mr. Rauch moved that the project

and the proposed method of financing be approved. Mr. Phillips seconded the motion and it carried.

Disposition of Property - The University of North Carolina at Chapel Hill and The University of North Carolina Hospitals at Chapel Hill

Mr. Rauch presented a request from the Board of Trustees of the University of North Carolina at Chapel Hill and the Board of Directors of the University of North Carolina Hospitals at Chapel Hill for authorization to dispose of two buildings located within the UNC Hospitals/Medical School complex. The project would provide for the demolition of the UNC Hospitals "South Wing" and the University's "Biological Sciences Research Center" to make space available for the construction of the North Carolina Children's Hospital, North Carolina Women's Hospital and Support Services facility, a project previously authorized by the Board of Governors and the General Assembly. On behalf of the committee, Mr. Rauch moved that the project be approved and transmitted to the Council of State for final action. Mrs. Perry seconded the motion and it carried.

Allocation of Funds for Academic Salary Increases, Expansions and Improvements in Current Operations, and Capital Improvements

Mr. Rauch reminded the members that in July the board allocated funds for 1996-97 which were appropriated by the 1995 Regular Session of the General Assembly for current operations funds for expansions and improvements. The three items for consideration at this meeting were mailed to the members earlier and included allocations of appropriations made by the Second Extra Session, 1996, for academic salary increases, expansions and improvements in current operations, and capital improvements. In reference to the academic salary increase funds, Mr. Rauch said:

Item 4 is the recommended allocation of the 4.5% academic salary increase funds which were appropriated to the Board of Governors in a lump sum. It is recommended that these funds, totaling \$29.9 million, be allocated to each institutional budget in exact proportion to its share in the salary base. As stated in the recommendation, the individual salary increases will be awarded on a merit basis in accordance with the Board's policies and procedures for 1996-97 academic salary increases.

In addition to the 4.5% increase, the General Assembly appropriated \$1.4 million for a one-half percent increase to reward teaching excellence. This appropriation is proposed for distribution in exact proportion to the share of each

institution in the teaching salary base. In accordance with the Appropriations Act, criteria have been established for awarding these funds to faculty who have demonstrated excellence in teaching. As noted, these funds do not apply to teaching faculty members at North Carolina State University or UNC-Chapel Hill, which are receiving academic enhancement funds.

On behalf of the Committee, Mr. Rauch moved that the recommended allocations of 1996-97 Academic Salary Increase Funds be approved. Mr. Close seconded the motion and it carried. (Appendix A)

In highlighting the recommended allocations of funds for expansions and improvements in current operations for 1996-97, Mr. Rauch said:

Item 5 presents the recommended allocations of funds made available to the Board of Governors for expansions and improvements in current operations for 1996-97. In response to the Board's expansion requests in the Schedule of Priorities for Current Operations — the form prescribed by statute for presentation of requests on behalf of the constituent institutions — the Extra Session made net additional appropriations of \$8.2 million available. As described in the materials sent earlier, the funding and recommended allocations include the following major items:

- Expansion of Off-Campus, Distance Learning, and Summer School Opportunities of \$2.3 million.
- Equity funding adjustments at five institutions (Appalachian State University, East Carolina University, UNC-Charlotte, UNC-Greensboro, and UNC-Wilmington) totaling \$2.2 million. When combined with the suspension of the 2% reversion requirement of \$6.4 million, the spending availability for these five institutions is increased by \$8.6 million for the 1996-97 fiscal year. This support is provided on a non-recurring basis.
- Another appropriation related to the Equity of Funding study of \$1.1 million provides full support costs for enrollment growth beginning in 1996-97. A special legislative provision provides for the continuation of this policy in future years.
- Additional support of \$1.3 million for cooperative programs serving our Public Schools, including training for local school board members, the Principals Executive Program, the North Carolina Teacher Academy, and the North Carolina Center for the Advancement of Teaching.
- An additional \$1 million for computing and telecommunications was included in our recommendations mailed to you earlier. Our Committee voted this morning to postpone the proposed allocation of these funds and place them in a Reserve pending a detailed review of telecommunications needs.
- \$1.7 million to support engineering distance learning initiatives.
- Graduate assistants tuition remissions were increased by \$1.7 million.
- \$500,000 in additional matching funds to establish Distinguished Professors Endowments.

- The increases were offset by the elimination of the \$4.2 million enrollment funding reserve.

Proposed institutional allocations are in accordance with all directives cited in the Appropriations Act and the related Conference Committee Report.

In addition to funding of the Schedule, the Extra Session appropriated \$17.8 million for the major research campuses, North Carolina State University and UNC-Chapel Hill, as matching funds for the tuition increases authorized earlier by their Boards of Trustees.

The General Assembly also responded favorably to the Board's request to transfer \$13 million from the budget of the Microelectronics Center of North Carolina to the Board for purchasing supercomputing and research and education networking services for North Carolina colleges and universities. These funds are transferred to UNC-General Administration and placed in a separate budget purpose.

As described in the materials, designated expansion appropriations were made for Agricultural Programs. Also Aid to Students Attending Independent Colleges and Universities was increased overall from \$1,800 to \$1,900 per student.

In addition, the General Assembly reduced the operating support for UNC Hospitals by \$20 million on a non-recurring basis. The one-time reduction was offset in part by authorizing the Hospitals to receive a refund of sales and use taxes paid after January 1, 1997. This will generate an estimated savings of \$4 million on an annual basis.

On behalf of the Committee, Mr. Rauch moved that the Allocation Recommendations for Current Operations – 1996-97 Appropriations made by the Second Extra Session 1996 be approved. Mr. Close seconded the motion and it carried. (Appendix B)

Mr. Rauch then presented the committee's final item, Allocations of Appropriations for Capital Improvements, and said:

The General Assembly provided the Board with \$9 million for planning six new buildings and it is recommended that the Board allocate funds to the projects that were designated. One million dollars was provided for each of three institutions - to East Carolina University for planning a science and technology building, to North Carolina A&T State University for a classroom and laboratory building, and to UNC-Charlotte for classroom facilities. Two million dollars was also provided for each of three institutions - to North Carolina State University for an undergraduate chemistry and physics building, to UNC-Greensboro for a science instructional building, and to Western Carolina University for a fine arts center.

The University further received \$59,800,000 in a Reserve for Repairs and Renovations. This continues to be an extremely important source of funds to our Chancellors in both maintaining their campuses and meeting renovation needs. The Board's formula has been updated and the Chancellor's have selected their highest priority needs within the funds available. Prior to applying the formula, \$2.4 million was allocated to entities that are the responsibility of the University but that do not participate in the formula allocation process.

It should be noted that the General Assembly directed that at least \$4 million of the repair and renovation funds be used to address fire safety and asbestos removal projects - the proposed allocations include projects totaling \$9.8 million for fire safety and asbestos removal. It should be further noted that the General Assembly directed the University to use almost \$1.3 million of the funds to install centrally monitored fire alarm systems in student residential facilities. This provision was in response to the report on fire safety that was presented to the Board in June. The proposed allocations meet all of the provisions of the General Assembly.

On behalf of the Committee, Mr. Rauch moved that the allocations of appropriations for capital improvements be approved. Mr. Phillips seconded the motion and it carried. (Appendix C)

Mr. Rauch reminded the members that the three items just approved by the board were the final actions of the 1995-97 biennial budget. He announced that staff work is well underway on the preparation of the 1997-99 biennial budget request and a Budget Workshop is planned for September.

### **REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS**

Mrs. Newbold, chair of the Committee on Educational Planning, Policies, and Programs, presented the committee's report.

#### **Recommendation Regarding Appointment of Academic Disciplinary Committees**

Mrs. Newbold reminded the members that the recommendation regarding the appointment of faculty committees to develop The University of North Carolina/North Carolina Community Colleges (UNC/NCCC) transfer articulation agreements was mailed to the board on July 26. Under the "Proposed Plan to Further Simplify and Facilitate Transfer of Credit Between Institutions," adopted by each board in February 1996, both governing boards would appoint joint academic disciplinary committees to draw up system-wide guidelines for community colleges' curricula to prepare students for intended majors or professional specializations at the baccalaureate level. In order to involve all relevant UNC campuses in the nominating process and the need to meet the time commitment outlined by the General Assembly, the committee recommended that the appointment of the academic disciplinary committees be delegated to the president. Mrs. Newbold moved that this recommendation be approved. Mrs. Owen seconded

the motion and it carried. (For the recommendation regarding the appointment of the faculty committees, see Appendix D.)

### **REPORT OF COMMITTEE ON PERSONNEL AND TENURE**

Mrs. Britt, chair of the Committee on Personnel and Tenure, reported that the committee, in accordance with the delegation of authority, met on August 5 to establish the salary policy. The committee met again on August 8 to receive and act on recommendations for salary increases for consideration in closed session. As a matter of information, Mrs. Britt highlighted the committee's actions concerning the establishment of the salary policy for 1996-97 and said:

This year the Second Extra Session of the North Carolina General Assembly appropriated a 4.5 percent increase in the salary base for each institution, effective September 1, 1996, to be allocated according to the rules established by the Board of Governors. The policy calls for use of the funds in the best interest of the institutions to award increases to faculty and non-faculty employees based on consideration of performance to recognize merit and to address salary inequities that may have arisen during a period of scarce resources for academic salaries.

In a special provision, the legislature provided an additional one-half percent salary increase for teaching faculty members at 14 constituent institutions "to be given to those who have demonstrated excellence in teaching." The goal of this increase is not to distribute a one-half percent increase to every member of the teaching faculty at the 14 constituent institutions, but rather to limit this supplemental allocation to a minority (no more than 25 percent) of the teaching faculty. Individual increases should be sufficient to make the recognition significant. This increase is also to be effective September 1, 1996.

In addition to the basic appropriation, North Carolina State University and the University of North Carolina at Chapel Hill were provided \$17,800,000 by the legislature for academic enhancement. Some of these funds may be made available for salary increases at these two research universities.

Salary ranges for chancellors, institutional senior administrative officers, and General Administration senior officers were increased in line with comparisons to nine other public university systems, six in the southeast, and four others nationally.

New faculty salary ceilings were set for the schools of medicine, dentistry, and public health, based on national comparisons.

New points-of-reference maxima were set approximately six percent higher than last year for all other faculty members, with the provision that exceptions be approved by the president.

Salary increases in excess of 15 percent continue to require approval of the president and the Committee on Personnel and Tenure.

(For the Salary Policy for 1996-97, see Appendix E.)

## **REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE**

Mrs. O'Kelley, chair of the Committee on University Governance, presented the committee's report.

### **Request for Extension of Leave of Absence - Dr. Lloyd V. Hackley**

On behalf of the committee, Mrs. O'Kelley presented and moved approval of a request from President Spangler for an exception to a two-year limit on a leave of absence for Dr. Lloyd V. Hackley. Dr. Hackley, a tenured faculty member of Fayetteville State University, is currently serving as President of the North Carolina Community College System. The requested exception would extend the leave of absence without pay from January 1, 1997, through December 31, 1998. Mrs. Marvin seconded the motion and it carried.

### **Reappointments to Board of Directors - Research Triangle Foundation**

Mrs. O'Kelley moved that Robert L. Jones and Jack P. Jordan be reappointed to the Board of Directors of the Research Triangle Foundation, each for a term ending October 31, 1997. Mr. Rauch seconded the motion and it carried.

### **Reappointments to Research Triangle Institute Corporation**

Mrs. O'Kelley also moved that former Governor Robert W. Scott and Samuel H. Poole be reappointed as members of the Research Triangle Institute Corporation, each for a term ending October 31, 1997. Governor Holshouser and Mr. Broadwell seconded the motion and it carried.

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Mrs. O'Kelley called attention to the boards of trustees meeting schedules in the folders and asked the members to inform Secretary Rosalind Fuse-Hall of any meetings they planned to attend.

## **PRESIDENT'S REPORT**

President Spangler introduced the chancellors and other guests at the meeting, including Dr. Charles Coble, associate vice president for academic affairs at General Administration. Dr. Coble will support the public school efforts formerly initiated by Dr. Jay Robinson and Dr. Richard Thompson.

The president expressed appreciation to the members of the General Assembly for their support of the University's supplemental requests and for the additional general fund appropriations. He particularly thanked the Board of Governors, the chancellors, the trustees, Vice President D. G. Martin, Dr. J. Earl Danieley, Vice President William McCoy, and the members of his staff, for their efforts on behalf of the University. He said the additional funding provided by the General Assembly would aid the University's efforts in the following areas:

- expansion of off-campus and summer school opportunities and new distance learning ventures. These funds will allow us to explore new ways to better use our campus facilities and to expand outreach;
- funds for meeting some of the needs revealed in our equity funding study. By a combination of appropriations and exemption from the required 2% reversions, a little more than a third of the estimated need for five of our campuses will be met; and
- funds for strengthening the faculties on our campuses. Once again state matching funds were provided for Distinguished Professorship Endowments. That money has yielded tremendous dividends. Since the inception of the program almost 100 distinguished professorships have been established on our campuses.

The General Assembly approved a 4.5% increase in salary funds for our faculty and other EPA employees. By the policies you approved today, salary increases are to be based on performance and used to reward merit and correct inequities. In addition, another one-half of a percent is available to reward excellence in teaching at 14 of our institutions, and academic enhancement funds, some of which may be used for salary increases are being allocated to our two research universities.

This means that many of our best faculty members will receive salary increases of 5% or more.

As this Board noted in its report on Tenure and Teaching within the University, "The most significant and sustained encouragement of good teaching is to recognize and reward good teachers through reappointment, promotion, awarding of tenure, and salary increases."

This additional help for salary increases will certainly enhance our ability to do just that. In conjunction with the annual awards for excellence in teaching which are given at various levels within our institutions and at the system level by this Board, we shall use

this salary increase money wisely and well to demonstrate our genuine commitment to good teaching.

We are especially grateful for this expression of confidence in, and appreciation of, our university faculty members on the part of the General Assembly.

All of us are aware, however, that a number of our legitimate needs and initiatives were addressed partially, or not at all, in this session - the need to expand and improve our capabilities in computing and telecommunications, our joint venture with the public schools and community colleges to help classroom teachers master the use of the new technologies, and the development of a statewide network of professional development partnerships linking our campuses with the public schools.

In reference to the importance of expanded access to affordable educational opportunity, President Spangler said:

For over 25 years, this university has been working hard to overcome the effects of racial segregation in public higher education. In addressing its moral and legal obligations, this board always has displayed a special concern for insuring that each of the sixteen campuses recruits, admits, and welcomes qualified students of all races. The board's efforts have produced dramatic changes.

Enrollment at each of our campuses increasingly reflects the rich racial, ethnic and cultural history of North Carolina's population.

The governing boards, faculties, and administrators of American colleges and universities long have understood that such diversity enhances the educational experiences available to all students. I hope this Board, in the months and years ahead, will defend your right to determine who is to be admitted to our universities and why.

You are uniquely qualified to know which students can benefit our universities, and I hope the Supreme Court recognizes this position. I will have more to say about this in the future.

### **ANNOUNCEMENT OF RETIREMENT OF PRESIDENT C. D. SPANGLER, JR.**

President Spangler expressed his pleasure at serving as President of the University for the past ten years and announced his plans to retire effective June 30, 1997. In reviewing some of the highlights of his presidency, President Spangler said:

Mr. Chairman and members of the Board of Governors:

I would like now to make some personal comments. I hardly know where to begin because I really do not want this to end, but it is time to do so.

Being president of the University of North Carolina is a wonderful job. I believe it is one of the best opportunities in North Carolina.

Being president is good for many reasons. One is that when you work on behalf of education for students, you feel you are on the side of the angels. I know many of you share this same feeling, and of course, that is the greatest motivation for our faculty members and for our public school teachers. I might add, however, that you do not have to be an angel to be on the side of the angels.

As president of the University, I have had many opportunities to meet with good students—bright students who express themselves well. For instance, during these past ten years I have met with more than 160 student-body presidents, as well as countless other students on all 16 of our campuses.

It has also been a privilege to have the opportunity to talk with our professors who teach our students and to share their enthusiasm for what they are trying to do. I have always told our professors that the only things I do as president are those things the professors do not want to do and that I envy their frequent meetings with good students.

Also, I have had the pleasure of working with an exceptionally good group of chancellors. During my career here I have worked with 35 chancellors who are on that front line of leadership for our universities. Their leadership really has been quite remarkable.

Further, time and again my own colleagues in this building have made good decisions and good recommendations. They have assisted in carrying out your policies in ways that not only were supportive of me as president but, much more importantly, were successful in helping implement the actions which were needed.

Another pleasure I have enjoyed as president was working with the members of the General Assembly and the governors of this state. Without their support there would not be the funding that is needed to run a great university. Although the University does not always get exactly what it wishes, over the long term the support from the members of the General Assembly and the governors has been very strong; and as I said earlier, I have thoroughly enjoyed having an opportunity to work with these elected leaders.

I have also enjoyed working with members of the press. They have unfailingly always been supportive of what was right for our University. The editorial support the University received all across the state for the recent University bond campaign proved once again that the people who write the newspapers are on the side of the angels in supporting education. I have had the opportunity to talk frequently with many publishers, editors, and reporters. I name only a few—my good friend, Frank Daniels, Jr., at the *News and Observer*; my classmate, Rolfe Neill, at the *Charlotte Observer*; Jim Hurley in Salisbury; Roy Parker in Fayetteville; Ned Cline in Greensboro; and many others.

The two largest student newspapers, the *Daily Tar Heel* and the *Technician*, have had good editors and reporters who have given me their unique perspectives—a very valuable resource.

The trustees of our 16 campuses are great assets for a university president because they provide another viewpoint about what we are doing well or where things could be improved. We have, as you know, 210 trustees who are among the most influential people in North Carolina.

During my time here I have had the pleasure of knowing 497 trustees. There is rarely a day when I do not speak to one or more of those dedicated trustees about their university.

Being president of the University of North Carolina is a great job because we have some of the most loyal alumni and alumnae in the country. No matter where I travel—either in the state or in distant lands—people tell me how proud they are to have attended our universities. Of course, this makes a person feel very, very good. I guess my name is on the diplomas of about 250,000 of those alumni and alumnae, and I am proud to have been a part of that.

None of this would have been possible without the active support of you—the members of the Board of Governors—and your predecessors on this board. There have been 79 members of the Board of Governors in the last ten years, and all of you have been active supporters of this University. No president could meet with any success at all without your active support, and I thank you for what you have done.

A unique circumstance has been that all nine individuals who have served as chairman of the Board of Governors since the reorganization in 1972 have in the last ten years brought to me a wealth of important historical information about the University.

I am particularly grateful to Chairman Phil Carson, who was also chairman of the search committee that favorably considered my desire to follow President Friday almost 11 years ago.

Speaking of President Friday, let me say that no one could have been more supportive than he has been in helping me understand the intricacies of this large, complex organization. He is a true friend who has lived through much of the major changes that have taken place on our campuses during the last 50 years.

This job as president of the University, as I have said, has not only been an enjoyment, but it has also been fun, in spite of some obvious challenges and in spite of not always accomplishing what I set out to do.

I would not, however, have done any of this except that my wife Meredith shared all of the good feelings I have about education; and Meredith, aside from attending almost every meeting of this Board of Governors for ten years, has actively participated in many University efforts which have turned out well.

So now, Mr. Chairman and members of the board, I have reviewed my transcript and, I believe, have enough credits to graduate with the class of 1997. Specifically, I would suggest a June 30 transition date, although if your search committee and the board come to an agreement about my successor prior to that time, I will do everything I can to bring about a graceful and successful transition.

On the other hand, if it takes longer than June 30, I will do as you wish should it be your desire for me to stay somewhat longer.

Just a word about what has happened in the past: There have been only 14 presidents of the University of North Carolina. A list of information about my predecessors is now being distributed to you. I am happy to say only one of the 14 died while in office—that was President Edward Kidder Graham, who was a great president but who contracted influenza in that terrible epidemic of 1918. President Alderman was one of only two presidents who left to go elsewhere. President Alderman became the first president of the University of Virginia, and their great library at U.Va. is named for him. The other president who left for another university was President Chase. He left here to become the president of the University of Illinois in 1930, and he later became the chancellor of New York University in 1933. You will note also that all presidents left at the age of 65 or

earlier except President Swain, who remained, I believe, for a couple of extra years to reopen the University after the Civil War. I see from this information that I was the oldest person by far to be given this opportunity.

You will have a great number of individuals who should want to enjoy the challenges and benefits of being president of the University of North Carolina, and I believe this board will be highly successful in making the right choice.

Mr. Chairman, this completes my report.

## **OTHER BUSINESS**

On behalf of the Board of Governors and the entire State of North Carolina, Chairman Cameron, in responding to President Spangler's retirement announcement said:

We thank you, Mr. President, for such an eloquent statement and we thank you for your 10 years of dedicated service to this great University. You have been courageous and steadfast in your loyalty to advocating access to higher education for all North Carolina citizens, to exploring technological advancement on our campuses, and to maintaining strong fiscal resources for this system through the Bond Referendum, state allocations, and sponsored research funding. Your exemplary leadership will be difficult for us to replace. Thank you very much.

Chairman Cameron commented on the recent legislative session and thanked Vice Presidents Martin and McCoy, Dr. Danieley, and the other members of the General Administration staff for their efforts in communicating with the legislature.

### **Presidential Search Nominating Committee**

The chair reminded the members that at a previous meeting, the board adopted a policy regarding the selection of the president of the University which included the provision for four committees, a nominating committee, a leadership statement committee, a screening committee, and a search committee. Chairman Cameron said the Nominating Committee (designated for the purpose of filling the various committee positions set forth in the policy) included Benjamin S. Ruffin, John F.A.V. Cecil, and Former Chair D. Samuel Neill, along with himself, with a provision for the nomination of one or more additional members. He reported the Nominating Committee met on the preceding day and chose to recommend one additional member for nomination to the committee-- Lois G. Britt. On motion of Mr. Neill, and duly seconded, Mrs. Britt was unanimously elected to serve as a member of the Nominating Committee.

In discussing the functions of the committees, Chairman Cameron said the Leadership Statement Committee (designed for the purpose of developing a statement setting forth the leadership characteristics to be used in selecting the next president) will consist of 20 members (four chancellors, three faculty members, the Board of Governors *ex officio* member, eight persons representing the institutional boards, the alumni associations and other interested citizens, and four members or members *emeriti* from the Board of Governors).

The Screening Committee (consisting of five to seven members or members *emeriti* of the Board of Governors) will review and screen all initial applications for the position.

The Search Committee (consisting of 13 members or members *emeriti*) will serve as the coordinating committee for the entire selection process and its various committees.

Forms were distributed and the members were asked to prioritize their preference for service on the three committees and return the forms to Secretary Rosalind Fuse-Hall. The members were also asked to submit the names of nominees for the Leadership Statement Committee. Chairman Cameron noted that letters were also being sent to the chancellors, the chairs of the boards of trustees, and to the president of the Council of UNC Alumni Association Presidents.

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On behalf of the board, Chairman Cameron congratulated Mr. Phillips upon his selection as "Master Entrepreneur" by Ernst & Young and the Wachovia Corporation.

In other announcements, Chairman Cameron noted the following:

- 1996-97 Board of Governors meeting schedule (Appendix F)
- September 6 - Investiture of Chancellor Alvin J. Schexnider
- September 12 - Budget Workshop, General Administration
- September 20 - Installation of Chancellor Willis B. McLeod
- September 23 - Dedication of new UNC-TV Station, Lumberton
- October 18 - Installation of Chancellor Mickey Burnim

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Under the terms of the Open Meetings Law, Chairman Cameron said he would entertain a motion to convene in closed session: (1) to establish and instruct the staff and agents concerning the negotiations of price and terms of a contract concerning the acquisition of real property; (2) to establish and instruct the staff and agents concerning the negotiations of the amount of compensation or other terms of an employment contract; (3) to consider the qualifications, competence, performance, and condition of appointment of a public officer or employee or prospective public officer or employee; and (4) to hear or investigate a complaint, charge or grievance by or against a public employee.

On motion of Vice Chairman Ruffin and duly seconded, the board voted to convene in closed session.

### **CLOSED SESSION**

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#### **APPROVAL OF MINUTES OF CLOSED SESSION**

In accordance with procedures established to comply with the Open Meetings Law, the closed session minutes for July 12, 1996, were distributed for review and approval. Mrs. Perry moved, seconded by Mr. Collins, that the closed session minutes be approved.

#### **REPORT OF COMMITTEE ON BUDGET AND FINANCE**

##### **Settlement of Contract Claim - North Carolina Central University**

On behalf of the committee, Mr. Rauch, chair of the Committee on Budget and Finance, moved that the board endorse a proposed settlement of a contract claim involving North Carolina Central University and authorized the Vice President for Finance to execute the proposed Promissory Note and Agreement. Mr. Close seconded the motion and it carried.

#### **REPORT OF COMMITTEE ON PERSONNEL AND TENURE**

##### **Salary Recommendations for Senior Administrative Officers for 1996-97**

Mrs. Britt, chair of the Committee on Personnel and Tenure, expressed appreciation to the members of the General Assembly for their support of the salary increases

and to the Committee on Personnel and Tenure, Dr. Carroll, and Mrs. Ellen Barney for their diligence and hard work in preparing the committee's recommendations. On behalf of the committee, and in accordance with the authority delegated to the committee at the July meeting, Mrs. Britt presented the recommendations for increases in the salaries of the president, the chancellors, senior administrative officers at General Administration, and senior administrative officers at the institutions. Salary increases for the remainder of the faculty and staff exempt from the State Personnel Act were delegated to the president. Following discussion, Mrs. Britt asked that the recommendations be presented for approval in open session.

Summary Personnel Report

Mrs. Britt, chair of the Committee on Personnel and Tenure, presented the committee's summary personnel report for discussion, subject to final action in open session.

\* \* \*

On motion of Vice Chairman Ruffin and duly seconded, the board voted to reconvene in open session.

**RESUMPTION OF OPEN SESSION**

**APPROVAL OF MATTERS CONSIDERED IN CLOSED SESSION**

Mrs. Britt moved approval of the report of the Committee on Personnel and Tenure that was presented and discussed in closed session. The motion was duly seconded and it carried.

(Appendix G)

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There being no other business, the meeting was adjourned.

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Secretary



Remarks by President C. D. Spangler, Jr.  
Board of Governors Meeting  
August 9, 1996

Mr. Chairman and members of the Board of Governors:

I would like now to make some personal comments. I hardly know where to begin because I really do not want this to end, but it is time to do so.

Being president of the University of North Carolina is a wonderful job. I believe it is one of the best opportunities in North Carolina.

Being president is good for many reasons. One is that when you work on behalf of education for students, you feel you are on the side of the angels. I know many of you share this same feeling, and of course, that is the greatest motivation for our faculty members and for our public school teachers. I might add, however, that you do not have to be an angel to be on the side of the angels.

As president of the University, I have had many opportunities to meet with good students—bright students who express themselves well. For instance, during these past ten years I have met with more than 160 student-body presidents, as well as countless other students on all 16 of our campuses.

It has also been a privilege to have the opportunity to talk with our professors who teach our students and to share their enthusiasm for what they are trying to do. I have always told our professors that the only things I do as president are those things the professors do not want to do and that I envy their frequent meetings with good students.

Also, I have had the pleasure of working with an exceptionally good group of chancellors. During my career here I have worked with 35 chancellors who are on that front line of leadership for our universities. Their leadership really has been quite remarkable.

Further, time and again my own colleagues in this building have made good decisions and good recommendations. They have assisted in carrying out your policies in ways that not only were supportive of me as president but, much more importantly, were successful in helping implement the actions which were needed.

Another pleasure I have enjoyed as president was working with the members of the General Assembly and the governors of this state. Without their support there would not be the funding that is needed to run a great university. Although the University does not always get exactly what it wishes, over the long term the support from the members

of the General Assembly and the governors has been very strong; and as I said earlier, I have thoroughly enjoyed having an opportunity to work with these elected leaders.

I have also enjoyed working with members of the press. They have unflinchingly always been supportive of what was right for our University. The editorial support the University received all across the state for the recent University bond campaign proved once again that the people who write the newspapers are on the side of the angels in supporting education. I have had the opportunity to talk frequently with many publishers, editors, and reporters. I name only a few—my good friend, Frank Daniels, Jr., at the *News and Observer*; my classmate, Rolfe Neill, at the *Charlotte Observer*; Jim Hurley in Salisbury; Roy Parker in Fayetteville; Ned Cline in Greensboro; and many others.

The two largest student newspapers, the *Daily Tar Heel* and the *Technician*, have had good editors and reporters who have given me their unique perspectives—a very valuable resource.

The trustees of our 16 campuses are great assets for a university president because they provide another viewpoint about what we are doing well or where things could be improved. We have, as you know, 210 trustees who are among the most influential people in North Carolina.

During my time here I have had the pleasure of knowing 497 trustees. There is rarely a day when I do not speak to one or more of those dedicated trustees about their university.

Being president of the University of North Carolina is a great job because we have some of the most loyal alumni and alumnae in the country. No matter where I travel—either in the state or in distant lands—people tell me how proud they are to have attended our universities. Of course, this makes a person feel very, very good. I guess my name is on the diplomas of about 250,000 of those alumni and alumnae, and I am proud to have been a part of that.

None of this would have been possible without the active support of you—the members of the Board of Governors—and your predecessors on this board. There have been 79 members of the Board of Governors in the last ten years, and all of you have been active supporters of this University. No president could meet with any success at all without your active support, and I thank you for what you have done.

A unique circumstance has been that all nine individuals who have served as chairman of the Board of Governors

since the reorganization in 1972 have in the last ten years brought to me a wealth of important historical information about the University.

I am particularly grateful to Chairman Phil Carson, who was also chairman of the search committee that favorably considered my desire to follow President Friday almost 11 years ago.

Speaking of President Friday, let me say that no one could have been more supportive than he has been in helping me understand the intricacies of this large, complex organization. He is a true friend who has lived through much of the major changes that have taken place on our campuses during the last 50 years.

This job as president of the University, as I have said, has not only been an enjoyment, but it has also been fun, in spite of some obvious challenges and in spite of not always accomplishing what I set out to do.

I would not, however, have done any of this except that my wife Meredith shared all of the good feelings I have about education; and Meredith, aside from attending almost every meeting of this Board of Governors for ten years, has actively participated in many University efforts which have turned out well.

So now, Mr. Chairman and members of the board, I have reviewed my transcript and, I believe, have enough credits to graduate with the class of 1997. Specifically, I would suggest a June 30 transition date, although if your search committee and the board come to an agreement about my successor prior to that time, I will do everything I can to bring about a graceful and successful transition.

On the other hand, if it takes longer than June 30, I will do as you wish should it be your desire for me to stay somewhat longer.

Just a word about what has happened in the past: There have been only 14 presidents of the University of North Carolina. A list of information about my predecessors is now being distributed to you. I am happy to say only one of the 14 died while in office—that was President Edward Kidder Graham, who was a great president but who contracted influenza in that terrible epidemic of 1918. President Alderman was one of only two presidents who left to go elsewhere. President Alderman became the first president of the University of Virginia, and their great library at U.Va. is named for him. The other president who left for another university was President Chase. He left here to become the president of the University of Illinois in 1930, and he later became the chancellor of New York University in 1933. You will note also that all

presidents left at the age of 65 or earlier except President Swain, who remained, I believe, for a couple of extra years to reopen the University after the Civil War. I see from this information that I was the oldest person by far to be given this opportunity.

You will have a great number of individuals who should want to enjoy the challenges and benefits of being president of the University of North Carolina, and I believe this board will be highly successful in making the right choice.

Mr. Chairman, this completes my report.