

BOARD OF GOVERNORS MEETING

The University of North Carolina

November 8, 1996

The Board of Governors met in regular session in the General Administration Building, Chapel Hill, on November 8, 1996. Mr. Cameron, the chairman, called the meeting to order at 9:30 a.m..

INVOCATION

Mr. Collins gave the invocation.

ROLL CALL

In the absence of Secretary Cecil, Mrs. Hope, assistant secretary of the board, called the roll. The following members were present:

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

The following members were absent:

John F.A.V. Cecil
John E. Dervin
John C. Fennebresque

Chairman Cameron said the board was pleased to have Mr. and Mrs. John A. Garwood in attendance at the meeting and congratulated Mr. Garwood on his recent election to the North Carolina Senate.

OPEN SESSION

MINUTES

On motion of Mr. Thomas, seconded by Mr. Ruffin, the minutes of the meeting of October 11, 1996, were approved as distributed.

REMARKS BY PRESIDENT PRO TEMPORE MARC BASNIGHT

Chairman Cameron said the board was pleased to have President Pro Tempore Marc Basnight and his legal counsel, Norma Ware, at the meeting. At the chair's request, Senator Basnight addressed the board and responded to questions from members of the board.

Senator Basnight, in his comments to the board said,

Mr. Chairman, Mr. President, thank you for the opportunity to join this distinguished group of leaders from this wonderful state of ours. I am thrilled and I am happy Tuesday is over. The Super Bowl, for those politicians among us in this building, has finally finished and the last ticks of the clock concluded that again we will represent you on the Senate side in an effort to make the institutions that are gathered here today stronger and better than any in this country, and that's what we should be about.

I can only dream a little and maybe look forward some to our opportunities, but we don't succeed unless you (around this table) succeed, unless you give the guidance that has to be offered to the individual institutions. I am going to hearken back to what Hugh McColl said during a senate finance committee meeting, a committee, Marshall, that you so graciously and ably chaired for so long on behalf of North Carolina. He said Mr. President, very simply, "You give us the resources and if we don't perform, purge the individual systems of those people who do not do so." Now that's a harsh way of reacting to any kind of failure, but it seemed to have succeeded for him, Cliff, and many other people in the business world of North Carolina.

Hopefully we do just that and we don't interfere with the interworkings of the institutions, or the Board of Governors, or the administration in any way. It is incumbent upon us to not only furnish the resources; but, the verbal support that you need to carry out the mission of making the new generation of people in this state the strongest and the best that you can through education. And Ed, I believe that we do that in this state very, very well, and I believe we will continue to do so.

I am just delighted to be here with you, with what you have achieved, and to help make you even better and greater. I have many friends, Joe, Irvin, Marshall, and all of you that are here. I am happy about North Carolina's future; its financial condition, Cliff, looks

good. The economy hopefully, Mr. President, sustains the level that we have experienced in the past few years, and we will be able to make North Carolina stronger, greater, and better. We can only do that through education, through these institutions, Mickey, that you and other chancellors represent. We will achieve many of the goals that we all dream of and I am certain we will work in cooperation and concert with the community colleges. And I like Michael Hooker's effort of working in the public school arena. Now I don't just single him out: You are all, as the president has said, a wonderful accumulation of chancellors and institutions.

There is much to be done. There are great capital needs. You have well identified those, and there's still the reoccurring needs, the funds to substantially increase what we pay our professors so that we can bring, recruit, keep the very best in the business. And as you compare us against other institutions in other states, we fall short in that arena and we need to continuously attempt to address that. But I ask you to prudently spend these funds and manage them very, very well, as if they were yours, and do the right things basically.

I didn't come with any speech, just a short message. I can explore any area that you like within my limited means, and I'll do that through questions if that is okay.

In the discussion which followed, Governor Holshouser, President Spangler, and others thanked Senator Basnight for what the Senate has done in support of the University and asked questions concerning the current proposed budget, the upcoming legislative workshops, the best method for conveying the University's needs to legislators, campus repairs resulting from Hurricane Fran, and other matters.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

An Analysis of Funding Equity in The University of North Carolina, Phase II Report

Mr. Rauch reminded the members that the 1995 Session of the General Assembly directed the Board of Governors to conduct a study of funding equity to accomplish the following objectives:

- Review the equity of the current funding system;
- Assess the criteria that should be used in deriving an equitable funding system and, at the conclusion of that process, propose a system of funding to the General Assembly which uses identifiable criteria which are based on educationally and financially sound principles; and

- Consider alternative approaches to funding the University based on student credit hours (SCH) rather than full-time equivalent (FTE) enrollment as an integral part of the proposed funding system.

Mr. Rauch reported that Dr. J. Kent Caruthers, a senior partner with MGT of America, conducted the two-phase study on equity funding. The first phase, "An Analysis of Funding Equity in the University of North Carolina: Phase I Final Report," dated March 27, 1996, focused on an assessment of the equity of the current funding system and was approved by the Board of Governors on April 12, 1996. In his comments concerning the Phase II report on funding equity, Mr. Rauch said,

The model affirms that the funding inequities identified in the Phase I report are resolved through the Board's request for \$21 million in continued funding for the five identified institutions. Increases in enrollments are to be funded based on whether the increased student credit hours are for undergraduate, graduate, or doctoral students and whether the hours are for programs which are lower cost, medium cost, or higher cost programs. The report further recommends that summer school and extension programs be funded on a student credit hour basis comparable to that of regular term sessions. The report responds to all legislative requirements. The model would be implemented during the second year of the biennium to allow for further review and refinement over the next year and incorporation of the \$21 million equity adjustment.

On behalf of the committee, Mr. Rauch moved that the report, "A Revised Funding Model for The University of North Carolina: Phase 2 Final Report," be approved and transmitted to the Joint Legislative Education Oversight Committee and to the House and Senate Appropriations Subcommittees on Education. Mrs. Owen seconded the motion and it carried. (Appendix A)

Interim Financing - North Carolina Central University

Mr. Rauch reminded the members that the 1995 General Assembly authorized a project for improvements to the football stadium at North Carolina Central University, including a running track inside the stadium, the addition of 2,000 seats, repairs to the dressing rooms, and additional restrooms and storage facilities. The university is now ready to proceed with the project and requested approval of interim financing by bank loan. The proposed project, estimated to cost \$2,835,000, would be financed from borrowing to be retired from a new student fee of \$59 annually.

On behalf of the committee, Mr. Rauch moved that the chancellor, through the president, be authorized to execute a bank loan of no more than \$2,835,000 for a period not to exceed two years at an interest rate to be approved by the president. Mr. Rauch further recommended that the university be authorized to implement the required debt service fee effective with the 1997 spring semester. Rev. Horton seconded the motion and it carried.

Authorization of Sale of Variable Rate Revenue Bonds - East Carolina University

Mr. Rauch presented a request from East Carolina University to sell revenue bonds to finance a project for improvements to Dowdy-Ficklen Stadium at an estimated cost of \$11,183,800. The project, approved in 1995, would provide for the addition of an upper level with 8,144 seats on the north side of the stadium and will be financed from athletic reserves of \$4,183,800 and borrowing of \$7,000,000. The debt would be retired from Athletic Department receipts.

On behalf of the committee, Mr. Rauch presented and moved approval of the following resolution:

A RESOLUTION AUTHORIZING THE RENOVATION AND EXPANSION TO DOWDY-FICKLEN STADIUM AT EAST CAROLINA UNIVERSITY; THE ISSUANCE OF EAST CAROLINA UNIVERSITY DOWDY-FICKLEN STADIUM VARIABLE RATE REVENUE BONDS, SERIES 1996; FOR THE PURPOSE OF PAYING A PORTION OF THE COST OF SUCH RENOVATION AND EXPANSION; PROVIDING FOR THE PAYMENT OF SUCH BONDS AND THE INTEREST THEREON FROM THE NEW REVENUES OF THE ECU ATHLETIC DEPARTMENT; AND APPROVING THE FORM AND SUBSTANCE AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS WITH RESPECT THERETO. (Appendix B)

Mr. Peterson seconded the motion and it carried.

Presidential Search Committee - Proposed Budget

Mr. Rauch said the committee reviewed a proposed budget for use by the Presidential Search Committee in conducting the search for a new president. The budget totals \$150,000 and includes the following items:

Personnel Expenses	\$	20,000
Office Expenses		7,500
Advertising Expenses	10,500	
Candidate Travel Expenses		22,000
Committee Meeting Expenses, Including Travel Expenses of Committee Members		37,500
Consultant Expenses		50,000
Miscellaneous Expenses		2,500
	\$	150,000

Mr. Rauch moved that the proposed budget be approved and funded from UNC-General Administration overhead receipts and that the Presidential Search Committee be authorized to transfer funds from one line item to another, as appropriate. Mr. Collins seconded the motion and it carried.

Mr. Rauch called attention to the committee's annual report which is referenced later in the minutes.

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.

A Joint Effort to Further Simplify and Facilitate Transfer of Credit Between Institutions

In response to two legislative mandates from the 1995 session of the General Assembly, Mrs. Newbold reported that House Bill 739 instructed the Board of Governors and the State Board of Community Colleges to develop a plan for the transfer of credits between The University of North Carolina and the North Carolina Community College System. In addition, Senate Bill 116 directed the Board of Governors and the Board of Community Colleges to develop a plan to ensure accurate and accessible counseling for students considering transfer and to establish a timetable for the development of guidelines and transfer agreements for program majors, professional specializations, and associate degrees in applied science.

In response to these directives, Mrs. Newbold said,

The two boards approved a "Proposed Plan to Further Simplify and Facilitate Transfer of Credit Between Institutions" at their meetings in February 1996. Since that time, significant steps have been taken toward implementation of the transfer plan. The two sectors, working through representative committees of faculty and administrators,

established the list of courses which constitute the general education transfer core. This general education core, if completed successfully by a community college student, is portable and transferable as a block across the community college system and to all University of North Carolina institutions. With the establishment of the general education transfer core as a foundation, joint academic disciplinary committees began to draw up guidelines for community college curricula that will prepare students for intended majors at UNC institutions. Most guidelines will be completed by January 1997. All will be completed by July 1997.

The third major element in the proposed transfer plan is the transfer information system. Plans have been developed for an electronic information network and are proceeding on schedule. The final element of the transfer information system — the Transfer Student Academic Performance Report — is operational.

On behalf of the committee, Mrs. Newbold moved that the report be approved and transmitted to the Joint Legislative Education Oversight Committee. Mrs. Owen seconded the motion and it carried. (Appendix C)

Status Report on the University of North Carolina Pilot Off-Campus Sites

Mrs. Newbold made the following comments on the second item in the committee's report which resulted from a special legislative provision.

As you will recall, a special provision was enacted during the 1995 session of the General Assembly that directed the Board of Governors to establish pilot degree programs at such off-campus locations as "community college campuses, especially those with a higher proportion of college transfer student enrollment; sites easily accessible to military personnel and other citizens; and sites remote from the constituent institutions' main campuses."

Applying these criteria and aided by data on college transfer student enrollments, the University established pilot off-campus sites in the following counties: Carteret and Craven Counties, Onslow County; Burke, Cleveland, and Rutherford Counties; and Moore and Richmond Counties. The programs (in business administration, computer science, education, information processing, industrial technology, nursing, and sociology and social work) were designed as two-year baccalaureate completion programs for community college students.

This status report focuses on the procedure for selecting pilot-site locations and degree programs to be offered at each location; for establishing appropriate faculty, facilities, and operational infrastructures; and for delivering the instruction. Because it was compiled before the conclusion of the first semester for most of the programs, this report will not be able to evaluate the effectiveness of off-campus instruction. A report will be compiled at the end of the 1996-97 fiscal year which will include full year information of student academic success and student satisfaction with the methods of instructional delivery, services, and facilities (library, computer, etc.) compared to on-campus instruction.

On behalf of the committee, Mrs. Newbold moved that the status report be approved and transmitted to the Joint Legislative Education Oversight Committee. Mr. Webb seconded the motion and it carried. (Appendix D)

Establishment of the Institute for Health, Science, and Society at the University of North Carolina at Greensboro

Mrs. Newbold presented and moved approval of a request from the University of North Carolina at Greensboro to establish the Institute for Health, Science, and Society. The institute, whose primary mission is to promote research, training, and evaluation in health-related fields, will facilitate the sharing and exchanging of resources between UNC Greensboro and the Moses Cone Health System to unite the region's health and science resources. Mr. Webb seconded the motion and it carried.

Supplement to Long-Range Planning, 1994-1999

Mrs. Newbold reminded the members that the schedule for future planning called for a revised long-range plan to be adopted and published in 1995 in order to return to the schedule of revising the plan in odd-numbered years. Due to a large number of studies and other interruptions, it had become necessary to prepare a supplement to the 1994-99 plan to incorporate changes which could not be postponed until the 1998-2003 long-range plan. In summarizing the revisions, Mrs. Newbold said,

This supplement to the 1994-99 plan contains changes that could not be postponed until the preparation of the next scheduled plan, the 1998-2003 long-range plan. The special studies undertaken by the board in 1995-96 produced a large number of reports and recommendations that addressed important University needs and legislative mandates. Many of these new commitments were not clearly reflected in the strategic directions in the 1994-99 plan.

This supplement includes the following revisions:

In Chapter II, there is an update of the data and tables on demographic and educational trends in North Carolina.

Chapter III contains the University's mission statement, with a modest revision mandated by legislation in 1995.

In Chapter IV, the eight strategic directions and associated strategies shown in the 1994-99 plan have been replaced by six more focused strategic directions and associated strategies that reflect recent studies and commitments made by the board. These revised strategic directions were presented to you this year.

The institutional sections of Chapter V contain changes in the wording of six institutions' mission statements, as requested by their respective chancellors. However, no substantial changes in institutional missions have been made. The academic program array for each institution has been revised to reflect authorized program changes since 1994.

New authorization is given for the planning of 14 new degree programs: four at the baccalaureate level, seven at the master's level, and three at the doctoral level. In addition, 24 previous new planning authorizations are reconfirmed: 11 at the baccalaureate level, eight at the master's level, and five at the doctoral level. It must be emphasized that the eventual establishment of these programs will be dependent upon the availability of resources.

A total of six existing programs are discontinued: two at the baccalaureate level and four at the master's level. In addition, nine previous authorizations to plan academic degree programs were withdrawn: four at the baccalaureate level and five at the master's level.

Finally, let me direct your attention to the projections of headcount enrollments of the University as a whole, which can be found in Chapter II. The projections call for an overall increase of some 8,440 students or 5.5 percent between fall 1995 and fall 2000, with most of the growth coming in the last two years. Graduate and first professional enrollments are projected to grow by 6.3 percent, while undergraduate enrollments are projected to grow by 5.3 percent. The impact of anticipated increases in high school graduates will not be felt strongly until the end of the century. Detailed campus-by-campus breakdowns are in the appendix.

I believe that this summarizes the major revisions in this supplement to our long-range plan.

Mrs. Newbold then presented and moved adoption of the following resolution:

Be it resolved by the Board of Governors of the University of North Carolina:

1. That the document entitled *Supplement to Long-Range Planning, 1994-99*, is approved; and
2. That the President be authorized to make such editorial improvements in the document as he finds necessary in the interest of accuracy and completeness and to have it printed and distributed.

Mr. Coward seconded the motion and it carried. (For the *Supplement to Long-Range Planning, 1994-99*, see Appendix E.)

Comprehensive Plan for Higher Education Enrollment

In introducing the committee's fifth item for consideration, Mrs. Newbold said,

Our fifth item concerns approval of the University of North Carolina's component of the *Comprehensive Plan for Higher Education Enrollment*. The 1995 General Assembly enacted legislation requiring the Education Cabinet to prepare a comprehensive plan for higher education enrollment in North Carolina, including enrollments not only in the public universities and community colleges in the state, but also in the private colleges and universities. To be addressed in this plan are enrollment increase projections,

strategies to meet the demands of the anticipated enrollment growth, and initiatives to expand educational access.

The University of North Carolina projects that regular session fall headcount enrollments will increase from 153,649 in 1995 to 186,714 in 2005, a growth of 33,065 students. It proposes to meet this ten-year projected enrollment demand through (a) more efficient space utilization; (b) measures to facilitate transfer from community colleges to UNC institutions, thereby encouraging more students to begin their studies at a two-year institution, as well as the development of some two plus two programs that will enable some students to complete a baccalaureate degree on a community college campus; (c) incentives to provide additional higher education opportunities off-campus and through distance learning; (d) incentives to provide for additional educational opportunities in the summer; and (e) additional strategies to promote shortened time-to-degree.

On behalf of the committee, Mrs. Newbold moved that the University of North Carolina's component of the *Comprehensive Plan for Higher Education Enrollment* be approved and transmitted to the Education Cabinet. Mr. Jordan seconded the motion and it carried.

(Appendix F)

Plan for Continued and Expanded Availability of Higher Education in North Carolina

Mrs. Newbold presented a recommendation concerning the "Plan for Continued and Expanded Availability of Higher Education in North Carolina." In discussing the plan, Mrs. Newbold said,

Senate Bill 393, ratified by the 1993 General Assembly (Session Laws, Chapter 407), called upon the Board of Governors of the University of North Carolina to ". . . develop a plan for the continued and expanded availability of higher education for all citizens, focusing on the availability of opportunities in underserved areas by means other than the establishment of additional degree programs."

In November 1995 the Board adopted Phase I of this plan. That report provided an inventory of various alternative instructional delivery systems and attempted to identify underserved areas. However, it was still necessary to identify what programs might be in demand in those areas and determine whether there would be sufficient demand to allow for cost effective delivery of the desired programs.

To develop this level of information, the University undertook a multi-faceted statewide needs assessment. Respondents to the surveys were given a choice among 44 baccalaureate programs, 44 graduate programs, and 25 "A" certificate and 34 "G" certificate programs. All were asked how soon they would enroll if programs were made available; what times would be most convenient; how far they would be willing to drive; whether they would like to take courses at home or work, as opposed to a centralized site; what types of telecommunications equipment were available to them; and why they wanted to continue their education.

The responses to all surveys indicated that the desire for access to higher education is both deep and widespread and especially strong in those counties identified as being "underserved." Having acquired a rich array of survey results, the challenge for the

University is how to respond, especially in those cases where demand for a particular program is scattered across the state, making the selection of one or two sites ineffective. The University's plan includes several elements:

1. The University cannot respond effectively to the demand for off-campus instruction unless it, like all other SREB states, receives state-appropriated funding for off-campus and distance education. The board has proposed in its 1997-99 biennial budget request that state funding comparable to that provided for regular-term instruction be provided for off-campus and distance learning instruction.
2. Findings from the needs' surveys will be used to guide selection of additional pilot off-campus sites, for which funding was provided in the 1996 Second Extra Session of the General Assembly. The University will collaborate with representatives of the North Carolina Community College System in planning for additional baccalaureate completion programs. It will also consult with the UNC deans of education and representatives of the State Department of Public Instruction to determine what programs identified by teachers would best serve the needs of the state's schools.
3. Additional steps that will be taken to advance the ongoing planning of the University for off-campus and distance education include:
 - Appointment of an official at UNC General Administration with specific responsibility for coordinating and facilitating off-campus and distance education.
 - Establishment of an advisory council representing all UNC institutions in order to foster inter-institutional cooperation and collaboration in off-campus programming.

In mandating this study and the development of a plan for expanded availability of higher education in North Carolina, the General Assembly recognized the importance of higher education for the economic development of the state and of those regions that have not shared in the growing prosperity of North Carolina's urban areas. It also recognized the importance of higher education for the economic and social well-being of its citizens. In responding to these needs surveys, the people of North Carolina have confirmed their desire to enjoy the benefits of higher education enshrined in the state's constitution and statutes. This report thus represents the first of what can be expected to be a long line of plans that will address the growing array of technologies that will ultimately make it possible to expand access to higher education well beyond the physical boundaries of the 16 University of North Carolina campuses.

On behalf of the committee, Mrs. Newbold moved that the report be approved and transmitted to the Joint Legislative Education Oversight Committee. Mrs. O'Kelley seconded the motion and it carried. (Appendix G)

Second Report on Academic Advising in The University of North Carolina

Mrs. Newbold said the committee's final recommendation concerned the adoption of the "Second Report on Academic Advising in the University of North Carolina" and she asked Mr. Reaves to present the report.

Mr. Reaves, chair of the Subcommittee on Academic Advising, reminded the members that House Bill 53, Section 16.6 of the Second Extra Session of the 1996 General Assembly required the Board of Governors, prior to January 2, 1997, to report to the Joint Legislative Education Oversight Committee each constituent institution's progress made since the adoption of the 1995 report, "Academic Advising in the University of North Carolina" and its recommendations. To accomplish this goal and to obtain up-to-date information, a new survey was sent to each institution in September 1996. The institutions were asked to indicate whether the characteristics of effective advisement identified in the 1995 report were in place, proposed, under study, or whether no progress had been made. The campuses were also asked to indicate the status of special issues identified in the 1995 report and to indicate what activities had been undertaken to improve advising.

Mr. Reaves outlined the subcommittee's findings and, on behalf of the Subcommittee on Academic Advising, made the following recommendations:

1. That the Board of Governors, through the Subcommittee on Academic Advising, continue to monitor advising within the University of North Carolina.
2. That the UNC General Administration staff administer biennial surveys of graduating seniors and sophomores.
3. That each institution be expected to realize a response rate of at least 65 percent in the next administration of its survey of enrolled sophomores and seniors, to be followed in the two succeeding administrations with response rates of 75 percent and 85 percent respectively. Institutions failing to realize such response rates should submit a report indicating what they plan to do in the next administration of the survey to meet the goal that has been established.
4. That those institutions whose advising dissatisfaction rate exceeds 33 percent in any given survey be expected to:
 - follow-up with a more detailed survey and analysis that seeks to uncover the specific sources and causes of student dissatisfaction with advising;
 - develop strategies and activities to improve academic advising and student satisfaction with advising; and
 - submit a report to the UNC General Administration outlining their findings and the measures they have taken or plan to take in response.

Mrs. Newbold moved that the report and recommendations of the Subcommittee on Academic Advising be approved. Dr. Brown seconded the motion and it carried.

(Appendix H)

Mrs. Newbold called attention to the committee's annual report which is referenced later in the minutes.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Modification of Board of Governors' Policy for Supplementing Salaries of Chancellors

Mrs. Britt, chair of the Committee on Personnel and Tenure, presented a recommendation from President Spangler to modify the board's policy for supplementing salaries of the chancellors with funds provided by institution-related foundations. Mrs. Britt moved approval of the recommendations of President Spangler and the committee that any future supplements be calculated on the current state-appropriated base salary for 1996-97. Mrs. Marvin seconded the motion and it carried. (See Appendix I - Administrative Memorandum No. 365, dated November 18, 1996.)

Distinguished Professors Endowment Trust Fund Annual Report

Mrs. Britt reported that the annual report of the Distinguished Professors Endowment Trust Fund was in the folders. (Appendix J) There are now 103 approved distinguished professorships (29 with endowments of \$1 million and 74 with endowments of \$500,000) representing disciplines in the arts and sciences, business, engineering, education, law, journalism, social work, medical sciences, and nursing. All 16 institutions now have at least one distinguished professorships. Mrs. Britt also reported that the General Assembly has continued funding for the program for the 1996-97 fiscal year at the \$1 million level, providing an additional supplement of \$1,000,000 in non-recurring funds.

Mrs. Britt called attention to the committee's annual report which is referenced later in the minutes.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

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

Settlement Agreement Between The University of North Carolina at Charlotte and Semanco, Inc.

On behalf of the committee, Mrs. O'Kelley presented and moved approval of a settlement-of-litigation agreement between the University of North Carolina at Charlotte and Semanco, Inc. Mr. Broadwell seconded the motion and it carried.

(Appendix K)

Request to Serve in Public Office - The University of North Carolina at Greensboro

Mrs. O'Kelley presented and moved approval of a request by Dr. Paul Luebke of the University of North Carolina at Greensboro for a full-time leave of absence, without pay, while serving as a member of the General Assembly during the spring semester of 1997. Chancellor Sullivan forwarded the request and recommended approval to the president and the Board of Governors. Mrs. Marvin seconded the motion and it carried.

Election to Board of Trustees - The University of North Carolina Center for Public Television

Mrs. O'Kelley moved that William E. Simms of Charlotte be elected to the Board of Trustees of the University of North Carolina Center for Public Television for a partial term ending June 30, 1998. Dr. Morgan seconded the motion and it carried.

Election to Board of Trustees - North Carolina Center for the Advancement of Teaching

Mrs. O'Kelley moved that Dr. Virginia Politano of Durham be elected to the Board of Trustees of the North Carolina Center for the Advancement of Teaching for a partial term ending October 31, 1999. Mrs. Marvin seconded the motion and it carried.

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As a matter of information, Mrs. O'Kelley announced a vacancy on the Board of Trustees of the University of North Carolina at Pembroke for a partial term ending

June 30, 1999. Mrs. O'Kelley also called attention to the committee's annual report which is referenced later in the minutes.

REPORT OF LEADERSHIP STATEMENT COMMITTEE

Mrs. Marvin, co-chair of the Leadership Statement Committee, presented the following report:

In September, the Board of Governors created the Leadership Statement Committee to seek comments from citizens about the qualifications and characteristics of the next president. Immediately after the September meeting, the Leadership Statement Committee began its work. On September 25, press releases were disseminated to 350 media outlets across the state urging the citizenry to attend an array of public hearings. Letters of invitation were sent to several groups with a flyer about the dates and locations of the public hearings.

These groups were asked to disseminate the information to constituents within their respective network. The University supporters that received invitations included:

- The Department of Community Colleges
- The Department of Public Instruction
- The Association of Independent Colleges and Universities
- The chairpersons of the 16 constituent boards of trustees
- The chairpersons of each UNC faculty senate
- The members of the Council of UNC Alumni Association Presidents
- The Student Body Presidents of the 16 constituent campuses
- The North Carolina Citizens for Business and Industry and
- The superintendents of each local school district

Governor Holshouser, Chairman of the Search Committee, appeared on the UNC Center for Public Television's *North Carolina Now* to encourage people to attend these forums. Chairman Cameron appeared on *Carolina Business Review* informing the state about the public hearings.

Dr. Petschauer, Dr. Ken Gurganis and Dr. Bonnie Kelly, members of the Leadership Statement Committee, spoke to the Faculty Assembly in September about the presidential search process. The Faculty Assembly consists of delegates from the 16 constituent campuses. John Sanders, the Leadership Statement Committee advisor, presented historical background about the UNC presidency at a plenary session of the Faculty Assembly. Also, Mr. John Dervin, another member of the board and the Leadership Statement Committee, attended the Faculty Assembly meeting.

Seven forums were held on October 2, October 15, and October 18. The committee expresses appreciation to the seven campuses who hosted these forums: East Carolina, UNC Asheville, UNC Wilmington, North Carolina Central University, UNC Charlotte, Winston-Salem State University, and Elizabeth City State University. Also, the committee met with former chairs of the Board of Governors, three former members of the General Administration senior staff, Senator Beverly Perdue and six chancellors in October. The co-chairs had private discussions with President Friday, President

Spangler, Governor Hunt and Lt. Governor Dennis Wicker. In addition, the committee received more than twenty letters from a wide spectrum of interested citizens, including representatives from Chambers of Commerce, local school boards, arts councils, local government, the United Way, and members of the community and private colleges as well as the university community--faculty, staff, students and alumni.

John Sanders attended every committee meeting and one public hearing. He listened to the tapes of each public hearing, reviewed the letters to the committee and summaries of the public hearings. He then distilled this information into the Leadership Statement that you received late last week.

I want to thank the Nominating Committee for selecting such committed and hard-working Leadership Statement Committee members with whom John Garwood, Julius Chambers and I, as co-chairs, worked. Every member attended two or more public hearings, most of the committee meetings, and contributed enthusiastically to our discussions and deliberations, including participation in a 21-member conference call to review and finalize the statement. At this time, I'd ask each committee member present to stand.

On behalf of the committee, Mrs. Marvin moved that the Leadership Statement be approved and that it be forwarded to the Screening and Search Committees. The motion was seconded. In the discussion which followed, Dr. Morgan noted that the School of Dentistry was omitted from the listing of professional schools. With the one editorial change, the motion carried. (Appendix L)

PRESIDENT'S REPORT

President Spangler congratulated Mr. Garwood on his recent election to the North Carolina Senate. The president thanked Mr. Garwood for his service and said he had been a strong and effective member of the board and that his wisdom and dedication to the University would be missed. The president recognized former board member Chuck Flack and noted his presence, along with many others, at the University Award Dinner honoring W. Duke Kimbrell and L. Felix Joyner on the preceding evening. President Spangler noted that Dr. Cynthia Bonner was recently honored by the Southern Association for College Student Affairs for her exceptional leadership and outstanding contributions to student personnel work.

The president thanked the members of the Board of Governors and the chancellors for their recent support of the public school bonds which were passed overwhelmingly by the citizens of North Carolina.

Annual Enrollment Report - 1996-97

At the request of President Spangler, Vice President Carroll reviewed the University's enrollment report for 1996-97, including tables showing the fall headcount enrollment by institution and race, college-going rates for first-time freshmen, and the SAT scores of first-time freshmen by residence status. The estimated enrollment in regular term full-time equivalent (FTE) students for 1996-97 was 130,240 and was within the cumulative range (129,635 - 134,925) established by the board, a decline of 172 FTEs from the actual enrollment last year (1995-96) and 2,040 FTEs lower than budgeted. Of the 16 institutions, ten were within the established range for the institution, four were below, and two were above. Under board regulations, institutions with estimated enrollments above two percent are required to explain the excessive enrollment; however, neither of the two institutions identified had an estimated enrollment above two percent. (For detailed information regarding the Enrollment Report for 1996-97, see Appendix M.)

President Spangler reminded the members that the enrollment figures include regular-term, on-campus students, not students enrolled in summer sessions or in off-campus extension programs.

Greater Access to Higher Education in North Carolina

The president reported that over the past two months, the University has conducted numerous surveys to identify the underserved regions, areas, and citizens of the state and to determine the programs needed to provide greater access to higher education in the state. More than 31,000 responses have been received with others continuing to arrive. To respond to the needs of the state, President Spangler said the University has proposed additional funding for off-campus instruction and distance learning in the 1997-99 budget request to benefit the UNC institutions and strengthen the outreach efforts in the following areas:

- Campus-based funding for information technology to increase faculty expertise in the use of instructional technologies and support the electronic transmission of educational materials on- and off-campus;

- Completion of fiber-optic hookups and wiring of academic facilities on all campuses to enable faculty and students to use the new technology to improve teaching and learning; and
- Installation of an electronic North Carolina Virtual Library to extend library access throughout the universities, the community colleges, and the public libraries to provide off-campus instruction.

Regional Legislative Workshops

President Spangler said a series of regional legislative workshops have been scheduled to meet the members of the legislature and to present the highlights of the University's budget. The workshops are scheduled as follows:

Monday, December 9	North Carolina State University	(morning)
Tuesday, December 10	East Carolina University	(morning)
	North Carolina A & T State University	(afternoon)
Thursday, December 12	UNC Asheville	(morning)
	UNC Charlotte	(afternoon)

OTHER BUSINESS

On behalf of the Board of Governors, Chairman Cameron thanked the Committee on the University Award for the dinner honoring W. Duke Kimbrell and L. Felix Joyner on the preceding evening.

Annual Reports of Standing Committees

Chairman Cameron reminded the members that the annual reports for the four standing committees, which summarize the activities of the committees for the past year, were included in their packets. (For the reports of the standing committees: Budget and Finance, see Appendix N; Educational Planning, Policies, and Programs, see Appendix O; Personnel and Tenure, see Appendix P; and University Governance, see Appendix Q.)

Appointment of 1997 Committee on the Award for Excellence in Teaching

Without objection, Chairman Cameron asked the following members to serve on the 1997 Committee on the Award for Excellence in Teaching:

Mrs. Britt, Chair
 Mrs. Marvin
 Mrs. O'Kelley
 Mr. Reaves
 Mr. Thomas

Announcements

Chairman Cameron thanked the staff of the Finance Division for the workshop on Equity Funding held on the preceding Thursday and the workshop on Privatization held prior to the board meeting. The chair reiterated the importance of the Regional Legislative Workshops. Some board members were asked to serve as coordinators with the host campuses for the workshops scheduled for December 9, 10, and 12. The members were encouraged to write personal letters or make telephone calls inviting legislators to attend these workshops to discuss issues and concerns involving the University. The chair noted that the blue sheets in each member's folder contained the workshops dates and location.

* * *

At the request of the chair, Mr. Close, co-chair of the Committee to Plan the Joint Meeting of the North Carolina Education Governing Boards, reviewed the plans for the Joint Meeting scheduled for March 12, 1997, at the College of Textiles on the campus of North Carolina State University. Mr. Close said the theme for this year is "The Importance of Teaching in Life-Long Learning" and that Dr. John Silber, chancellor of Boston University, and Dr. Arthur Levine, president of Teacher's College, Columbia University, will be guest speakers for the occasion.

Mrs. Perry reported the O. Max Gardner Award Committee has begun its work and asked that nominations be forwarded to the Office of the Secretary by February 7, 1997.

RESOLUTION HONORING JOHN A. GARWOOD

Chairman Cameron noted again Mr. Garwood's election to the North Carolina Senate and thanked him for his "eleven years of illustrious service to the University" and said the University looked forward to his continued support while in the state legislature. On behalf of

the Board of Governors, Governor Holshouser presented and moved approval of a resolution honoring John A. Garwood. The resolution was adopted by a standing vote of the entire board. (Appendix R) In his response, Mr. Garwood expressed appreciation for the opportunity to serve the University and reminded the members they would have a friend in the General Assembly.

* * *

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 negotiation 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 Mrs. Britt and seconded by Mrs. Perry, the board voted to convene in closed session.

CLOSED SESSION

* * *

APPROVAL OF MINUTES OF CLOSED SESSION

In accordance with procedures established to comply with the Open Meetings Law, the closed session minutes for October 11, 1996, were distributed for review and approval. On motion duly made and seconded, the closed session minutes were approved.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

Lease of Property - The University of North Carolina at Chapel Hill

On behalf of the committee, Mr. Rauch presented a request from the University of North Carolina at Chapel Hill concerning the lease of office and laboratory space located on

Franklin Street in Chapel Hill. He moved that the request be approved and transmitted to the Council of State for final action. Mr. Close seconded the motion and it carried.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

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. Mrs. Britt also presented, for the board's consideration, a recommendation for a distinguished professorship at the University of North Carolina at Chapel Hill.

STATUS REPORT OF COMMITTEE ON OPEN MEETINGS LAW

Mr. Poole reported on discussions with campus representatives regarding application of the Open Meetings Law and continuing efforts to assure satisfactory settlement of a dispute with the North Carolina Press Association.

* * *

On motion of Mr. Rauch, seconded by Dr. Brown, the board voted to reconvene in open session.

RESUMPTION OF OPEN SESSION

REPORT OF COMMITTEE ON COMMITTEES

Mr. Close, chair of the 1996 Committee on Committees, thanked Mrs. Newbold, Mr. Brown, and Mr. Kinsey for serving on the committee. Following distribution of the proposed standing committee assignments, Mr. Close moved, on behalf of the committee, that the assignments be approved. Mr. Kinsey seconded the motion and it carried. (For the Standing Committee list as reconstituted, see Appendix S.) Chairman Cameron asked each current standing committee chair to meet briefly with the committee following the board meeting or at a later date for the purpose of electing officers.

A summary of new assignments for the respective standing committees follows,
each for a term ending November 1998:

Committee on Budget and Finance

Robert J. Brown
Derick S. Close
Joseph E. Thomas

Committee on Educational Planning, Policies and Programs

John F.A.V. Cecil
Orville D. Coward
Larnie G. Horton, Sr.
Helen Rhyne Marvin
H.D. Reaves, Jr.
Harold H. Webb

Committee on Personnel and Tenure

G. Irvin Aldridge
Lois G. Britt
Wallace N. Hyde

Committee on University Governance

Jack P. Jordan
D. Samuel Neill
Maxine H. O'Kelley

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mrs. Britt, chair of the Committee on Personnel and Tenure, moved approval of the report of the Committee on Personnel and Tenure that was presented and discussed in closed session. Mr. Aldridge seconded the motion and it carried. (Appendix T)

* * *

There being no other business, the meeting was adjourned at 11:50 a.m..

Secretary

