

APPENDIX B

UNC Management Flexibility Legislation, Summary of Institutional Annual Reports, 2003-04

The UNC Management Flexibility legislation directs the Board of Governors to report annually by March 31 of each year to the General Assembly's Joint Legislative Education Oversight Committee on operating results. In this regard, the *Operating Instructions for Special Responsibility Constituent Institutions* adopted by the Board require each designated institution to submit an annual report. In its 1999 Legislative Session, the General Assembly enacted legislation that extended management flexibility to the University of North Carolina General Administration on a basis comparable to that authorized for the special responsibility constituent institutions; in the 2001 Legislative Session, management flexibility was extended to the North Carolina School of Science and Mathematics. All institutions have complied with the reporting requirement for the 2003-04 fiscal year and the reports have been summarized into the *Summary of Institutional Annual Reports* attached. Copies of the individual campus reports are available upon request.

On August 11, 2000, the Board took action to require increased accountability over the expenditure of lapsed salary funds. The accountability is partially fulfilled through additions to the annual report that deal with lapsed salary expenditures and a list of positions held vacant for nine months or more. Highlights of 2003-04 results are shown in the Executive Summary.

It is recommended that the attached *Summary of Institutional Annual Reports, 2003-04*, be approved and forwarded to the General Assembly's Joint Legislative Education Oversight Committee.