

**University of North Carolina Board of Governors
Committee on Public Affairs
Friday, July 9, 2004
9:00 a.m.**

Executive Conference Room

AGENDA

1. Approval of May 14, 2004 minutes*

2. State Legislative Update
 - Budget Update
 - UNC Building Legislation Update
 - Non-budget Legislation Update

3. Federal Update

4. Other

DRAFT

**Minutes of the Committee on Public Affairs
UNC Board of Governors
May 14, 2004**

The following committee members were present:

Jim Babb, Chair
Brent Barringer
Anne Cates
Dudley Flood
Peter Hans
Charles Mercer

The following other Board members, staff, and others were present:

Ed Broadwell	John Davis	Rob Nelson	Charlotte Todd
Ray Farris	Jonathan Ducoté	Alan Mabe	Chancellor Woodward
Robert Warwick	President Broad	Bobby Kanoy	Jane Stancil
Irvin Aldridge	Jeff Davies	Terry Feravich	Russ Lea
Priscilla Taylor	Leslie Winner	Kemal Adkins	Eric Ferreri
Addison Bell	Mark Fleming	James Smith	Sam Watts
Charles Norwood	Laura Foxx	Ginger Jones	Amanda DeVore
Cary Owen	Joni Worthington	Ken Grogan	Bob Kennel
Hannah Gage	Erin Culbreth	George Briggs	Robin Johnson
Willie Gilchrist	Ellen Klingler	Vickie McNeil	John Sanders

Chairman Babb called the meeting to order.

1. Mrs. Cates moved, seconded by Dr. Flood, that the minutes of the meeting of March 19, 2004, be approved. The motion carried.
2. State Legislative Update – Mark Fleming, Associate Vice President for State Governmental Affairs, provided an update regarding the current legislative session. The Governor's proposed budget, recommends full funding for University enrollment and financial aid. He has also recommended \$6M in recurring funding to provide state matching for the Distinguished Professor Endowment Trust Funds. There is a concern regarding the 1.7% cut the Governor has recommended for UNC campuses. Mr. Fleming outlined the proposed timeline for this legislative session. He also briefly described a new bond package Speaker Black has proposed to fund several university projects.

Mr. Fleming said that the Joint Select Committee on the UNC Board of Governors have met twice and have not presented recommendations to date. The first meeting Aims McGuinness (Senior Associate, National Center for Higher Education Management Systems) gave a presentation and Manny Pacheco (retired President, University of Missouri System) and John Sanders (former BOG member) were presenters at the second meeting. Mr. Fleming also gave an update on several campus-sponsored legislative advocacy events scheduled.

Jeff Davies, Vice President, Finance, reported that the University received \$158M in R&R funding.

Laura Foxx, Director of Advancement, provided a briefing on the University of North Carolina Advancement Conference on June 3-4, 2004 at the Radisson Governor's Inn. This is a

professional development conference for campus development staff, where over 170 participants are expected to attend.

Joni Worthington, Associate Vice President, Communications made available copies of the mid-term 2000 Higher Education Bond Report issued by the North Carolina Business-Higher Education Foundation. She also gave a brief overview of the Report.

Rob Nelson, Associate Vice President, Finance, stated that as part of its non-budget legislative package, the Public Affairs committee previously approved modifications to several UNC Bond Projects. We have two institutions that have continued to review the best use of their bond funds and have requested changes. These changes require approval by the General Assembly.

North Carolina A & T State University is requesting that their New Student Housing project, with a budget of \$1,897,900, and that their Curtis Residence Hall renovation project, with a budget of \$3,723,500, be transferred to the Scott Residence Hall project. The beds needed in the New Student Residence Hall project will be provided by the private sector and the renovations to Curtis Residence Hall will be funded from NC A&T's housing receipts.

North Carolina A & T State University is also requesting that \$856,800 budgeted for the renovation of Holland Residence Hall be transferred to the Zoe Barbee Residence Hall renovation project. A&T will use its own housing receipts to renovate Holland Residence Hall.

East Carolina University has asked that they be allowed to reduce the scope of the Old Nursing Building Expansion and Renovation project by \$3,000,000 and apply the reduced funds to the "Old Cafeteria" Office Building Comprehensive Renovation for Student Services/Academic Use project. The transferred funds will be used to provide additional faculty offices needed due to increased enrollment growth.

Mrs. Cates moved, seconded by Dr. Flood, to approve the following modifications to the UNC Bond Package:

- 1(a). North Carolina A&T State University – Cancellation of New Student Housing (\$1,897,900) and Curtis Residence Hall – Replacement (\$3,723,500) and transfer to Scott Residence Hall – Replacement.
- 1(b). North Carolina A&T State University – Cancellation of Holland Residence Hall – Comprehensive Renovation (\$856,800) and transfer to Zoe Barbee Residence Hall – Comprehensive Renovation.
2. East Carolina University – Reduce scope of Expansion and Renovation of the Old Nursing Building ((\$3,000,000) and apply the reduced funds to "Old Cafeteria" Office Building – Comprehensive Renovation for Student Services/Academic Use.

The Board of Trustees at East Carolina University has also requested consideration of two additional items to the non-budget legislative agenda. 1) Access to funds from reimbursement of services to Medicare patients prior to the completion of an audit and 2) to stop paying rent to the State for use of its clinical facilities, which was built with state funds. The staff in the President's Office would continue to research these requests and, if appropriate, seek to make these funds available to the medical school when the State's budget will allow it.

The Committee approved these modifications to the non-legislative agenda as recommended.

The meeting was adjourned

**University of North Carolina Board of Governors
Committee on Economic Development and the University
Friday, July 9, 2004
8:00 a.m.**

Executive Conference Room

AGENDA

- 1. Review Charge to Committee**
- 2. Review of Current Major Economic Development Initiatives***
- 3. Consideration of Committee Work Plan**
- 4. Other Issues/ Discussion**

*** Materials provided separately**