

Minutes of the September 8, 2005 Meeting  
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in the Board Room of the General Administration Building in Chapel Hill, North Carolina on Thursday, September 8, 2005, at 10:50 a.m.

Members in attendance were: Mr. William L. Burns, Jr., Ms. Hannah D. Gage, and Mr. Benjamin S. Ruffin. Members attending via teleconference were: Mr. Brad Adcock, Mr. R. Steve Bowden, Mr. F. Edward Broadwell, Jr., Mr. Peter D. Hans, and Governor James E. Holshouser, Jr. Necessarily absent was Mr. Ray S. Farris. Other Board of Governors' members in attendance in person or via teleconference were: Brent D. Barringer, Peaches Gunter Blank, Phillip R. Dixon, Dudley E. Flood, Charles H. Mercer, Jr. Fred G. Mills, Charles S. Norwood, Cary C. Owen, Irvin A. Roseman, Priscilla P. Taylor, and Zachary A. Wynne. Others attending the meeting were President Molly Corbett Broad; Vice Presidents Jeffrey R. Davies, Russ Lea, Alan R. Mabe, Wayne McDevitt, Robyn R. Render, and Leslie Winner; Associate Vice Presidents Betsy Brown, Ginger Burks, George Burnette, Laura Foxx, Robert Fraser, Ann Lemmon, Robert C. Kanoy III, Robert O. Nelson, James O. Smith, J. Charles Waldrup, and Joni Worthington; Associate Vice President and University Property Officer Terrance Feravich; Assistant Vice Presidents Shari Harris and Claudia Odom; Director for Academic and Student Affairs Kemal Atkins, and Special Assistant to the University Kennis R. Grogan. Chancellor Kenneth E. Peacock (ASU) and Interim Chancellor Gretchen Bataille (NCSA) were also in attendance as well as members of the press.

Chair Gage convened the meeting and explained that because of the Governors' Executive Order on August 31 for all of State Government to take measures to conserve fuel resources, the meeting would be conducted via teleconference.

The minutes of the meeting of August 12, 2005 were approved.

Chair Gage then called upon President Broad to introduce a new item recommending a tuition and fee waiver for North Carolina students previously enrolled in universities now closed for the fall semester as a result of the devastation caused by Hurricane Katrina. Universities across the country, including the campuses of the University of North Carolina, were marshalling resources to temporarily accommodate students whose home campuses had been shut down. To lessen the burden on impacted students during this transition, the presidents of the national higher education associations had asked all campuses accommodating students to waive tuition and fees.

The North Carolina General Statutes had been examined and the North Carolina Attorney General had confirmed that the Board of Governors had the authority to waive tuition and fees to expressly designated students. The chancellors and state government leaders had also been consulted concerning this extraordinary circumstance. Following the President's remarks, the Committee discussed the recommendation and Mr. Ruffin proposed to eliminate the requirement that the student qualifying for the waiver be a North Carolina resident. On the motion of Mr. Broadwell, seconded by Mr. Ruffin, the following resolution as modified was approved for presentation to the Board of Governors.

**Resolution of the University of North Carolina Board of Governors  
Waiving Tuition for Students from Hurricane-Stricken Universities  
September 8, 2005**

Whereas Hurricane Katrina has caused devastating damage to the City of New Orleans and much of the Mississippi and Louisiana Gulf Coast, causing several colleges and universities to close for the fall semester of 2005; and

Whereas numerous students, including many North Carolina residents, were enrolled in and had already paid tuition at colleges and universities that have been forced to close because of Hurricane Katrina; and

Whereas UNC constituent institutions have indicated their willingness to accommodate students who have been temporarily displaced because of Hurricane Katrina, to the extent of their available resources, giving priority to those students who are North Carolina residents; and

Whereas, the national higher education association presidents have asked all receiving campuses to waive tuition for students whose home campus was devastated by Hurricane Katrina; and

Whereas N.C.G.S. §116-143 authorizes the Board of Governors to grant a waiver of tuition and fees to expressly designated students;

Therefore, be it resolved that the Board of Governors of the University of North Carolina waives tuition and mandatory fees, for the fall semester of the 2005-06 academic year only, for students who meet the following criteria:

1. The student is or was enrolled for the 2005 fall semester in an institution of higher education that is closed for the entire semester due to Hurricane Katrina; and
2. The student is an undergraduate, graduate, or professional school student who has been admitted to a UNC constituent institution based upon academic criteria and available institutional capacity and resources.

Be it further resolved that in keeping with special accommodations made at the federal level for these students, North Carolina residents who meet the above criteria and who are otherwise eligible may qualify for state need-based financial aid for the 2005 fall term, even if they are classified as visiting or special students.

Following the discussion, Chair Gage continued with routine business.

1. Senate Bill 912 (S.L. 2000-03), authorized the issuance of \$3.1 billion in higher education bonds subject to a vote of the qualified voters of the State. In November 2000, upon the approval of a majority of voters, \$2.5 billion was made available to the University of North Carolina for capital improvements.

Senate Bill 912 required that the Board of Governors report annually to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight Committee on the condition of the University's capital facilities and the repair, renovation, and maintenance projects being undertaken and proposed.

Senate Bill 912 further required that the Board of Governors report annually to the Joint Legislative Commission on Governmental Operations on the bond program. The report met those legislative requirements.

It was recommended that the report be approved and transmitted to the Joint Legislative Commission on Governmental Operations and the Joint Legislative Education Oversight

Committee.

On the motion of Mr. Broadwell, seconded by Mr. Bowden, the above recommendations were approved.

2. In 2001, the Board authorized the Office of the President to execute leases valued up to \$150,000 and dispositions up to \$250,000. The following property transactions were approved under this delegation and were reported to the Committee on Budget and Finance.

North Carolina State University – Disposition of Real Property by Lease and Demolition

Owner: State of North Carolina  
Disposition reason: This ground lease allows the NCSU Student Aid Association, Inc. to construct the replacement for the existing Finley Field House facility and to construct additional seating in the north end zone area. (The associated \$14.5 million project is on the 2005 Non-General Fund Capital Improvement Projects list that has been approved by the Board of Governors and approved, as HB1775, by the General Assembly.)  
Location: North end zone area of Carter-Finley Stadium  
Description: A ground lease of approximately 6.4 acres of land and the demolition, with replacement, of the existing field house  
Term: This lease will end when NCSU purchases the improvements upon completion of construction expected in August 2006.  
Rental Income: None anticipated  
Proceeds: None anticipated  
Approvals: The NCSU Board of Trustees recommended this action on April 22, 2005.

The University of North Carolina at Chapel Hill – Disposition of Real Property by Demolition

Owner: State of North Carolina  
Disposition reason: This demolition is necessary in order to clear the site for the construction of Phases II and III of the Science Complex, a 2000 Higher Education Bond project.  
Location: The facility is located just north of South Road and near the SW corner of the Venable Hall.  
Description: The facility is a 570 square-foot storage bunker built in 1986.  
Term: Not applicable  
Rental Income: None anticipated  
Proceeds: None anticipated  
Approvals: The UNC-CH Board of Trustees recommended this action on July 28, 2005.

There being no further business, the meeting was adjourned. The Closed Session items would be considered in the Board of Governors' Closed Session, also to be conducted via teleconference beginning at 1:00 p.m.

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Ms. Hannah Gage  
Chair of the Committee  
on Budget and Finance

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Mr. R. Steve Bowden  
Secretary of the Committee  
on Budget and Finance