



TRANSMITTAL LETTER

The University of North Carolina
Office of the President

Number:16

July 26, 2002

This transmittal letter distributes the following Policies, Regulations, Guidelines and Code amendments:

Regulation # 1200.6[R]. Regulations for Planning, Establishing and Reviewing Institutes and Centers in The University of North Carolina. This Regulation was amended by the President 07/01/02.

Guideline # 1300.4[G]. Guidelines on defining "Public Body" within the meaning of the Open Meetings Act. This Guideline was amended by the President 07/01/02.

Please contact Leslie Winner, Vice President and General Counsel, at 919-962-4588 if you have any questions regarding Regulation 1200.6[R] or Guideline 1300.4[G].

Policy # 400.1.6. The University of North Carolina Academic Calendar. This Policy was amended by the Board of Governors 02/08/02

Please contact Dr. Alan Mabe at 919-962-4589 if you have any questions regarding Policy 400.1.6.

The Code, # 100.1. Parts of **Code § 200 B** were repealed by the Board of Governors 03/06/02. As there have been a number of Code changes over the last year a complete copy of the updated Code is enclosed. Please replace the old version of #100.1 in your binder.

Policy # 300.2.8 Faculty Military Leave. Please replace this policy with the enclosed version. There was an error made on the date shown on the Policy. The Policy was adopted by the Board of Governors 10/12/01.

Policy # 600.2.3, Distinguished Professors Endowment Trust Fund. This policy was recently distributed but contained a typographical error. Please replace with the corrected version enclosed.

Adopted 01/12/81
Amended 07/30/97
Amended 07/01/02

Regulations for Planning, Establishing, and Reviewing Institutes and Centers in The University of North Carolina

A. Introduction

Administrative Memorandum #373 defines the basic policies and procedures governing institutes and centers in the University of North Carolina. One important means to address the diverse mission of the University is through partnerships with organizations such as private or corporate sponsors, educational institutions, and federal or state agencies. A wealth of effective partnerships involving UNC institutions have been developed under the rubric of centers and institutes. Such units are usually multidisciplinary, have an important educational component, and may be established when a collection of faculty have secured long-term funding commitments to pursue unique research, public service, and/or instructional endeavors. Specific types of institutes and centers, as well as any policies or procedures pertaining to these individual categories, are defined in the addendum to this section. The reporting format follows the addendum as Appendix 1.

The objective of this memorandum is to provide a uniform framework governing the establishment, monitoring, and discontinuation of centers and institutes to assure the effective and efficient use of resources. The constituent institutions are encouraged to develop more detailed protocols as appropriate, as long as they are in compliance with these basic policies and procedures.

B. Purpose and Scope of Institutes and Centers

Institutes and centers are established within the University to strengthen and enrich multidisciplinary programs of research, instruction or public service conducted by the faculty and staff. They also may provide undergraduate, graduate, and postdoctoral students with added research opportunities, facilities, and assistance, as well as enhance their involvement in public service and educational activities. The units also have a strong positive impact on the economic development of the state by providing job opportunities, supplying technical assistance and training, fostering community development, and enhancing the transfer of new technologies.

Institutes and centers must avoid unnecessary duplication within UNC. Each unit seeks to differentiate its mission and activities from other units, and to make its facilities available to other constituent institutions for cooperative activities as appropriate. The creation of an institute or center will not be authorized if the goals and clientele are essentially the same as those of an existing department, school, institute or center.

The activities of an institute or center may be funded from state appropriations, or from extramural funds sought for that purpose, or both. Unless organized specifically in response to legislation and appropriations approved by the North Carolina General Assembly to focus on a specific state need, each center and institute is expected to demonstrate a strong foundation of non-state support to justify its establishment and continuing operation.

C. Authority and Lines of Responsibility

Institutes and centers are established or discontinued by the Board of Governors, acting upon recommendation of the President who shall seek the advice of the chancellor(s) of the constituent institution(s) involved. Centers and institutes have the authority to manage space, budget, and personnel matters, but in general do not offer faculty appointments.

1. Institutional Centers and Institutes

An institute or center serving a single institution is responsible to the chancellor or, by his or her delegation, to another administrative officer. The director of an institutional institute or center is appointed by the chancellor. If the director's position is that of a senior administrative officer, the director is nominated by the chancellor for appointment by the President and the Board of Governors. If a faculty appointment is involved, the regular procedures for faculty appointments also are followed. Associate or assistant directors are appointed by the director, subject to the approval of the chancellor or a designated administrative officer of the institution.

2. Interinstitutional Centers and Institutes

Interinstitutional units are responsible to the President on policy and interinstitutional coordinating matters. They report through the chancellor of the institution serving as the "administrative unit" to whom the President has delegated responsibility and authority to act. The President, however, retains ultimate responsibility for matters of general policy and intercampus coordination. The director of an interinstitutional institute or center is responsible for administrative purposes to the chancellor, or another administrative officer as designated by the chancellor, of that constituent institution. The director is appointed by the Board of Governors, upon recommendation of the President. A search committee for the director is appointed by the President, based upon recommendations from the Associate Vice President for Research and the chancellor or his or her designee. If a faculty appointment is involved for the director, the regular procedures for faculty appointments also are followed. Associate or assistant directors are appointed by the director, subject to the approval of the chancellor on whose campus the appointees will serve.

D. Procedures for Authorization to Plan an Institute or Center

To initiate the approval process for a new institute or center, the chancellor shall first submit to the President a formal request for authorization to plan the institute or center. This is accomplished by a letter to the President, with a copy to the Associate Vice President for Research, including sections (a-d) summarizing the following:

- a.** relevance of the proposed center or institute to the mission of the institution or of the University;
- b.** objectives and organization of the proposed unit, and why these objectives cannot be achieved within the existing institutional or University structures;
- c.** information about any similar units in the University and the State and any proposed relationships or possible overlaps with them; and

- d. potential sources and estimated funding required to initiate the institute or center.

When the President acts on the request for authorization to plan the proposed institute or center, the chancellor(s) of the relevant constituent institution(s) will be notified accordingly.

If the proposed institute or center is to be included as a component of a grant or contract application for support from an external agency, the authorization to plan must be granted prior to submission of the application from the constituent institution to the external agency. Review of the planning request will be given highest priority by the UNC General Administration staff to minimize problems with meeting agency deadlines for proposal submission. If the proposal is inadvertently submitted without prior authorization to plan, it may be required to be withdrawn or revised to satisfy University policies, in addition to requiring the submission of an appropriate request for planning authorization to the President. All submitted proposals also should include a statement that a subsequent request for establishment to the Board of Governors of the University of North Carolina will be required.

There are instances where institutions seek funds to establish a center or institute of limited scope that does not require authorization by the Board of Governors. The abstract of the proposal should make it clear that such a proposed unit is in a category such as an institutional "instructional center," "small c center," or "consortium," and should not be subject to these policies (see Addendum - Items 4 and 7). If, however, it later becomes apparent that the proposed institute or center is of sufficient scope to require Board of Governors' approval, authorizations to plan and to establish must be submitted and approved before the institution can accept any funds from the granting agency.

Authorization to plan an institute or center is valid for an initial period of two years. The status of proposed centers will be updated and planning authorizations reconfirmed by the respective institutions with each update of the University Long-Range Plan (see also Section G).

E. Procedures for Authorization to Establish an Institute or Center

If the President approves the request for authorization to plan, the institution involved subsequently submits a formal proposal to establish the unit. Issues such as securing adequate start-up funding, confirming the absence of duplication with existing units, and the identification of suitable space and capital equipment resources should be addressed before requesting authorization to establish an institute or center.

The proposal for authorization to establish the center or institute is submitted to the President, with a copy to the Associate Vice President for Research, and contains the following sections:

- a. the name of the proposed institute or center;
- b. the specific objectives and goals of the proposed unit;
- c. the unit's relevance to the institutional or University mission, including the impact upon the existing academic departments, schools, institutes and centers;
- d. a statement about any anticipated effects of the proposed unit on the instructional programs of the proposing institution(s);
- e. the name of the proposed director, and a description of any proposed advisory or policy boards;

- f. a description of the proposed unit's responsibility structure, including an organizational chart showing the relationship of the proposed unit to the existing organizations, the institution and the internal organization of the proposed unit;
- g. budget estimates for the first year of operation, projections for the following four years, and anticipated sources of funding;
- h. a statement of capital needs such as equipment and library resources;
- i. a description of immediate space needs and projections of future space needs;
- j. any additional information necessary to support the request to establish.

If the President approves the request for authorization to establish the proposed institute or center, it will then be recommended to the Committee on Educational Planning, Policies, and Programs of the Board of Governors. If the committee approves the request, it will then recommend approval to the full Board of Governors at its next scheduled meeting. The President will notify the chancellor of the constituent institution of the decision of the Board of Governors. A simple change in the name of a previously established center or institute does not require board approval, but should be reported in writing by the chancellor to the President, with a copy to the Associate Vice President for Research.

F. Periodic Institutional Review of Institutes and Centers

Chancellors shall establish mechanisms and schedules for periodic review and evaluation of all institutes and centers housed or administered by their respective institutions. Such reviews should result in recommendations regarding continuance of the unit. Particular attention should be paid to the relationship between the objectives of the institute or center and the mission of the institution. Other important criteria in internal or external evaluations should include the following:

- a. Is current funding of the unit sufficient to continue its operation? If the unit was originally given start-up funds from the University or other granting agencies, has it been able to attract sufficient external funds to continue without major additional institutional support?
- b. Are the unit's stated goals and objectives being met? Are the support and training of students consistent with the unit's stated goals and objectives?
- c. Are the quality and quantity of scholarly activity by faculty, professional staff, and students reflected in the unit's output (e.g., publications, patents, grants, contracts)?
- d. Do current operations duplicate the efforts of other units?
- e. Do financial audits and professional evaluations demonstrate that the unit is being managed appropriately?
- f. Are the facilities required for continued operation of the unit adequate?

- g. Are the unit's clients being served? (The clients may include students, faculty, University administration, practicing professionals, the general public, the North Carolina General Assembly, or funding agencies, as may be appropriate considering the unit's mission.)

G. Procedures for Submission of Reports to UNC General Administration

In addition to the institutional reviews described in Section F, routine status reports shall be submitted to UNC General Administration. The director of each institute or center prepares a status report, typically between three to five pages in length, to be submitted to the President by the appropriate chancellor. The report is prepared as part of each general update of the Long-Range Plan of the University carried out every two years. The status report provides summary information following the format shown in Appendix 1 at the end of this section, and includes quantitative data for the most recent fiscal year. The institution serving as the administrative unit for an interinstitutional center is responsible for submitting its status report. Major proposed changes in the budget, administrative structure, mission and/or goals (Section IX of Appendix 1) also may require formal approval by the board.

Institutes or centers proposing discontinuation for consideration by the Board of Governors must complete only Sections I, II, and X of the reporting form shown in Appendix 1.

The UNC General Administration staff will work with the constituent institutions to develop direct electronic reporting procedures, including the use of World Wide Web based templates to collect data and to facilitate the submission and processing of routine status reports for existing centers and institutes.

For each Long-Range Plan update, institutions also must indicate the status of proposed new centers and institutes for which planning authorization has been granted previously. The institution must specify a requested action, either: (a) that reconfirmation is requested, including the estimated date for submitting the request to establish, or (b) that the planning request is withdrawn.

H. Procedures for Discontinuation of an Institute or Center

When an institution decides to discontinue an institute or center, the chancellor will forward a written request to the President, with a copy to the Associate Vice President for Research. For example, if there is a loss of funding or key faculty; or if the mission, goals, or objectives of an established center or institute are to be superseded by a new one; the chancellor should recommend that a unit be discontinued. The adequacy of funding sources is a critical element in determining whether a center or institute should continue operations. There are, of course, instances where the continuing operation of the center is of sufficient importance to warrant some additional financial assistance from the University on an interim basis. However, if the external sources of support have been lost, the chancellor is strongly advised to recommend discontinuation unless alternative long-term prospects for funding can be identified.

After considering the recommendations of the chancellor and the Associate Vice President for Research, the President is responsible for recommending that an institute or center be discontinued by the Board of Governors. The Committee on Educational Planning, Policies, and Programs has the final authority for approving discontinuation. The President will notify the chancellor of the constituent institution of the committee's action.

The "phase-out" period for an institute or center that is to be discontinued shall be sufficient to permit an orderly termination or transfer of contractual obligations and to allow an effort to find

alternative employment for full-time staff. Normally, the "phase-out" period shall be no more than one year after the end of the academic year in which final approval is given to discontinue the unit.

I. Exceptions

The North Carolina Agricultural Research Service, the North Carolina Cooperative Extension Service, and the Area Health Education Center Program are exempt from these policies and procedures. The UNC Center for Public Television and the public radio stations housed at the constituent institutions also are not subject to these policies. In addition, some instructional institutes or centers, as well as some institutes and centers of limited scope, may not require authorization by the Board of Governors (see items 4 and 7, respectively, in the Addendum). Any other exceptions or modifications must be approved by the President, based upon a written request from the chancellor.

J. Inventory of Existing Institutes and Centers

An inventory of existing institutes and centers listing the research and public service units authorized by the Board of Governors is included in each Long-Range Plan of the University and is available upon request from the Associate Vice President for Research. Information also is available under the "UNC Institutes and Centers Home Page" listings within the "Research" pages of the UNC General Administration World Wide Web site (<http://www.ga.unc.edu/research>), including a copy of these policies and procedures.

[This is a rewrite of Administrative Memorandum #373.]

ADDENDUM

DEFINITION AND POLICIES FOR SPECIFIC CATEGORIES OF INSTITUTES AND CENTERS

1. **Institutes Versus Centers**

For the purposes of classification within UNC, there is no technical distinction made between the terms "institute" and "center." Both typically offer interdisciplinary programs attracting faculty, students, and staff from various academic departments. In practice, an "institute" frequently refers to an activity with a broader scope than a "center." For example, an institute may create centers as separate units within its administrative structure.

2. **Research Institute or Center**

A research institute or center is a formal organization that has research as its primary mission. A research institute or center may also provide instructional, training, technical assistance, or public service programs. Although such units do not usually have jurisdiction over academic curricula, they may offer courses in cooperation with academic units.

3. **Public Service Institute or Center**

A public service institute or center is a formal organization that has public service or technical assistance as its primary mission. Research, instruction, and training may also be conducted as secondary components of its activities. Although such units do not usually have jurisdiction over academic curricula, they may offer courses in cooperation with academic units.

4. **Instructional Institute or Center**

An instructional institute or center is a formal organization that has training or instruction as its primary mission. Research and public service activities may also constitute a part of its activity. Although such units do not usually have primary jurisdiction over academic curricula, they may offer courses in cooperation with academic units. In contrast to typical research and public service units, instructional centers may require little in additional appropriations or extramural support via grants or contracts. As a consequence, an instructional institute or center may not be required to receive formal authorization by the Board of Governors. However, requests for authorization to plan should be submitted as outlined in Section D. The President, in consultation with the Associate Vice President for Research and the Vice President for Planning, will decide whether formal authorization to establish the center is required from the Board of Governors. If so, then the center or institute must abide by all of the policies and procedures herein.

5. **Laboratory**

Primarily used by NCSU, the term "laboratory" may designate a distinct category of a center or institute. In this context, a "laboratory" involves a collection of specialized equipment and supporting facilities providing services to clientele from the University or external organizations. Such a "laboratory" is considered a center or institute and normally is covered under these policies and procedures.

6. Membership Centers or Institutes

A research or public service unit also may be defined as a "membership" center or institute. These units receive a substantial portion of their funding from membership fees paid by corporate or other private or governmental entities to pursue research or public service activities of mutual benefit. Membership agreements are routed through the institution using the standard internal processing forms for approvals of sponsored program requests. Once signed and fees paid by the member organization, the agreement is processed as a sponsored program award by the institution. NCSU, for example, has detailed administrative procedures in place to manage membership units involved in organized research or public service.

7. Centers That May Not Require Authorization by the Board of Governors

Centers or institutes that operate within a single academic unit, and which do not have a separate administrative structure or budget normally are considered exempt from these policies and procedures. Such centers limited in scope sometimes are referred to as "small c" centers. For example, a center that operates within an academic department, submits sponsored program proposals and receives funds through the department, and has an administrative staff that is incorporated within the department's organizational structure, is a "small c" center. In other words, the academic department provides the direct support for the instruction, public service, and/or research activities performed by the "small c" center. Similarly, a center incorporated within a larger center or institute may be considered as a "small c" center if it does not have an independent budget and governance structure. At UNC-CH, there are a number of "small c" organizations, such as some clinical centers, that are established and administered within the institution. At NCSU, centers not requiring Board of Governors approval include "consortia" which are limited in scope, are established by NCSU for a fixed period, and are monitored internally by NCSU. Centers or institutes that report directly to the "school" or "college" or to a senior administrative level of an institution usually are considered major centers requiring authorization by the Board of Governors. However, there are exceptions where a school may be smaller than some departments within an institution, such as at UNC-CH. In such instances, the school may be sufficiently narrow in scope to be considered as a single academic unit in the context of these guidelines.

Whenever an institution suspects there is a possibility that a proposed institute or center may require Board of Governors approval, a request for authorization to plan must be submitted as outlined in Section D. Such a request may include a recommendation from the chancellor that the proposed unit be considered as exempt from the requirement for board approval, as appropriate. The President, in consultation with the chancellor and the Associate Vice President for Research and the Vice President for Planning, will decide whether formal authorization to establish the center is required from the Board of Governors. The chancellor will be notified by the President whether a subsequent proposal to establish the center or institute must be submitted as described in Section E.

If an existing "small c" center or other similar unit previously considered exempt from these policies is proposing to have an independent budget and adopt a separate administrative structure, requests for authorization to plan and to establish must be submitted as described in Sections D and E, respectively.

Occasionally the classification of an existing center, not previously authorized by the Board of Governors, may be called into question. For example, a sponsored program proposal request or an announcement of a major grant award may suggest that the center has expanded in scope and

might require authorization by the Board of Governors. In such instances, the President will ask the respective chancellor to provide a written justification as to why the center or institute should continue to be considered exempt from these policies and procedures.

7A. Application to the Center for School Leadership Development

The Center for School Leadership Development (“CSLD”) consists of a group of programs designed to improve public K12 education in North Carolina. Some of these programs were established by the General Assembly, but others have been or will be created independently of the General Assembly. If a program or center has a function that is consistent with the mission of the CSLD and will operate administratively within the CSLD, and if the program does not receive State appropriated funding, then the program may become part of the CSLD when approved by the President on the recommendation of the Vice Presidents for University School Programs and for Finance. The directors of programs or centers established by this method will be appointed by the Board of Governors upon the recommendation of the President and will report to the Vice President for University School Programs or to the Vice President’s designee.

8. Institutional Versus Interinstitutional Centers and Institutes

Institutes and centers may be either institutional or interinstitutional in nature. They may include the participation of other institutions, agencies, or organizations, such as other colleges and universities, schools, hospitals, industry, foundations, or governmental bodies.

Interinstitutional centers and institutes generally involve more than one academic institution within UNC and must designate a specific campus to serve as the site of the administrative unit for the center or institute. Interinstitutional units serve to promote cooperation and to minimize duplication within the University. They may serve to increase the opportunities for external funding by enhancing interdisciplinary collaborations, and by facilitating access to a wider range of facilities, faculty, students, and other resources. Interinstitutional units also may enhance outreach and public service to the citizens of North Carolina by providing a coordination of "regional sites" in fields such as small business and economic development, cooperative extension, public health, the environment, and teacher training.

If an existing institutional center wishes to expand its scope by serving as the administrative unit for an interinstitutional center, a request for authorization to establish should be submitted as described in Section E. The request should address the impact of the proposed change to interinstitutional status. (Since the center already has a record of performance as an institutional center approved by the Board of Governors, it is not necessary to submit another authorization to plan.) Once the change in status to an interinstitutional center or institute is approved, the unit must adhere to the authority and lines of responsibility described in Section C, Item 2.

APPENDIX 1

REPORTING FORMAT FOR INSTITUTES AND CENTERS

- I. Center**
- A. Name of Institute or Center
 - B. Year Established by the Board of Governors
 - C. Internet Home Page URL
- II. Director**
- A. Name
 - B. Title
 - C. Address
 - D. Phone and FAX Numbers
 - E. E-mail Address
- III. Mission Statement**
- IV. Relevance to Institutional Mission (including involvement with instructional programs)**
- V. Measures of Performance - Fiscal Year _____**
- A. Personnel
 1. Number of FTE Faculty and Staff: EPA Positions ____ SPA Positions ____
 2. Number of FTE Students: Doctoral ____ Masters ____ Undergraduate ____
 - B. Funds
 1. Direct State Appropriations: \$ _____
 2. All Other University Support (overhead receipts, cost sharing): \$ _____
 3. Total External Support from Grants and Contracts to the Center (State): \$ _____
 4. Total External Support from Grants and Contracts to the Center (Non-State):
\$ _____
 5. Estimated External Support Derived from Grants and Contracts Awarded to Other
University Units: \$ _____
 6. Total All Sources of Support (Items 1-5 above): \$ _____
 - C. Contracts and Grants Awarded to Center (numbers)
 1. Numbers of Awards
Federal ____ Industrial ____ State ____ Other ____ Total ____
 2. Dollar Amounts of Awards
Federal \$ _____ Industrial \$ _____ State \$ _____ Other \$ _____ Total \$ _____
 - D. Publications (numbers)
Books ____ Journal Articles ____ Proceedings Papers or Reports ____ Total ____
 - E. Technology Transfer Activities (numbers)
Invention Disclosures ____ Patent Applications ____ Patents Received ____ Licenses ____
 - F. Membership Centers Only
Number of Members ____ Number of Licenses Awarded to Center Members ____
- VI. Major Services Delivered to North Carolina (including clientele served, societal benefits, State and regional priorities being addressed, economic impact)**
- VII. Examples of Most Significant Accomplishments**
- VIII. Role of Center within the UNC System**
- A. Geographic Region Served by Center, if Limited within North Carolina
 - B. Duplication of Center within UNC System (if yes, please justify)
 - C. Inter-Institutional Cooperative Activities Involving the Center
- IX. Planned Changes for Program Improvement During Next Planning Period**
- A. Size (personnel, space)
 - B. Budget (include internal versus external support)
 - C. Administrative Structure and Governance
 - D. Mission
- X. Centers or Institutes Proposing Discontinuation**
- A. Reason for Discontinuation
 - B. Proposed Phase Out Period
 - C. Effective Date for Discontinuation

Adopted August 9, 1996
Amended 07/01/02

Guidelines on Defining "Public Body" within the Meaning of the Open Meetings Act

Each campus shall use the following as a guide in determining what authorities, boards, commissions, committees, councils or other multi-person bodies are deemed to be "public bodies" within the meaning of the Open Meetings Act.

The statutorily created governing boards of the University, and the committees of such boards, are "public bodies" subject to the requirements of the Open Meetings law. In addition, "public body" shall be deemed to include an authority, board, commission, committee, council or other multi-person body of the University that satisfies all of the following criteria:

- (1) It is established by or at the direction of:
 - (a) the Board of Governors;
 - (b) the President;
 - (c) a Vice President;
 - (d) a Board of Trustees;
 - (e) a Chancellor;
 - (f) a Vice Chancellor; or
 - (g) any combination of the foregoing.
- (2) The membership does not consist exclusively of administrative officers of the University.
- (3) Its designated function or subject-matter jurisdiction is either University-wide or constituent institution-wide.
- (4) It is expressly authorized or directed
 - (a) to legislate, make policy, adjudicate or take administrative action; or
 - (b) to make findings concerning or to recommend legislative, policy-making, quasi-judicial or administrative action.
- (5) This guideline is not intended to include the Council of Student Body Presidents, the Faculty Assembly, the Graduate Council, or any other similar group. Even though any of these groups may be asked to meet with the President or other senior administrators for general discussion of the affairs of the University, these groups are not expressly authorized or directed to take any of the actions set out in paragraph (4) of this guideline.

Adopted 07/12/96
Amended 02/08/02

THE UNIVERSITY OF NORTH CAROLINA ACADEMIC CALENDAR

Academic Calendars will be structured to provide a minimum of 75 class days per semester—excluding Saturdays, Sundays, and holidays—for a minimum of 150 class days per academic year. The chancellor of the constituent institutions shall submit to the president by October 15 of each year copies of the calendars for the subsequent academic year.

All UNC campuses must ensure that every course offered for academic credit adheres to the standard of a minimum of 750 scheduled minutes of instructional time or the equivalent per credit hour. The time may include required examination periods, but may not include study days. In setting the academic calendar for each semester, campuses may set holiday periods, study days, and final examinations appropriate to accommodate the scheduled classes. In no case may a campus set a calendar that has optional final examinations if the time is considered a part of the required minimum class time.

THE CODE

OF

THE BOARD OF GOVERNORS

THE UNIVERSITY OF NORTH CAROLINA

JULY 1, 2001

Revised March 15, 2002

Table of Contents

| | |
|--|---|
| CHAPTER I - ESTABLISHMENT, INCORPORATION AND COMPOSITION OF THE UNIVERSITY OF NORTH CAROLINA | 1 |
| SECTION 100. CONSTITUTIONAL ESTABLISHMENT..... | 1 |
| SECTION 101. INCORPORATION AND CORPORATE POWERS..... | 1 |
| SECTION 102. COMPOSITION OF THE UNIVERSITY..... | 1 |
| SECTION 103. EQUALITY OF OPPORTUNITY IN THE UNIVERSITY..... | 2 |
| CHAPTER II - THE BOARD OF GOVERNORS | 3 |
| SECTION 200. MEMBERSHIP | 3 |
| 200 A. Initial Membership..... | 3 |
| 200 B. Subsequent Membership..... | 3 |
| (1) Election of Members..... | 3 |
| (2) General Qualifications..... | 3 |
| 200 C. Special Memberships..... | 4 |
| (1) Member Ex-Officio..... | 4 |
| (2) Members Emeriti..... | 4 |
| (3) Members Emeriti - Former Governor..... | 4 |
| SECTION 201. OFFICERS..... | 4 |
| 201 A. Chairman, Vice Chairman, and Secretary..... | 4 |
| 201 B. Assistant Secretary..... | 5 |
| SECTION 202. MEETINGS AND BYLAWS..... | 5 |
| 202 A. Meetings..... | 5 |
| (1) Regular Meetings..... | 5 |
| (2) Special Meetings..... | 5 |
| (3) Emergency Meetings..... | 5 |
| 202 B. Agenda..... | 6 |
| 202 C. Conduct of Business..... | 6 |
| (1) Quorum..... | 6 |
| (2) Presiding Officer..... | 6 |
| (3) Power to Vote..... | 6 |
| (4) Rules of Order..... | 6 |
| (5) Reference to Committees..... | 7 |

| | |
|--|----|
| 202 D. Minutes..... | 7 |
| 202 E. Closed Sessions..... | 7 |
| 202 F. Amendments and Suspensions of <i>Code</i> Provisions..... | 7 |
| SECTION 203. POWERS AND DUTIES..... | 7 |
| 203 A. Statutory Powers and Duties..... | 7 |
| 203 B. Other Powers and Duties..... | 9 |
| 203 C. Reservation of Powers..... | 9 |
| CHAPTER III - COMMITTEES OF THE BOARD OF GOVERNORS..... | 10 |
| SECTION 300. ESTABLISHMENT OF COMMITTEES..... | 10 |
| SECTION 301. THE STANDING COMMITTEES: MEMBERSHIP AND JURISDICTION..... | 10 |
| SECTION 302. GENERAL PROVISIONS CONCERNING STANDING COMMITTEES..... | 11 |
| 302 A. Election of Members..... | 11 |
| 302 B. Officers of Standing Committees..... | 11 |
| 302 C. Meetings of Standing Committees..... | 11 |
| 302 D. Subcommittees..... | 12 |
| 302 E. Report of Standing Committees..... | 12 |
| 302 F. Closed Sessions..... | 12 |
| SECTION 303. SPECIAL COMMITTEES OF THE BOARD OF GOVERNORS..... | 12 |
| CHAPTER IV - BOARDS OF TRUSTEES..... | 13 |
| SECTION 400. MEMBERSHIP..... | 13 |
| 400 A. General Provisions..... | 13 |
| 400 B. Dual Membership Prohibited..... | 13 |
| SECTION 401. OFFICERS..... | 14 |
| 401 A. Chairman, Vice Chairman, and Secretary..... | 14 |
| 401 B. Assistant Secretary..... | 14 |
| SECTION 402. MEETINGS..... | 14 |
| 402 A. Frequency..... | 14 |
| 402 B. Rules of Procedure..... | 14 |
| 402 C. Keeping Board of Governors Informed..... | 14 |
| SECTION 403. POWERS AND DUTIES..... | 14 |
| 403 A. General Powers and Duties..... | 14 |
| 403 B. Other Powers and Duties..... | 14 |
| CHAPTER V - OFFICERS OF THE UNIVERSITY..... | 15 |
| SECTION 500. ELECTION OF OFFICERS..... | 15 |
| 500 A. President and Staff..... | 15 |
| 500 B. Chancellors and Staffs..... | 15 |
| SECTION 501. PRESIDENT OF THE UNIVERSITY..... | 15 |
| 501 A. General Authority..... | 15 |
| 501 B. Relation of the President to the Board of Governors..... | 16 |
| 501 C. Relation of the President to the University..... | 17 |
| SECTION 502. CHANCELLORS OF CONSTITUENT INSTITUTIONS..... | 18 |
| 502 A. General Authority..... | 18 |
| 502 B. Relation of the Chancellor to the Board of Governors and the President..... | 18 |
| 502 C. Relation of the Chancellor to the Board of Trustees..... | 18 |
| 502 D. Relation of the Chancellor to the Constituent Institution..... | 19 |
| CHAPTER VI - ACADEMIC FREEDOM AND TENURE..... | 20 |
| SECTION 600. FREEDOM AND RESPONSIBILITY IN THE UNIVERSITY COMMUNITY..... | 20 |
| SECTION 601. ACADEMIC FREEDOM AND RESPONSIBILITY OF FACULTY..... | 20 |

| | |
|---|----|
| SECTION 602. ACADEMIC TENURE | 20 |
| SECTION 603. DUE PROCESS BEFORE DISCHARGE OR THE IMPOSITION OF SERIOUS SANCTIONS..... | 22 |
| SECTION 604. APPOINTMENT, NONREAPPOINTMENT AND REQUIREMENTS OF NOTICE AND REVIEW. | 23 |
| 604 A. Notice of Reappointment or Nonreappointment..... | 23 |
| 604 B. Impermissible Reasons for Nonreappointment. | 24 |
| 604 C. Special Faculty Appointments..... | 24 |
| SECTION 605. TERMINATION OF FACULTY EMPLOYMENT. | 24 |
| 605 A. Definition..... | 24 |
| 605 B. Timely Notice of Termination. | 25 |
| 605 C. Institutional Procedures. | 25 |
| SECTION 606. RETIREMENT OF FACULTY | 26 |
| SECTION 607. FACULTY GRIEVANCE COMMITTEE FOR CONSTITUENT INSTITUTIONS..... | 26 |
| SECTION 608. STUDENTS' RIGHTS AND RESPONSIBILITIES. | 26 |
| SECTION 609. APPELLATE JURISDICTION OF THE BOARD OF GOVERNORS..... | 27 |
| 609 A. Discretionary Review. | 27 |
| 609 B. Hearings..... | 27 |
| CHAPTER VII - FINANCES, PROPERTY AND OBLIGATIONS | 28 |
| SECTION 700. BUDGETS AND APPROPRIATIONS. | 28 |
| 700 A. Budget Recommendations..... | 28 |
| 700 B. Appropriations and Allocations..... | 28 |
| 700 C. Transfers of Appropriated Funds..... | 28 |
| SECTION 701. TUITION AND FEES. | 28 |
| SECTION 702. GENERAL POWERS CONCERNING PROPERTY..... | 28 |
| 702 A. Corporate Powers. | 28 |
| 702 B. Statutory Powers..... | 29 |
| 702 C. Transfer of Property and Obligations. | 29 |
| 702 D. Limitation on Exercise of Powers. | 29 |
| SECTION 703. IMMUNITIES. | 29 |
| 703 A. Tax Exemption. | 29 |
| 703 B. Tort Liability. | 30 |
| SECTION 704. ENDOWMENT FUND. | 30 |
| SECTION 705. ANNUITY OR RETIREMENT INCOME CONTRACTS..... | 30 |
| SECTION 706. REVENUE BONDS..... | 30 |
| CHAPTER VIII - MATTERS INVOLVING NON-PUBLIC INSTITUTIONS..... | 31 |
| SECTION 800. LICENSING POST-SECONDARY DEGREE ACTIVITY. | 31 |
| 800 A. Institutions Required to Be Licensed..... | 31 |
| 800 B. Regulatory Authority in the Board. | 31 |
| 800 C. Enforcement Authority in the Attorney General. | 31 |
| SECTION 801. ASSESSMENT OF NEEDS AND REVIEW OF REQUESTS. | 31 |
| SECTION 802. FINANCIAL AID. | 31 |
| 802 A. Contracts to Aid North Carolina Students..... | 31 |
| 802 B. Scholarship and Contract Terms; Base Period. | 32 |
| 802 C. Contract Forms; Reports; Audits; Regulations..... | 32 |
| 802 D. Definitions. | 32 |
| CHAPTER IX - MISCELLANEOUS PROVISIONS | 34 |
| SECTION 900 THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM..... | 34 |
| 900 A. Composition. | 34 |
| 900 B. Meetings and Powers of Board..... | 34 |

| | |
|---|----|
| 900 C. Officers..... | 35 |
| 900 D. Health Care System Personnel..... | 35 |
| 900 E. Health System Finances..... | 36 |
| 900 F. Health Care System Purchases..... | 36 |
| 900 G. Health Care System Property..... | 36 |
| 900 H. Health Care System Property – Construction..... | 36 |
| SECTION 901. NORTH CAROLINA SCHOOL OF THE ARTS..... | 36 |
| 901 A. Policy..... | 36 |
| 901 B. Establishment..... | 36 |
| 901 C. Board of Trustees..... | 37 |
| 901 D. Powers of Board..... | 37 |
| 901 E. Endowment Fund..... | 37 |
| 901 F. Purpose of School Program..... | 37 |
| SECTION 902. NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS..... | 37 |
| Appendix 1 - DELEGATIONS OF DUTY AND AUTHORITY TO BOARDS OF TRUSTEES..... | 39 |
| I. ACADEMIC AND ADMINISTRATIVE PERSONNEL..... | 39 |
| A. Appointment and Compensation..... | 39 |
| B. Discharge or Suspension..... | 39 |
| C. Personnel Policies..... | 39 |
| D. Chancellor Selection..... | 39 |
| II. ACADEMIC PROGRAM..... | 40 |
| III. ACADEMIC DEGREES AND GRADING..... | 40 |
| IV. HONORARY DEGREES, AWARDS AND DISTINCTIONS..... | 40 |
| V. BUDGET ADMINISTRATION..... | 40 |
| VI. PROPERTY AND BUILDINGS..... | 40 |
| VII. ENDOWMENTS AND TRUST FUNDS..... | 41 |
| VIII. ADMISSIONS..... | 41 |
| IX. TUITION, FEES AND DEPOSITS..... | 41 |
| A. General Authority of Boards of Trustees..... | 41 |
| B. Tuition and Fee Deposits..... | 41 |
| C. Application Fee..... | 42 |
| D. Acceptance of Obligations in Lieu of Cash..... | 42 |
| E. Fee Recommendations..... | 42 |
| X. STUDENT FINANCIAL AID..... | 42 |
| XI. STUDENT SERVICES..... | 42 |
| XII. STUDENT CONDUCT, ACTIVITIES AND GOVERNMENT..... | 42 |
| XIII. INTERCOLLEGIATE ATHLETICS..... | 43 |
| XIV. TRAFFIC AND PARKING REGULATIONS..... | 43 |
| XV. CAMPUS SECURITY..... | 43 |
| XVI. AUXILIARY ENTERPRISES, UTILITIES AND MISCELLANEOUS FACILITIES..... | 43 |

CHAPTER I - ESTABLISHMENT, INCORPORATION AND COMPOSITION OF THE UNIVERSITY OF NORTH CAROLINA

SECTION 100.CONSTITUTIONAL ESTABLISHMENT.

The General Assembly shall maintain a public system of higher education, comprising the University of North Carolina and such other institutions of higher education as the General Assembly may deem wise. The General Assembly shall provide for the selection of trustees of the University of North Carolina and of the other institutions of higher education, in whom shall be vested all the privileges, rights, franchises, and endowments heretofore granted to or conferred upon the trustees of these institutions. The General Assembly may enact laws necessary and expedient for the maintenance and management of the University of North Carolina and the other public institutions of higher education. [North Carolina Constitution, Art. IX, Sec. 8]

SECTION 101.INCORPORATION AND CORPORATE POWERS.

The Board of Governors of the University of North Carolina¹ shall be known and distinguished by the name of "the University of North Carolina" and shall continue as a body politic and corporate and by that name shall have perpetual succession and a common seal. It shall be able and capable in law to take, demand, receive, and possess all moneys, goods, and chattels that shall be given for the use of the University, and to apply the same according to the will of the donors; and by gift, purchase, or devise to receive, possess, enjoy, and retain forever any and all real and personal estate and funds, of whatsoever kind, nature, or quality the same may be, in special trust and confidence that the same, and the profits thereof, shall be applied to and for the use and purpose of endowing the University, and shall have power to receive donations from any source whatever, to be exclusively devoted to the purposes of the University, or according to the terms of donation.

The corporation shall be able and capable in law to bargain, sell, grant, alien or dispose of, and convey and assure to the purchasers any and all such real and personal estate and funds as it may lawfully acquire when the condition of the grant to it or the will of the devisor does not forbid it; and shall be able and capable in law to sue and be sued in all courts whatsoever; and shall have power to open and receive subscriptions, and in general may do all such things as are usually done by bodies corporate and politic, or such as may be necessary for the promotion of learning and virtue. [See G.S. 116-3]

SECTION 102.COMPOSITION OF THE UNIVERSITY.

The University of North Carolina shall constitute a single, multi-campus university composed of the following constituent institutions:²

Appalachian State University,
 East Carolina University,
 Elizabeth City State University,
 Fayetteville State University,
 North Carolina Agricultural and Technical State University,
 North Carolina Central University,
 North Carolina School of the Arts,
 North Carolina State University at Raleigh,
 The University of North Carolina at Asheville,

¹ Formerly denominated "the Board of Trustees of The University of North Carolina," and redesignated, effective July 1, 1972, as "the Board of Governors." [See G.S. 116-3]

² Effective July 1, 1972. [See G.S. 116-4]

The University of North Carolina at Chapel Hill,
The University of North Carolina at Charlotte,
The University of North Carolina at Greensboro,
The University of North Carolina at Pembroke,³
The University of North Carolina at Wilmington,
Western Carolina University, and
Winston-Salem State University.

SECTION 103.EQUALITY OF OPPORTUNITY IN THE UNIVERSITY.

Admission to, employment by, and promotion in the University of North Carolina and all of its constituent institutions shall be on the basis of merit, and there shall be no discrimination on the basis of race, color, creed, religion, sex, national origin, age, or disability.

³ Name changed from Pembroke State University effective July 1, 1996.

CHAPTER II - THE BOARD OF GOVERNORS

SECTION 200.MEMBERSHIP.

200 A. Initial Membership.

Commencing July 1, 1972, and continuing thereafter for terms specified by statute and until their successors are chosen, the Board of Governors shall consist of representatives elected in accordance with state law. [See G.S. 116-5(a), (b), (c), and (d)]

200 B. Subsequent Membership.

(1) Election of Members.

- (a) Members of the Board of Governors shall be elected by the Senate and House of Representatives. Sixteen members shall be elected at the regular legislative session in 1993, and every two years thereafter. All terms shall commence on July 1 of odd-numbered years and all members shall serve for four-year overlapping terms. No person may be elected to more than three full four-year terms in succession. Resignation from a term of office does not constitute a break in service for the purpose of applying this provision of the law. Service prior to those terms beginning in 1989 shall be included in the limitations. Members elected by the Senate and House of Representatives shall be designated as voting members. [See G.S. 116-6(a), (b) and (c)]
- (b) Whenever any vacancy shall occur in the elected membership of the Board of Governors, it shall be the duty of the Secretary of the University to inform the General Assembly of the existence of the vacancy, and the General Assembly at its next regular session shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the state or nation, to be present for four successive regular meetings of the board, the individual's place as a member shall be deemed vacant. [See G.S. 116-7(c)]

(2) General Qualifications.

- (a) [Repealed March 6, 2002]
- (b) [Repealed March 6, 2002]
- (c) From and after July 1, 1973, no member of the General Assembly or officer or employee of the state or of any constituent institution or spouse of any such member, officer, or employee may be a member of the Board of Governors. Any member of the Board of Governors who is elected or appointed to the General Assembly or who becomes an officer or employee of the state or of any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes such officer or employee shall be deemed thereupon to resign from membership on the Board of Governors. [See G.S. 116-7(b)]

200 C. Special Memberships.

For all purposes of this *Code*, the following members shall be designated as special members:

(1) Member Ex-Officio.

Commencing July 1, 1991, and during the individual's continuance as a student in good standing at a constituent institution of the University of North Carolina, the person serving as president of the University of North Carolina Association of Student Governments (UNCASG) or designee shall serve ex-officio as a member of the Board of Governors. This student member shall be in addition to the thirty-two members elected to the Board of Governors. [See G.S. 116-6.1]

(2) Members Emeriti.

Any person who has served at least one full term as chairman of the Board of Governors shall be a member emeritus of the Board of Governors for one four-year term beginning at the expiration of that member's regular elected term. [See G.S. 116-6 (f)]

(3) Members Emeriti - Former Governor.

Any person who has served at least one term as a member of the Board of Governors after having served as governor of North Carolina shall be a member emeritus of the Board of Governors. [See G.S. 116-6(g)]

Special members shall have all the rights and privileges of membership except that they shall not have a vote. In determining a quorum or the number of votes required in specific circumstances, special members shall not be counted. Special members may serve, by appointment from the chairman of the board, on any standing or special committee but shall not have a vote or be counted in determining the presence of a quorum.

SECTION 201.OFFICERS.

201 A. Chairman, Vice Chairman, and Secretary.

At its first meeting after July 1 in each even-numbered year, the Board of Governors shall elect from its voting membership for two-year terms, and until their successors have been elected and qualified, a chairman, a vice chairman, and a Secretary. No person may stand for election to a board office if, having been elected by the Senate or House of Representatives for the maximum allowable number of terms on the board, the person's board membership would expire before the end of the term of office. No person may serve as chairman for more than four years in succession. If for any reason an office becomes vacant before expiration of the prescribed two-year term, the unexpired balance of the term shall be filled by an election to be conducted at the first meeting of the Board of Governors held after the elapse of thirty days from the date of the occurrence of the vacancy; in the event of a vacancy in the office of chairman, the vice chairman shall serve as chairman until the required election is held. [See G.S. 116-8]

201 B. Assistant Secretary.

The Board of Governors may elect an assistant Secretary of the Board of Governors, who shall be a member of the staff of the President of the University. Copies of all minutes, papers and documents of the Board of Governors may be certified by the assistant Secretary with the same force and effect as though such certification were made by the Secretary of the Board of Governors.

SECTION 202.MEETINGS AND BYLAWS.

202 A. Meetings.

(1) Regular Meetings.

Regular meetings of the Board of Governors shall be held on the second Friday in September,

October, November, January, February, March, May and July or August. Each regular meeting shall be held at such time and at such place as the chairman may designate, with notice concerning the time and place to be mailed to each member of the board by the Secretary of the University at least twenty days in advance of the meeting date. Either by action of the board or upon fifteen days' written notice by the chairman, the date specified herein for a regular meeting may be changed to another date within the designated month. Whenever the chairman deems the business of the board not to require a regular meeting, the chairman may cancel such meeting on five days' written notice; provided, that no two consecutive regular meetings shall be so canceled. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at any regular meeting of the Board of Governors.

(2) Special Meetings.

Special meetings of the Board of Governors may be called by the chairman, at the chairman's discretion, and shall be called by the Secretary of the University upon the written request of not fewer than ten voting members of the board. A special meeting called by the Secretary of the University shall be held within twenty days of receipt by the Secretary of the tenth written request for such special meeting. A notice specifying the time and place of a special meeting of the Board of Governors shall be mailed or otherwise delivered by the Secretary of the University to each member of the board in order that it would reasonably be expected to be received by the member at least 48 hours before the meeting. Subject to the provisions of Section 202 C(5), any matter of business relating to the University of North Carolina may be considered at a special meeting of the board.

(3) Emergency Meetings.

Emergency meetings of the Board of Governors may be called by the chairman when generally unexpected circumstances require immediate consideration by the board. A notice specifying the time and place of an emergency meeting of the Board of Governors may be given by telephone, telegraph, or other method in sufficient time for a majority of the board to reasonably be expected to be able to attend the meeting. Only business connected with the emergency may be considered at an emergency meeting in which less than 48 hours notice is given.

202 B. Agenda.

(1) A copy of the agenda for each regular meeting of the Board of Governors, including notice of all expiring terms on or vacancies in membership of board committees and, insofar as is practicable, copies of all reports and other materials to be presented to the regular meeting as a part of the agenda, shall be mailed by the Secretary of the University to each member of the board at least five days in advance of the regular meeting. If practicable, a copy of the agenda for each special meeting of the Board of Governors, with reports and other materials to be presented, shall be mailed to each member of the board at least five days in advance of the special meeting. When matters are to be considered by a committee between the time of the mailing of the agenda and the time of any regular or special meeting of the board and are expected then to be presented to the board for action at the meeting, all members of the board shall be mailed such materials as a committee may prescribe by standing rule or as the chairman of a committee may designate, in order to inform the board, insofar as may be feasible, of the nature of the action that might be asked of it.

(2) The agenda for a regular or special meeting of the Board of Governors shall be prepared by the President with the approval of the chairman. All requests for inclusion of a given item on the agenda of a particular meeting shall be filed, with supporting documents if any, with the Secretary of the University. Any such requests from faculty, students, staff members, or other members of a constituent institution of the University must be in writing and must be filed first with the chancellor of the institution concerned in sufficient time to be reported to and filed with the President by the chancellor, prior to the regular or special meeting in question.

(3) The provisions of this Section 202 B shall not be construed to prohibit any committee or member of the Board of Governors from requesting consideration by the board, at any regular or special meeting, of any item not on the agenda of a regular or special meeting of the board. However, such an item shall not be so considered without the approval of two-thirds of the voting members of the board present at such meeting.

202 C. Conduct of Business.**(1) Quorum.**

A quorum for the conduct of business of the Board of Governors shall consist of a majority of the voting membership of the board then in office. Any voting member who is present at a meeting of the board or of a committee or who attends a special or emergency meeting of the board or of any meeting of a committee, by telephone, video conference, or other electronic means that allows for two way voice interaction, will be counted as present for purposes of determining a quorum.

(2) Presiding Officer.

The chairman shall preside at all regular and special meetings of the Board of Governors. In the absence of the chairman, the vice chairman shall preside and in the absence of both, the Secretary shall preside. In the absence of an elected officer, a presiding officer shall be elected by and from the voting membership of the Board of Governors.

(3) Power to Vote.

All members of the Board of Governors except special members may vote on all matters coming before the board for consideration. Any voting member of the board or of a board committee who attends a special or emergency meeting of the board or of any meeting of a committee by telephone, video conference, or other electronic means that allows for two way voice interaction may cast the member's vote by that electronic means. No vote concerning any matter under consideration by the board or by a committee of the board may be cast, in absentia, by mail, telegraph, facsimile or electronic mail.

(4) Rules of Order.

Except as modified by specific rules and regulations enacted by the Board of Governors, Robert's Rules of Order (latest edition) shall constitute the rules of parliamentary procedure applicable to all meetings of the Board of Governors and its several committees.

(5) Reference to Committees.

All matters presented to the Board of Governors, except matters of routine business, which come within the sphere of interest or activity of any standing committee of the board, shall be submitted by the board to the appropriate standing committee for investigation and report. All matters, of other than routine business, which do not come within the sphere of interest or activity of any standing committee of the board may be submitted by the board to a special committee for investigation and report in advance of any action thereon by the board. The board may proceed to consider any matter without referring it to a standing or special committee if, by two-thirds vote, immediate consideration by the board is ordered. The reports and recommendations of standing and special committees shall be submitted to the board in writing consistent with the instructions of the board.

202 D. Minutes.

(1) The Secretary of the University shall keep minutes of all meetings of the Board of Governors; shall file, index, and preserve all minutes, papers, and documents pertaining to the business and proceedings of the board; shall be custodian of the University seal and of all records of the board; and shall attest the execution by the chairman of all legal documents and instruments of the University of North Carolina.

(2) Within twenty days after each meeting of the Board of Governors, the Secretary of the University shall transcribe the minutes of the meeting and mail a copy to each member of the board.

202 E. Closed Sessions.

All meetings of the Board of Governors shall be open to the public unless, consistent with the requirements of state law, a meeting is closed to the public by a motion duly made and adopted by the board in an open meeting.

202 F. Amendments and Suspensions of *Code* Provisions.

(1) Any provision of this *Code* (except those required or governed by statutory or constitutional provisions) may be amended by a vote of two-thirds of the voting membership of the board then in office; provided, that no amendment may be adopted unless its substance first has been introduced at a preceding regular or special meeting of the board.

(2) Any *Code* provision, except that contained in Section 202 F(1) (and those required or governed by statutory or constitutional provisions), may be suspended at any regular or special meeting of the Board of Governors, for that meeting, by affirmative vote of two-thirds of the voting membership of the board present.

SECTION 203. POWERS AND DUTIES.

203 A. Statutory Powers and Duties.¹

(1) The Board of Governors shall plan and develop a coordinated system of higher education in North Carolina. To this end it shall govern the constituent institutions, subject to such powers and responsibilities as may be conferred by statute on or delegated by the Board of Governors to the boards of trustees of the constituent institutions, and to this end it shall maintain close liaison with the State Board of Education, the Department of Community Colleges and the private colleges and universities of the state. The board, in consultation with representatives of the State Board of Education and of the private colleges and universities, shall prepare and from time to time revise a long-range plan for a coordinated system of higher education, supplying copies thereof to the governor, members of the General Assembly, the Advisory Budget Commission, and the constituent institutions. State-wide federal or state programs that provide aid to institutions or students of post-secondary education through a state agency, except those related exclusively to the Community College System, shall be administered by the board pursuant to any requirement of state or federal statute in order to insure that all activities are consonant with the state's long-range plan for higher education. [See G.S. 116-11(1)]

(2) The Board of Governors shall be responsible for the general determination, control, supervision, management, and governance of all affairs of the constituent institutions. For this purpose the board may adopt such policies and regulations as it may deem wise.² [See G.S. 116-11(2)]

(3) The Board of Governors shall determine the functions, educational activities, and academic programs of the constituent institutions. The board shall also determine the type of degrees to be awarded by each constituent institution. The powers of the board as established by law are not restricted by any other provision of law assigning specific functions or responsibilities to designated institutions, the powers of the board superseding any such provisions of law.³ The board, after giving adequate notice to the affected institutional Board of Trustees and affording it an opportunity to be heard, shall have authority to withdraw approval of any existing program if it appears that the program is unproductive, excessively costly, or unnecessarily duplicative. [See G.S. 116-11(3)]

(4) The Board of Governors shall approve the establishment of any new publicly-supported institution above the community college level. [See G.S. 116-11(6)]

(5) The Board of Governors shall set enrollment levels of the constituent institutions. [See G.S. 116-11(8)]

(6) The Board of Governors shall collect and disseminate data concerning higher education in the state. To this end it shall work cooperatively with the Department of Community Colleges and shall seek the assistance of the private colleges and universities. It may prescribe for the constituent institutions such uniform reporting practices and policies as it may deem desirable. [See G.S. 116-11(10)]

(7) The Board of Governors, with the cooperation of other concerned organizations, shall establish, as a function of the board, an Educational Opportunities Information Center to provide information and assistance to prospective college and University students and to the several institutions, both public and private, on matters regarding student admissions, transfers, and enrollments. The public institutions shall cooperate with the center by furnishing such nonconfidential information as may assist the center in the performance of its duties. Similar cooperation shall be requested of the private institutions in the state. An applicant for admission to an institution who is not offered admission may

¹ Other statutory powers and duties are set forth in Chapters I, IV, V, VII, VIII and IX of this *Code*.

² All policies, rules, and regulations adopted and actions taken prior to July 1, 1972, by the former boards of trustees of the constituent institutions shall be effective on and after July 1, 1972, as to the respective institutions, except as modified by this *Code* or by other action of the Board of Governors or by the institutional boards of trustees. [Session Laws 1972, Ch. 124, Sec. 18]

³ See G.S. 116-40.4. See also G.S. 116-63 through -69.

request that the institution send to the center appropriate nonconfidential information concerning the application. The center may, at its discretion and with permission of the applicant, direct the attention of the applicant to other institutions and the attention of other institutions to the applicant. The center is authorized to conduct such studies and analyses of admissions, transfers, and enrollments as may be deemed appropriate. [See G.S. 116-18]

(8) The Board of Governors shall give advice and recommendations concerning higher education to the governor, the General Assembly, the Advisory Budget Commission, and the boards of trustees of the constituent institutions. [See G.S. 116-11(12)]

(9) The Board of Governors may delegate any part of its authority over the affairs of any constituent institution to the Board of Trustees or, through the President of the University, to the chancellor of the institution in any case where such delegation appears necessary or prudent to enable the institution to function in a proper and expeditious manner. Any delegation of authority may be rescinded by the board at any time in whole or in part. [See G.S. 116-11(13)]

203 B. Other Powers and Duties.

(1) Whenever the Board of Governors finds that there may be a need for the creation of a new campus of the University, the board shall direct that a study be made of the relevant educational needs of the state, such study to take particular account of the relevant educational needs of the area or areas of the state designated by the Board of Governors. The board shall give careful consideration to the report of the aforementioned study of educational needs, and if the board finds

- (a) that sufficient educational needs exist to justify the establishment of an additional campus of the University, and
- (b) that it appears probable that sufficient additional funds can be made available to establish and maintain such additional campus without impairing the quality and extent of the instructional and research programs at the existing campuses of the University, the Board of Governors may recommend to the General Assembly that appropriate legislation creating or adding such campus be enacted.

(2) The Board of Governors shall have such other powers and duties as may be prescribed by law or as may be set forth elsewhere in this *Code*.

203 C. Reservation of Powers.

The Board of Governors shall possess all powers not specifically given to institutional boards of trustees. [See G.S. 116-11(14)]

CHAPTER III - COMMITTEES OF THE BOARD OF GOVERNORS**SECTION 300. ESTABLISHMENT OF COMMITTEES.**

The Board of Governors may establish and elect from its voting membership such standing committees as it may deem necessary. Standing committees shall be established and their duties prescribed by vote of two-thirds of the voting membership of the Board of Governors then in office. Special committees may be created by the Board of Governors or the chairman of the board to perform specific functions not requiring the continuous existence of a committee. The chairman of the Board of Governors shall be a voting member of all standing and special committees, but the chairman's membership shall not be counted in determining a quorum.

SECTION 301. THE STANDING COMMITTEES: MEMBERSHIP AND JURISDICTION.

301 A. The standing committees of the Board of Governors shall be: the Committee on Budget and Finance; the Committee on Educational Planning, Policies, and Programs; the Committee on Personnel and Tenure; and the Committee on University Governance.

Each voting member of the board shall at all times serve on one of these standing committees. The special members may be assigned to such standing or special committees as the chairman of the Board of Governors may from time to time see fit. The chairman of the board may, upon the request of a standing committee chairman, appoint any voting member to serve temporarily as a voting member of a subcommittee of a standing committee when the chairman of the board deems the work of the subcommittee to require such an appointment. The vice chairman of the Board of Governors shall at all times be a voting member of a standing committee, but instead of being elected to a standing committee by the board, the vice chairman shall be assigned to a committee by the chairman of the board following consultation between the chairman and vice chairman. The vice chairman's membership on a standing committee shall be in addition to the prescribed regular membership of the committee. [See G.S. 116-6(f)]

301 B. The Committee on Budget and Finance shall consist of six voting members. The committee shall advise and consult with the President concerning budget policy and preparation. The committee shall consider the budget proposed by the President and, upon its approval, shall submit the budget to the Board of Governors for final action. The committee shall make recommendations to the board for the allocation of funds appropriated to the board. It shall also advise and assist the President, and submit recommendations to the board, with respect to real property transactions, investments, endowments, and other fiscal and property matters in accordance with valuation limits established in board policy and within the jurisdiction of the Board of Governors.

301 C. The Committee on Educational Planning, Policies, and Programs shall consist of twelve voting members. It shall receive the advice and recommendations of the President and make recommendations to the board in all areas pertaining to the development of a coordinated system of higher education in North Carolina, including: (a) the definition of mission and assignment of functions of each constituent institution, (b) the review of requests for the initiation of new degree programs and recommendations for the termination of existing programs and (c) the provision of supportive services, facilities, and other resources for the instructional, research, and public-service programs of the constituent institutions. The committee shall also advise and assist the President and the board in maintaining close liaison with the State Board of Education, the Department of Community Colleges, and the private colleges and universities, including the review of all requests for state aid to the private institutions. It shall further recommend to the board procedures and standards for the licensing of non-public educational institutions.

301 D. The Committee on Personnel and Tenure shall consist of six voting members. Upon recommendation of the President, it shall review and make recommendations to the board with respect to the appointment and compensation of all vice chancellors, senior academic and administrative officers, and persons with permanent tenure. Notwithstanding the provision above, the committee shall not review or recommend the appointment and compensation of vice chancellors, senior academic and administrative officers, and persons with permanent tenure for those campuses delegated the authority to appoint and set compensation for such employees so long as the Board of trustees acts consistent with the policy and compensation ranges established by the Board of Governors. Further, the committee shall advise and assist the President in the review and evaluation of tenure policies and regulations which the President shall periodically conduct, and it shall review all appeals from faculty members of the constituent institutions which involve questions of tenure, consistent with the provisions of Chapter VI of this *Code*.

301 E. The Committee on University Governance shall consist of six voting members. It shall keep under continuous review the application and interpretation of *The Code of the University of North Carolina* and all delegations of authority under that code, and it shall make such recommendations to the Board of Governors for the amending of *The Code* or delegations of authority as may seem appropriate for the effective and efficient operation of the University of North Carolina and its constituent institutions. The committee shall make nominations to the Board of Governors for elections to the boards of trustees of the constituent institutions. Except as provided in Section 301 D with reference to questions of tenure arising out of Chapter VI of this *Code*, the committee shall receive all requests from members of the faculties, staffs, and student bodies of the constituent institutions for appellate review by the Board of Governors pursuant to Section 501 C(4) of this *Code*.

SECTION 302. GENERAL PROVISIONS CONCERNING STANDING COMMITTEES.

302 A. Election of Members.

The term of each voting member of a standing committee shall normally be two years, commencing upon election to the committee and extending until a successor is elected. The voting membership of each committee shall be divided into two classes, with the terms of approximately one-half of the members expiring each year. To achieve balance and efficiencies in the committee system, the board may elect members to one-year terms or reassign members who have served one year of a two-year term. Election of members of standing committees shall take place at the first regular meeting of the board after July 1. If a voting member has served on a standing committee for four consecutive years, the member shall be, for a period of one year, ineligible for reelection to the same standing committee. If a vacancy occurs on a standing committee during a term, the chairman of the board may appoint a voting member of the board to fill the remainder of the unexpired term.

302 B. Officers of Standing Committees.

A chairman, vice chairman, and Secretary of each standing committee shall be elected by the committee membership each year at the first meeting following committee elections. No person may serve more than two successive years as chairman of the same standing committee.

302 C. Meetings of Standing Committees.

Each standing committee shall meet at such times as either the chairman of the standing committee or the Board of Governors shall designate. Written notice of each meeting of a standing committee shall be mailed to members of that committee by the Secretary of the University at least five days in advance of the meeting date; but a notice of three days may be given by telephone or telegraph when, in the judgment of the chairman of the committee, an emergency exists. The agenda for a meeting of a standing committee shall be prepared by the President with the approval of the chairman of the committee, and, if practicable, a copy shall be mailed to the committee membership at least five days in advance of the meeting date; however, if such advance mailing is not practicable in the judgment of the chairman, the agenda shall be presented to the members of the committee at the commencement of the

meeting. Such materials as the committee may designate by standing rule, or as the chairman of the committee may designate in the absence of a standing rule, shall be mailed with the agenda and notice of the meeting. A majority of the elected committee membership shall constitute a quorum for the conduct of business of a standing committee. The chairman of the standing committee shall preside at all committee meetings; in the absence of the chairman, the vice chairman shall preside. The procedures and rules of order governing the conduct of committee business shall be the same as those applicable to meetings of the Board of Governors. Minutes of every meeting of a standing committee shall be kept by the Secretary of the committee.

302 D. Subcommittees.

Each standing committee may establish from its elected membership such subcommittees as it may deem necessary and appropriate for the effective discharge of its assigned responsibilities. The chairman of the standing committee shall appoint the chairman and the members of each subcommittee and shall report to the board the establishment of any subcommittee.

302 E. Report of Standing Committees.

Each standing committee shall make a written report to the Board of Governors at least annually, reviewing the work of the committee during the preceding year.

302 F. Closed Sessions.

All meetings of committees shall be open to the public unless, consistent with the requirements of state law, a meeting of a committee is closed to the public by a motion duly made and adopted by the committee in an open meeting.

SECTION 303. SPECIAL COMMITTEES OF THE BOARD OF GOVERNORS.

Special committees may be created by the Board of Governors or the chairman of the board to perform specific functions not requiring the continuous existence of a committee. The size, function, and procedures of special committees shall be determined either by majority vote of the board or by the chairman of the board. The chairman and members of a special committee shall be appointed by the chairman of the board from the voting membership of the board unless the Board of Governors otherwise provides. Special committees shall cease to exist when their functions have been discharged; however, every special committee shall cease to exist one year after the date of its creation, unless continued by affirmative action of the board or the chairman of the board. Notwithstanding the above, the size, function, procedures, membership, and chairmanship of a presidential search committee shall be determined by majority vote of the Board of Governors.

CHAPTER IV - BOARDS OF TRUSTEES

SECTION 400.MEMBERSHIP.

400 A. General Provisions.

(1) Effective July 1, 1973, each constituent institution shall have a Board of Trustees composed of thirteen persons¹ chosen as follows: (i) eight elected by the Board of Governors, (ii) four appointed by the governor, and (iii) the President of the student government of the institution, ex-officio. [See G.S. 116-31(d)]

(2) The Board of Governors, in electing trustees to serve terms commencing July 1, 1973, shall designate four persons for four-year terms and four for two-year terms; and the governor, in making appointments of trustees to serve terms commencing July 1, 1973, shall designate two persons for four-year terms and two for two-year terms. In every odd-numbered year after 1973, the Board of Governors shall elect four persons to each Board of Trustees and the governor shall appoint two persons to each such board; and the term of office of all such elected or appointed trustees (excluding ex-officio trustees) shall be four years, commencing on July 1, of such odd-numbered year. [Compare G.S. 116-31(e) and (f)]

(3) From and after July 1, 1973, whenever any vacancy shall occur in the membership of a Board of Trustees among those appointed by the governor, it shall be the duty of the Secretary of the Board of Trustees to inform the governor of the existence of such vacancy, and the governor shall appoint a person to fill the unexpired term, and whenever any vacancy shall occur among those elected by the Board of Governors, it shall be the duty of the Secretary of the Board of Trustees to inform the Board of Governors of the existence of the vacancy, and the Board of Governors shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the state or nation, to be present for three successive regular meetings of a Board of Trustees, the individual's place as a member shall be deemed vacant. [See G.S. 116-31(j)]

(4) From and after July 1, 1973, any person who has served two full four-year terms in succession as a member of a Board of Trustees shall, for a period of one year, be ineligible for election or appointment to the same board but may be elected or appointed to the board of another institution. [See G.S. 116-31(g)]

(5) From and after July 1, 1973, no member of the General Assembly or officer or employee of the state or of any constituent institution or spouse of any such member, officer, or employee shall be eligible for election or appointment as a trustee. Any trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the state or of any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes such officer or employee shall be deemed thereupon to resign from membership on the Board of Trustees. [See G.S. 116-31(h)]

400 B. Dual Membership Prohibited.

No person may serve simultaneously as a member of a Board of Trustees and as a member of the Board of Governors. Any trustee who is elected to the Board of Governors shall be deemed to have resigned as a trustee effective as of the date that the individual's term commences as a member of the Board of Governors. [See G.S. 116-31(i)]

¹ Fifteen trustees in the case of the North Carolina School of the Arts. [See G.S. 116-56]

SECTION 401.OFFICERS.**401 A. Chairman, Vice Chairman, and Secretary.**

At the first meeting after June 30 of each year, each Board of Trustees shall elect from its membership a chairman, a vice chairman, and a Secretary. [See G.S. 116-32]

401 B. Assistant Secretary.

Each Board of Trustees may also elect an assistant Secretary, from among the members of the chancellor's staff. Copies of all minutes, papers, and documents of a Board of Trustees may be certified by its assistant Secretary with the same force and effect as though such certification were made by the Secretary of such board.

SECTION 402.MEETINGS.**402 A. Frequency.**

Each Board of Trustees shall hold not fewer than three regular meetings a year and may hold such additional meetings as may be deemed desirable. [See G.S. 116-32]

402 B. Rules of Procedure.

Each Board of Trustees shall determine its own rules of procedure and may delegate to such committees as it may create such of its powers as it deems appropriate. The Board of Trustees may convene in closed session, consistent with state law and policy.

402 C. Keeping Board of Governors Informed.

The Secretary of each Board of Trustees shall keep the Board of Governors, through the Secretary of the University, fully and promptly informed concerning activities of the Board of Trustees, including notice of any changes in the membership of the board or in its committee structure or bylaws, notices of meetings, and a copy of the minutes of all meetings.

SECTION 403.POWERS AND DUTIES.**403 A. General Powers and Duties.**

Each Board of Trustees shall promote the sound development of its institution within the functions prescribed for it, helping it to serve the people of the state in a way that will complement the activities of the other institutions and aiding it to perform at a high level of excellence in every area of endeavor. Each Board of Trustees shall serve as advisor to the Board of Governors on matters pertaining to its institution and shall also serve as advisor to the chancellor concerning the management and development of the institution. [See G.S. 116-33]

403 B. Other Powers and Duties.

Each Board of Trustees shall have such other powers and duties, not inconsistent with other provisions of this *Code* or with applicable provisions of state law, as shall be defined and delegated by the Board of Governors. [See G.S. 116-33 and G.S. 116-11(13) and (14)]

CHAPTER V - OFFICERS OF THE UNIVERSITY

SECTION 500.ELECTION OF OFFICERS.

500 A. President and Staff.

(1) The Board of Governors shall elect a President of the University of North Carolina [See G.S. 116-14(a)], whose compensation shall be fixed by the Board of Governors.

(2) The Board of Governors, on nomination of the President, shall elect and fix the compensation of such professional members of the presidential staff as may be deemed necessary to administer the affairs and execute the policies of the University of North Carolina. These staff members shall include a senior vice president and such other vice presidents and officers as may be deemed desirable. [See G.S. 116-14(b)]

(3) In addition, the President shall employ such other personnel, subject to the provisions of Chapter 126 of the General Statutes ("State Personnel System"), as may be deemed necessary to assist the officers of the University in administering the affairs and executing the policies of the University of North Carolina. [See G. S. 116-14(b)]

(4) The professional staff complement shall be established by the board on recommendation of the President to insure that there are persons on the staff who have the professional competence and experience to carry out the duties assigned and to insure that there are persons on the staff who are familiar with the problems and capabilities of all of the principal types of institutions represented in the University of North Carolina. Provision shall be made for persons of high competence and strong professional experience in such areas as academic affairs, public-service programs, business and financial affairs, institutional studies and long-range planning, student affairs, research, legal affairs, health affairs and institutional development, and for state and federal programs administered by the board. [See G.S. 116-14(b)]

500 B. Chancellors and Staffs.

(1) The Board of Governors shall elect, on nomination of the President, the chancellor of each of the constituent institutions and fix the chancellor's compensation.¹ The President shall make a nomination from a list of not fewer than two names recommended by the institutional Board of Trustees. [See G. S. 116-11(4)]

(2) The Board of Governors shall, on recommendation of the President and of the appropriate institutional chancellor, appoint and fix the compensation of all vice chancellors, senior academic and administrative officers, and persons having permanent tenure. [See G.S. 116-11(5)]

SECTION 501.PRESIDENT OF THE UNIVERSITY.

501 A. General Authority.

The President of the University of North Carolina shall be the chief administrative and executive officer of the University. [See G.S. 116-14(a)] The President shall have complete authority to manage the affairs and execute the policies of the University of North Carolina and its constituent institutions,

¹ The merger of an institution into the University of North Carolina under Chapter 1244 of the 1971 Session Laws shall not impair any term of office, appointment, or employment of any administrative, instructional, or other personnel of the institution. Effective July 1, 1972, the title president and vice president of each constituent institution shall be changed to chancellor and vice chancellor, and the tenures of persons occupying these positions shall continue subject to the other provisions of this *Code*. [See Sec. 18, Ch. 1244, 1971 Session Laws]

subject to the direction and control of the Board of Governors and the provisions of this *Code*. The President shall personally represent before the state, the region and the nation the ideals and the spirit of the University of North Carolina. As the chief executive, the President shall be the official administrative spokesman for and the interpreter of the University to the alumni and alumnae as a whole, the news media, the educational world, and the general public. The President shall be responsible for the presentation and interpretation of all University policies, recommendations, and requests to the General Assembly, the governor, state officers and commissions, and the federal government.

501 B. Relation of the President to the Board of Governors.

(1) The President, as the chief executive officer of the University, shall perform all duties prescribed by the Board of Governors. The President shall be responsible to the Board of Governors for the prompt and effective execution of all laws relating to the University of North Carolina and of all resolutions, policies, rules, and regulations adopted by the board for the operation of the University of North Carolina and for the government of any and all of its constituent institutions, and the President's discretionary powers shall be broad enough to meet the extensive responsibilities of the presidency.

(2) The President shall make recommendations to the Board of Governors with respect to the adoption, modification, revision or reversal of policies, rules, and regulations applicable to the University of North Carolina and any or all of its constituent institutions. To this end, the President shall establish and maintain agencies of inquiry and administrative lines of communication, which include the constituent institutions, to insure prompt perception of needs for problem identification and analysis, decision, and policy formulation.

(3) The President shall prepare and submit to the Board of Governors an annual report, to correspond with the fiscal year of the University, and in addition such other reports and recommendations concerning the University of North Carolina and its constituent institutions as the President may deem wise or as the board may require.

(4) The President shall attend and may participate in, without the privilege of voting, the meetings of the Board of Governors and its various committees, and the President may attend the meetings of the several boards of trustees.

(5) The President shall be the official administrative medium of communication between the Board of Governors and all individuals, officials, agencies, and organizations, both within and without the University and its constituent institutions.

(6) The President, consistent with the provisions of Section 500 B(2), shall make nominations for all appointments that are to be acted upon by the Board of Governors and shall make recommendations for all promotions, salaries, transfers, suspensions, and dismissals that are to be acted upon by the board. The board reserves the right, in all instances, to act on its own initiative.

(7) The President shall assume, and retain at all times, control over the budget of the University of North Carolina, subject to the direction and control of the Board of Governors. The President shall prepare the proposed budget of the University of North Carolina and shall submit such proposed budget to the Board of Governors for approval; administrative procedures uniformly applicable to all institutions shall be established by the President to insure that each institution has full opportunity to provide information and advice concerning the formulation of such proposed budget. The President shall be responsible for the presentation and explanation of budget requests approved by the Board of Governors to the Director of the Budget and the Advisory Budget Commission, the General Assembly and its committees, officers, and members. The President shall be responsible for the execution of the budget of the University of North Carolina as approved by the General Assembly. All revisions of the budget which require approval of the Advisory Budget Commission shall be acted upon by the Board of Governors on recommendation of the President.

(8) The President, with the approval of the Board of Governors, shall appoint an advisory committee composed of representative Presidents of the private colleges and universities of the state. [See G.S. 116-14(c)]

501 C. Relation of the President to the University.

(1) The President shall be the leader of the University of North Carolina and its constituent institutions and shall coordinate the activities of all constituent institutions in accordance with the principle of allocated functions prescribed by the Board of Governors. The President shall promote the general welfare and development of the University in its several parts and as a whole.

(2) The President shall be a member of, and shall have the privilege of attending meetings of, all faculties of the constituent institutions of the University of North Carolina.

(3) In the absence of policies prescribed by the Board of Governors, the President shall resolve all issues of jurisdiction and dispute among the constituent institutions of the University.

(4) Subject to such regulations and limitations as may be prescribed by the Board of Governors, the faculties, staffs, and student bodies of the constituent institutions, or any member thereof, may have the right to appeal the disposition of grievances to the chancellor, and from the chancellor to the President, and from the President to the Board of Governors; provided, that appeals based on policies, rules, or regulations adopted by the Board of Trustees shall be addressed initially to the chancellor, and from the chancellor to the Board of Trustees, and, where allowed, from the Board of Trustees to the Board of Governors; however, all appeals addressed to or requests for hearings by the Board of Governors, from whatever source, shall be transmitted through the President.

(5) The President may refer for investigation, report, and advice any question of University concern to any council, faculty, or scientific, extension, or administrative staff.

(6) The medium for official communications between the President and the constituent institutions of the University shall be the respective chancellors.

(7) The President shall establish administrative organizations to carry out the policies of the University and shall interpret these organizations to the Board of Governors and to the officers and faculties of the University. The President shall insure that the University and its constituent institutions are properly staffed with personnel competent to discharge their responsibilities effectively. In carrying out the President's duties and responsibilities, the President shall be assisted by staff officers and by the chancellors of the constituent institutions. The President shall prescribe the duties and assignments of the staff officers reporting to the President. The President may establish and define the duties of all-University councils and committees to advise and assist the President in the execution of the President's duties. The President may delegate to other officers portions of the President's duties and responsibilities, with the required authority for their fulfillment. However, such delegation shall not reduce the President's overall responsibility for those portions of duties which the President may choose to delegate.

SECTION 502. CHANCELLORS OF CONSTITUENT INSTITUTIONS.**502 A. General Authority.**

The administrative and executive head of each constituent institution shall be the chancellor, who shall exercise complete executive authority therein, subject to the direction of the President. The chancellor shall be responsible for carrying out policies of the Board of Governors and of the Board of Trustees. [See G.S. 116-34(a)]

502 B. Relation of the Chancellor to the Board of Governors and the President.

(1) It shall be the duty of the chancellor to keep the President, and through the President the Board of Governors, fully informed concerning the operations and needs of the institution. Upon request, the chancellor shall be available to confer with the President or with the Board of Governors concerning matters that pertain to the institution. [See G.S. 116-34(c)] As of June 30 of each year the chancellor shall prepare for the Board of Governors a detailed report on the operation of the institution for the preceding year. [See G.S. 116-34(a)] The chancellor shall make such additional reports to the President or the Board of Governors as the President or the Board of Governors may require.

(2) The chancellor shall make recommendations for development of the educational programs of the institution [See G.S. 116-34(d)] and shall serve as general adviser to the President, and through the President the Board of Governors, with respect to all programs and activities of the institution.

(3) The chancellor shall be responsible to the President for the administration of the institution, including the enforcement of the decisions, actions, policies, and regulations of the Board of Governors applicable to the institution.

(4) Subject to policies prescribed by the Board of Governors and by the institutional Board of Trustees, the chancellor shall make recommendations for the appointment of personnel within the institution. [See G.S. 116-34(d)] With respect to all personnel matters, including appointments, promotions, removals, and compensation for the institution's academic, administrative, and other staffs, which are required to be acted upon by the Board of Governors, the chancellor shall make recommendations to the President.

(5) The chancellor shall present to the President all matters concerning the institution which are to be considered by the Board of Governors or any of its committees. In accordance with prescribed administrative procedures uniformly applicable to all institutions, the chancellor shall participate in the development of the proposed budget of the University of North Carolina.

(6) The chancellor shall be the official medium of communication between the President and all deans, heads or chairmen of departments, directors, and all other administrative officers, faculty members, students, and employees.

502 C. Relation of the Chancellor to the Board of Trustees.

(1) It shall be the duty of the chancellor to attend all meetings of the Board of Trustees and to be responsible for keeping the Board of Trustees fully informed on the operation of the institution and its needs. [See G.S. 116-34(b)]

(2) As of June 30 of each year the chancellor shall prepare for the Board of Trustees a detailed report on the operation of the institution for the preceding year. [G.S. 116-34(a)] The chancellor shall also submit such additional reports to the Board of Trustees as the chancellor may deem wise or as the board may require. The chancellor shall seek the counsel of the Board of Trustees concerning the

affairs of the institution.

(3) The chancellor shall be responsible to the Board of Trustees for enforcing all policies, rules, and regulations of the Board of Trustees.

(4) The chancellor shall be the official medium of communication between the Board of Trustees and all individuals, officials, agencies, and organizations, both within and without the institution.

502 D. Relation of the Chancellor to the Constituent Institution.

(1) Subject to policies established by the Board of Governors, the Board of Trustees, or the President, the chancellor; shall be the leader of and the official spokesman for the institution; shall promote the educational excellence and general development and welfare of the institution; shall define the scope of authority of faculties, councils, committees, and officers of the institution; and all projects, programs, and institutional reports to be undertaken on behalf of the institution shall be subject to the chancellor's authorization and approval.

(2) The chancellor shall be a member of all faculties and other academic bodies of the institution and shall have the right to preside over the deliberations of any legislative bodies of the faculties of the institution.

The chancellor shall be responsible for insuring that there exists in the institution a faculty council or senate, a majority of whose members are elected by and from the members of the faculty. The general faculty, however, which shall include at least all full-time faculty and appropriate administrators, may function as the council or senate. The faculty shall be served by a chairman elected either by the general faculty or by the council or senate. However, the chancellor may attend and preside over all meetings of the council or senate. The council or senate may advise the chancellor on any matters pertaining to the institution that are of interest and concern to the faculty.

In addition to insuring the establishment of a council or senate, the chancellor shall insure the establishment of appropriate procedures within the institution to provide members of the faculty the means to give advice with respect to questions of academic policy and institutional governance, with particular emphasis upon matters of curriculum, degree requirements, instructional standards, and grading criteria. The procedures for giving advice may be through the council or senate, standing or special committees or other consultative means.

(3) Subject to any policies or regulations of the Board of Governors or of the Board of Trustees, it shall be the duty of the chancellor to exercise full authority in the regulation of student affairs and in matters of student discipline in the institution. In the discharge of this duty, delegation of such authority may be made by the chancellor to faculty committees and to administrative or other officers of the institution, or to agencies of student government, in such manner and to such extent as may by the chancellor be deemed necessary and expedient. In the discharge of the chancellor's duty with respect to matters of student discipline, it shall be the duty of the chancellor to secure to every student the right of due process and fair hearing, the presumption of innocence until found guilty, the right to know the evidence and to face witnesses testifying against the student, and the right to such advice and assistance in the individual's defense as may be allowable under the regulations of the institution as approved by the chancellor. In those instances where the denial of any of these rights is alleged, it shall be the duty of the President to review the proceedings.

CHAPTER VI - ACADEMIC FREEDOM AND TENURE**SECTION 600. FREEDOM AND RESPONSIBILITY IN THE UNIVERSITY COMMUNITY.**

(1) The University of North Carolina is dedicated to the transmission and advancement of knowledge and understanding. Academic freedom is essential to the achievement of these purposes. The University therefore supports and encourages freedom of inquiry for faculty members and students, to the end that they may responsibly pursue these goals through teaching, learning, research, discussion, and publication, free from internal or external restraints that would unreasonably restrict their academic endeavors.

(2) The University and each constituent institution shall protect faculty and students in their responsible exercise of the freedom to teach, to learn, and otherwise to seek and speak the truth.

(3) Faculty and students of the University of North Carolina shall share in the responsibility for maintaining an environment in which academic freedom flourishes and in which the rights of each member of the academic community are respected.

SECTION 601.ACADEMIC FREEDOM AND RESPONSIBILITY OF FACULTY.

(1) It is the policy of the University of North Carolina to support and encourage full freedom, within the law, of inquiry, discourse, teaching, research, and publication for all members of the academic staffs of the constituent institutions. Members of the faculty are expected to recognize that accuracy, forthrightness, and dignity befit their association with the University and their position as men and women of learning. They should not represent themselves, without authorization, as spokesmen for the University of North Carolina or any of its constituent institutions.

(2) The University and its constituent institutions shall not penalize or discipline members of their faculties because of the exercise of academic freedom in the lawful pursuit of their respective areas of scholarly and professional interest and responsibility.

SECTION 602.ACADEMIC TENURE.

(1) To promote and protect the academic freedom of its faculty, the Board of Trustees of each constituent institution shall adopt policies and regulations governing academic tenure. Policies adopted by a Board of Trustees regarding academic tenure and promotion shall be effective upon review by the Senior Vice President for Academic Affairs and the Vice President and General Counsel, and approved by the President.

(2) In all instances, the tenure conferred on a faculty member is held with reference to employment by a constituent institution, rather than to employment by the University of North Carolina.

(3) The tenure policies and regulations of each constituent institution¹ shall prescribe the procedures by which decisions concerning appointment, reappointment, promotion, and the conferral of permanent tenure shall be made. The length of terms of appointment that do not carry permanent tenure and those faculty ranks or titles whose holders shall be eligible for permanent tenure shall be prescribed.

¹ Because of the unique character and mission of the North Carolina School of the Arts, the requirement that the institution adopt tenure policies will be satisfied at that institution by an employment system based on renewable contracts, which system need not provide for the traditional faculty ranks. Wherever the phrase "tenure policies and regulations" is used in this chapter, it shall mean, for the School of the Arts, the faculty employment policies of that school. Wherever the phrase "tenured faculty" is used in this chapter, it shall mean, for that school, a faculty member holding a fixed-term contract.

The institutional policies and regulations also shall prescribe the intervals at which the review of candidates for reappointment and promotion, including the conferral of permanent tenure, shall occur. The tenure policies and regulations of each institution, which shall include the complete text of Chapter VI of *The Code*, shall be published by the institution and distributed to its faculty members.

(4) The tenure policies and regulations of each institution shall set forth the general considerations upon which appointment, reappointment, promotion, and permanent tenure are to be recommended. The institutional regulations shall provide that these considerations shall include an assessment of at least the following: the faculty member's demonstrated professional competence, the faculty member's potential for future contribution, and institutional needs and resources.

(5) The institutional policies and regulations shall specify that permanent tenure may be conferred only by action of the President and the Board of Governors, or by such other agencies or officers as may be delegated such authority by the Board of Governors.

(6) Institutional tenure policies and regulations shall distinguish among the following:

- (a) the nonreappointment (or nonrenewal) of a faculty member at the expiration of a specified term of service;
- (b) the discharge or suspension of a faculty member with permanent tenure or of a faculty member appointed to a specified term of service before that term expires for reasons based on incompetence, neglect of duty, or misconduct of such a nature as to indicate that the individual is unfit to continue as a member of the faculty;
- (c) the termination of employment for reasons of institutional financial exigency or major curtailment or elimination of a teaching, research, or public-service program of a faculty member who has permanent tenure, or of a faculty member who has been appointed to a specified term of service before that term expires; and
- (d) retirement for physical or mental disability.

(7) Institutional tenure policies and regulations shall provide that the appointment, reappointment, or promotion of a faculty member to a position funded in whole or in substantial part from sources other than continuing state budget funds or permanent trust funds shall specify in writing that the continuance of the faculty member's services, whether for a specified term or for permanent tenure, shall be contingent upon the continuing availability of such funds. The institutional tenure policies and regulations may make one or more of the following exceptions to the foregoing contingency requirement:

- (a) That such a contingency shall not be included in a promotion to a higher rank if, before the effective date of that promotion, the faculty member had permanent tenure and no such condition is attached to the tenure.
- (b) That such a contingency shall not be attached to the faculty member's contract if the faculty member held permanent tenure in that institution on July 1, 1975, and the contract was not contingent upon the continuing availability of sources other than continuing state budget or permanent trust funds.
- (c) That such a contingency may be waived for health affairs faculties because of the unusual dependence of programs in the health professions on income from sources such as clinical receipts.

If a faculty member's appointment is terminated because of the nonavailability of these funds, the institution will make every reasonable effort to give the same notice as set forth in Section 605 B (1). This notice shall include the pertinent data upon which the termination is based.

(8) The tenure policies and regulations of each institution shall be subject to approval by the President. The President periodically shall review and re-evaluate these policies and regulations and report findings and recommendations, if any, to the Committee on Personnel and Tenure and through the committee to the Board of Governors.

SECTION 603. DUE PROCESS BEFORE DISCHARGE OR THE IMPOSITION OF SERIOUS SANCTIONS.

(1) A faculty member, who is the beneficiary of institutional guarantees of tenure, shall enjoy protection against unjust and arbitrary application of disciplinary penalties. During the period of such guarantees the faculty member may be discharged or suspended from employment or diminished in rank only for reasons of incompetence, neglect of duty, or misconduct of such a nature as to indicate that the individual is unfit to continue as a member of the faculty.² These penalties may be imposed only in accordance with the procedures prescribed in this section. For purposes of these regulations, a faculty member serving a stated term shall be regarded as having tenure until the end of that term. These procedures shall not apply to nonreappointment (Section 604) or termination of employment (Section 605).

(2) The chief academic officer of the institution, however titled, shall send the faculty member by registered mail, return receipt requested, a written statement of intention to discharge him. The statement shall include notice of the faculty member's right, upon request, to both written specification of the reasons for the intended discharge and a hearing by an elected standing faculty committee on hearings.

(3) If, within ten days³ after receiving the notice referred to in paragraph (2) above, the faculty member makes no written request for either a specification of reasons or a hearing, the faculty member may be discharged without recourse to any institutional grievance or appellate procedure.

(4) If, within ten days after receiving the notice referred to in paragraph (2) above, the faculty member makes written request, by registered mail, return receipt requested, for a specification of reasons, the chief academic officer shall supply such specification in writing by registered mail, return receipt requested, within ten days after receiving the request. If the faculty member makes no written request for a hearing within ten days after receiving the specification, the faculty member may be discharged without recourse to any institutional grievance or appellate procedure.

(5) If the faculty member makes a timely written request for a hearing, the chief academic officer shall insure that the hearing is accorded before an elected standing committee of the institution's faculty. The hearing shall be on the written specification of reasons for the intended discharge. The hearing committee shall accord the faculty member twenty days from the time it receives the faculty member's written request for a hearing to prepare a defense. The hearing committee may, upon the faculty member's written request and for good cause, extend this time by written notice to the faculty member.

² Retirement for reason of disability shall be in accordance with North Carolina statutes and regulations governing retirement for faculty who are members of the state retirement system. A faculty member who is not a member of the state retirement system and who is mentally or physically disabled, but refuses to retire, may be discharged because of that disability only in accordance with the procedures of this section.

³ Wherever it is used in this chapter, except when calendar day is specified, the word "day" shall mean any day except Saturday, Sunday or an institutional holiday. In computing any period of time, the day in which notice is received is not counted but the last day of the period being computed is to be counted.

(6) The hearing shall be closed to the public unless the faculty member and the hearing committee agree that it may be open. The faculty member shall have the right to counsel, to present the testimony of witnesses and other evidence, to confront and cross-examine adverse witnesses, and to examine all documents and other adverse demonstrative evidence. A written transcript of all proceedings shall be kept; upon request, a copy thereof shall be furnished to the faculty member at the institution's expense.

(7) The chief academic officer, or counsel, may participate in the hearing to present evidence, cross-examine witnesses, and make argument.

(8) In reaching decisions on which its written recommendations to the chancellor shall be based, the committee shall consider only the evidence presented at the hearing and such written or oral arguments as the committee, in its discretion, may allow. The committee shall make its written recommendations to the chancellor within ten days after its hearing concludes.

(9) If the chancellor concurs in a recommendation of the committee that is favorable to the faculty member, the chancellor's decision shall be final. If the chancellor either declines to accept a committee recommendation that is favorable to the faculty member or concurs in a committee recommendation that is unfavorable to the faculty member, the faculty member may appeal the chancellor's decision to the Board of Trustees. This appeal shall be transmitted through the chancellor and be addressed to the chairman of the board. Notice of appeal shall be filed within ten days after the faculty member receives the chancellor's decision. The appeal to the Board of Trustees shall be decided by the full Board of Trustees. However, the board may delegate the duty of conducting a hearing to a standing or ad hoc committee of at least three members. The Board of Trustees, or its committee, shall consider the appeal on the written transcript of hearings held by the faculty hearing committee, but it may, in its discretion, hear such other evidence as it deems necessary. The Board of Trustees' decision shall be made within forty-five days after the chancellor has received the faculty member's request for an appeal to the trustees. This decision shall be final except that the faculty member may, within ten days after receiving the trustees' decision, file a written petition for review with the Board of Governors if the faculty member alleges that one or more specified provisions of the *Code of the University of North Carolina* have been violated. Any such petition to the Board of Governors shall be transmitted through the President, and the board shall, within forty-five days, grant or deny the petition or take such other action as it deems advisable. If it grants the petition for review, the board's decision shall be made within forty-five days after it has notified the faculty member that it will review the petition.

(10) When a faculty member has been notified of the institution's intention to discharge the faculty member, the chancellor may suspend the individual at any time and continue the suspension until a final decision concerning discharge has been reached by the procedures prescribed herein. Suspension shall be exceptional and shall be with full pay.

SECTION 604. APPOINTMENT, NONREAPPOINTMENT AND REQUIREMENTS OF NOTICE AND REVIEW.

604 A. Notice of Reappointment or Nonreappointment.

(1) The decision not to reappoint a faculty member at the expiration of a fixed term of service shall be made by the appropriate institutional faculty and administrative officers early enough to permit timely notice to be given. For full-time faculty at the rank of instructor, assistant professor, associate professor, or professor, the minimum requirement for timely notice shall be as follows:

- (a) during the first year of service at the institution, the faculty member shall be given not less than 90 calendar days' notice before the employment contract expires;

- (b) during the second year of continuous service at the institution, the faculty member shall be given not less than 180 calendar days' notice before the employment contract expires; and
- (c) after two or more years of continuous service at the institution, the faculty member shall be given not less than twelve months' notice before the employment contract expires.

(2) Notice of reappointment or nonreappointment shall be written. If the decision is not to reappoint, then failure to give timely notice of nonreappointment will oblige the chancellor thereafter to offer a terminal appointment of one academic year.

604 B. Impermissible Reasons for Nonreappointment.

In no event shall a decision not to reappoint a faculty member be based upon (a) the exercise by the faculty member of rights guaranteed by the First Amendment to the United States Constitution, or by Article I of the North Carolina Constitution, or (b) discrimination based upon the faculty member's race, sex, religion, national origin, age, or disability, or (c) personal malice.

604 C. Special Faculty Appointments.

All appointments of visiting faculty⁴, adjunct faculty, or other special categories of faculty such as lecturers, artists-in-residence, or writers-in-residence shall be for only a specified term of service. That term shall be set forth in writing when the appointment is made, and the specification of the length of the appointment shall be deemed to constitute full and timely notice of nonreappointment when that term expires. The provisions of Sections 602 (4) and 604 A shall not apply in these instances.

SECTION 605. TERMINATION OF FACULTY EMPLOYMENT.

605 A. Definition.

The tenure policies and regulations of each institution shall provide that the employment of faculty members with permanent tenure or of faculty members appointed to a fixed term may be terminated by the institution because of (1) demonstrable, bona fide institutional financial exigency or (2) major curtailment or elimination of a teaching, research, or public-service program. "Financial exigency" is defined as a significant decline in the financial resources of the institution that is brought about by decline in institutional enrollment or by other action or events that compel a reduction in the institution's current operations budget. The determination of whether a condition of financial exigency exists or whether there shall be a major curtailment or elimination of a teaching, research, or public-service program shall be made by the chancellor, after consulting with the academic administrative officers and faculties as required by Section 605 C(1), subject to the concurrence by the President and then approval by the Board of Governors. If the financial exigency or curtailment or elimination of program is such that the institution's contractual obligation to a faculty member may not be met, the employment of the faculty member may be terminated in accordance with institutional procedures that afford the faculty member a fair hearing on that decision.

605 B. Timely Notice of Termination.

(1) When a faculty member's employment is to be terminated because of major curtailment or elimination of a teaching, research, or public-service program and such curtailment or elimination of program is not founded upon financial exigency, the faculty member shall be given timely notice as follows:

⁴ Visiting faculty shall include any person who is appointed to a term of less than one academic year.

- (a) one who has permanent tenure shall be given not less than twelve months' notice; and
- (b) one who was appointed to a fixed term and does not have permanent tenure shall be given notice in accordance with the requirements specified in Section 604 A(1).

(2) When a faculty member's employment is to be terminated because of financial exigency, the institution will make every reasonable effort, consistent with the need to maintain sound educational programs and within the limits of available resources, to give the same notice as set forth in Section 605 B(1).

(3) For a period of two years after the effective date of termination of a faculty member's contract for any of the reasons specified in Section 605 A, the institution shall not replace the faculty member without first offering the position to the person whose employment was terminated. The offer shall be made by registered mail, return receipt requested, and the faculty member will be given thirty calendar days after receiving notice to accept or reject the offer.

605 C. Institutional Procedures.

The institution shall establish regulations governing termination procedures. These regulations shall include provisions incorporating the following requirements:

(1) If it appears that the institution will experience an institutional financial exigency or needs seriously to consider a major curtailment or elimination of a teaching, research or public-service program, the chancellor or chancellor's delegate shall first seek the advice and recommendations of the academic administrative officers and faculties of the departments or other units that might be affected.

(2) In determining which faculty member's employment is to be terminated for reasons set forth in Section 605 A, the chancellor shall give consideration to tenure status, to years of service to the institution, and to other factors deemed relevant, but the primary consideration shall be the maintenance of a sound and balanced educational program that is consistent with the functions and responsibilities of the institution.

(3) An individual faculty member whose employment is to be terminated shall be notified of this fact in writing. This notice shall include a statement of the conditions requiring termination of employment, a general description of the procedures followed in making the decision and a disclosure of pertinent financial or other data upon which the decision was based.

(4) A reconsideration procedure shall be provided that affords the faculty member whose employment is to be terminated a fair hearing on the termination if the faculty member alleges that the decision to terminate was arbitrary or capricious.

(5) The institution, when requested by the faculty member, shall give reasonable assistance in finding other employment for a faculty member whose employment has been terminated.

(6) The faculty member may appeal the reconsideration decision in the manner provided by Section 501 C(4).

SECTION 606. RETIREMENT OF FACULTY.

Faculty may retire in accordance with the provisions of Chapter 135 of the North Carolina General Statutes ("Retirement System of Teachers and State Employees").

SECTION 607. FACULTY GRIEVANCE COMMITTEE FOR CONSTITUENT INSTITUTIONS.

(1) The chancellor of each constituent institution shall provide for the establishment of a faculty grievance committee. The faculty grievance committee shall be elected by the faculty with members elected from each professorial rank. No officer of administration shall serve on the committee. For purposes of this section, "officer of administration" shall be deemed to include department chairmen and department heads.

(2) The committee shall be authorized to hear, mediate, and advise with respect to the adjustment of grievances of members of the faculty. The power of the committee shall be solely to hear representations by the persons directly involved in a grievance, to mediate voluntary adjustment by the parties, and to advise adjustment by the administration when appropriate. Advice for adjustment in favor of an aggrieved faculty member may be given to the chancellor only after the dean, department head, or other administrative official most directly empowered to adjust it has been given similar advice and has not acted upon it within a reasonable time.

(3) "Grievances" within the province of the committee's power shall include matters directly related to a faculty member's employment status and institutional relationships within the constituent institution. However, no grievance that grows out of or involves matters related to a formal proceeding for the suspension, discharge or termination of a faculty member, or that is within the jurisdiction of another standing faculty committee, may be considered by the committee.

(4) If any faculty member has a grievance, the faculty member may petition the faculty grievance committee for redress. The petition shall be written and shall set forth in detail the nature of the grievance and against whom the grievance is directed. It shall contain any information that the petitioner considers pertinent to the case. The committee shall decide whether the facts merit a detailed investigation so that submission of a petition shall not result automatically in an investigation or detailed consideration of the petition.

(5) If, before this section is established, the faculty of an institution has adopted a faculty grievance procedure that in its judgment is adequate to its needs, it may retain that procedure in place of the one specified above.⁵

SECTION 608. STUDENTS' RIGHTS AND RESPONSIBILITIES.

(1) The University of North Carolina affirms that the first goal of each constituent institution is to educate the students admitted to its programs. The freedom of students to learn is an integral and necessary part of the academic freedom to which the University and its constituent institutions are dedicated. Each constituent institution shall provide, within allotted functions and available resources, opportunity for its students to derive educational benefits through developing their intellectual capabilities, encouraging their increased wisdom and understanding, and enhancing their knowledge and experience applicable to the effective discharge of civic, professional, and social responsibilities. No constituent institution shall abridge either the freedom of students engaged in the responsible pursuit of knowledge or their right to fair and impartial evaluation of their academic performance.

(2) All students shall be responsible for conducting themselves in a manner that helps to enhance an environment of learning in which the rights, dignity, worth, and freedom of each member of the academic community are respected.

⁵ This section became effective July 1, 1975.

(3) In applying regulations in the area of student discipline, each constituent institution shall adhere to the requirements of due process as set forth in Section 502 D(3) of this *Code*.

SECTION 609. APPELLATE JURISDICTION OF THE BOARD OF GOVERNORS.

609 A. Discretionary Review.

Nothing contained in Chapter VI, or any other chapter of the *Code*, shall be construed to limit the right of the Board of Governors to make such inquiry and review into personnel actions as it may from time to time deem appropriate.

609 B. Hearings.

The Board of Governors may in its sole discretion conduct hearings. Any hearing, whether before the full board or a designated standing or special committee of the board, shall be limited to such matters as the Board of Governors shall deem appropriate.

CHAPTER VII - FINANCES, PROPERTY AND OBLIGATIONS

SECTION 700.BUDGETS AND APPROPRIATIONS.

700 A. Budget Recommendations.

The Board of Governors shall develop, prepare, and present to the governor, the Advisory Budget Commission, and the General Assembly a single, unified recommended budget for all of public senior higher education. The recommendations shall consist of requests in three general categories: (i) funds for the continuing operation of each constituent institution, (ii) funds for salary increases for employees exempt from the State Personnel Act and (iii) funds requested without reference to constituent institutions, itemized as to priority and covering such areas as new programs and activities, expansions of programs and activities, increases in enrollments, increases to accommodate internal shifts and categories of persons served, capital improvements, improvements in levels of operation, and increases to remedy deficiencies, as well as other areas. [See G.S. 116-11(9)a]

700 B. Appropriations and Allocations.

Funds for the continuing operation of each constituent institution shall be appropriated directly to the institution. Funds for salary increases for employees exempt from the State Personnel Act shall be appropriated to the Board of Governors in a lump sum for allocation to the institutions. Funds for the third category in Section 700 A above, shall be appropriated to the Board of Governors in a lump sum. The Board of Governors shall allocate to the institutions any funds appropriated, said allocation to be made in accordance with the board's schedule of priorities; provided, however, that when both the board and the Advisory Budget Commission deem it to be in the best interest of the state, funds in the third category may be allocated, in whole or in part, for other items within the list of priorities or for items not included in the list. [See G.S. 116-11(9)c]

700 C. Transfers of Appropriated Funds.

The Director of the Budget may, on recommendation of the Board of Governors, authorize transfer of appropriated funds from one institution to another to provide adjustments for over- or under-enrollment or may make any other adjustment among institutions that would provide for the orderly and efficient operation of the institutions. [See G.S. 116-11(9)c]

SECTION 701.TUITION AND FEES.

The Board of Governors shall set tuition and required fees at the constituent institutions, not inconsistent with actions of the General Assembly, in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance; and each institution shall charge and collect from each student, at the beginning of each semester or quarter, tuition, fees, and an amount sufficient to pay other expenses for the term. [See G.S. 116-11(7) and 116-143] Consistent with the North Carolina constitutional mandate, the benefits of the University of North Carolina shall be extended to the people of the state free of expense, as far as practicable. [See N. C. Constitution, Art. IX, Sec. 9]

SECTION 702.GENERAL POWERS CONCERNING PROPERTY.

702 A. Corporate Powers.

The Board of Governors shall have the powers, relating to the acquisition, use and disposition of property, set forth in Chapter I, Section 101 of this *Code*.

702 B. Statutory Powers.

Subject to applicable state law and to the terms and conditions of the instruments under which property is acquired, the Board of Governors may acquire, hold, convey or otherwise dispose of, invest and reinvest any and all real and personal property, with the exception of any property that may be held by trustees of institutional endowment funds under the provisions of G.S. 116-36 or that may be held, under authority delegated by the Board of Governors, either by a Board of Trustees or by trustees of any other endowment or trust fund. [See G.S. 116-11(2)]

702 C. Transfer of Property and Obligations.

All property of whatsoever kind and all rights and privileges held by the former Board of Higher Education and by the former boards of trustees of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, University of North Carolina at Pembroke¹, Western Carolina University and Winston-Salem State University, as said property, rights and privileges may have existed immediately prior to July 1, 1972, are, effective July 1, 1972, transferred to and vested in the Board of Governors. All obligations of whatsoever kind of the former Board of Higher Education and of the former boards of trustees of Appalachian State University, East Carolina University, Elizabeth City State University, Fayetteville State University, North Carolina Agricultural and Technical State University, North Carolina Central University, North Carolina School of the Arts, University of North Carolina at Pembroke, Western Carolina University and Winston-Salem State University, as said obligations may have existed immediately prior to July 1, 1972, are, effective July 1, 1972, transferred to and assumed by the Board of Governors. Any property, real or personal, held immediately prior to July 1, 1972, by a Board of Trustees of a constituent institution for the benefit of that institution or by the University of North Carolina for the benefit of any one or more of its six institutions, shall, from and after July 1, 1972, be kept separate and distinct from other property held by the Board of Governors, shall continue to be held for the benefit of the institution or institutions that were previously the beneficiaries, and shall continue to be held subject to the provisions of the respective instruments, grants, or other means of process by which any property right was acquired. In case a conflict arises as to which property, rights, or privileges were held for the beneficial interest of a particular institution, or as to the extent to which such property, rights, or privileges were so held, the Board of Governors shall determine the issue, and the determination of the Board of Governors shall constitute final administrative action. Nothing in this *Code* shall be deemed to increase or diminish the income, other revenue, or specific property which is pledged, or otherwise hypothecated, for the security or liquidation of any obligations, it being the intent that the Board of Governors shall assume said obligations without thereby either enlarging or diminishing the rights of the holders thereof. [See G.S. 116-12]

702 D. Limitation on Exercise of Powers.

The power and authority granted to the Board of Governors with regard to the acquisition, operation, maintenance, and disposition of real and personal property shall be subject to, and exercised in accordance with, the provisions of Chapters 143 and 146 of the General Statutes. [See G.S. 116-13]

SECTION 703. IMMUNITIES.

703 A. Tax Exemption.

The lands and other property belonging to the University of North Carolina shall be exempt from all kinds of public taxation. [See N. C. Constitution, Art. V, Sec. 2(3) and G.S. 116-16]

¹ Designated as Pembroke State University prior to July 1, 1996.

703 B. Tort Liability.

The University of North Carolina is not liable for any tort claims except as provided for by law. [See generally G.S. 143-291, et seq. and G.S. 116-40. 2]

SECTION 704. ENDOWMENT FUND.

Each Board of Trustees is authorized to establish and maintain, pursuant to the requirements of state law and such terms and conditions as the Board of Governors may from time to time prescribe, permanent endowment funds for its institution. [See G.S. 116-36]

SECTION 705. ANNUITY OR RETIREMENT INCOME CONTRACTS.

Notwithstanding any provision of law relating to salaries and/or salary schedules for the pay of faculty members, administrative officers, or any other employees of universities, colleges, and institutions of higher learning as named and set forth in this *Code* and other state agencies qualified as educational institutions under 501 (c)(3) of the United States Internal Revenue Code, the Board of Governors may authorize the business officer or agent for each constituent institution of the University of North Carolina to enter into annual contracts with any of the faculty members, administrative officers, and employees of said institutions of higher learning which provide for a reduction in salary below the total established compensation or salary schedule for a term of one year. The financial officer or agent shall use the funds derived from the reduction in the salary of the faculty member, administrative officer, or employee to purchase a nonforfeitable annuity or retirement income contract for the benefit of said faculty member, administrative officer, or employee. A faculty member, administrative officer, or employee who has agreed to a salary reduction for this purpose shall not have the right to receive the amount of the salary reduction in cash or in any other way except the annuity or retirement income contract. Funds used for the purchase of an annuity or retirement income contract shall not be in lieu of any amount earned by the faculty member, administrative officer, or employee before the individual's election for a salary reduction has become effective. The agreement for salary reductions referred to herein shall be effected under any necessary regulations and procedures adopted by the Board of Governors. The amount by which the salary of any faculty member, administrative officer, or employee is reduced pursuant to this section shall not be excluded, but shall be included, in computing and making payroll deductions for social security and retirement system purposes, and in computing and providing matching funds for retirement system purposes. [See G.S. 116-17]

SECTION 706. REVENUE BONDS.

The Board of Governors shall have authority, subject to such limitations and restrictions as may be established by state law, to issue revenue bonds and special obligation bonds. Revenue bonds may be issued for service and auxiliary facilities, student housing, student activities, physical education, and recreation facilities. [See G.S. 116-41.1 et seq., 116-175 et seq., and 116-187 et seq.] Special obligation bonds may be issued for the construction, renovation, improvement or expansion of any capital facilities located or to be located at a constituent or any affiliated institution of the University for the purposes of carrying out the mission of that institution. [See G.S. 116D-21 et seq.]

CHAPTER VIII - MATTERS INVOLVING NON-PUBLIC INSTITUTIONS

SECTION 800.LICENSING POST-SECONDARY DEGREE ACTIVITY.

800 A. Institutions Required to Be Licensed.

All institutions conducting post-secondary degree activity in this state that are not subject to Chapters 115C or 115D of the General Statutes, nor some section of Chapter 116 of the General Statutes other than G.S. 116-15, shall be subject to licensure by the Board of Governors under the standards of G.S. 116-15 unless exempt therefrom by one or another provision of G.S. 116-15. [See G.S. 116-15]

800 B. Regulatory Authority in the Board.

The Board of Governors shall establish such rules, regulations, and procedures as it may deem necessary or appropriate to effectuate the provisions of G.S. 116-15. [See G.S. 116-15(i)] These shall include the following:

(1) The form of the license by which an institution may be authorized to conduct post-secondary degree activity. [See G.S. 116-15(a) and (b)]

(2) Procedures under which an institution may seek to establish its exemption from licensure. [See G.S. 116-15(c), (d), and (e)]

(3) Procedures under which an institution may seek to prove satisfaction of the standards for licensure. [See G.S. 116-15(f)]

(4) Procedures through which the review of institutions previously licensed by the board may be conducted. [See G.S. 116-15(g)]

(5) Procedures for the denial, revocation, and continuation of licensure. [See G.S. 116-15(h)]

800 C. Enforcement Authority in the Attorney General.

The Board of Governors shall call to the attention of the attorney general, for such action as the attorney general may deem appropriate, any institution failing to comply with the requirements of G.S. 116-15. [See G.S. 116-15(j)]

SECTION 801.ASSESSMENT OF NEEDS AND REVIEW OF REQUESTS.

The Board of Governors shall assess the contributions and needs of the non-public colleges and universities of the state and shall give advice and recommendations to the General Assembly to the end that the resources of these institutions may be utilized in the best interest of the state. [See G.S. 116-11(11)]

SECTION 802.FINANCIAL AID.

802 A. Contracts to Aid North Carolina Students.

In order to encourage and assist non-public institutions to continue to educate North Carolina students, the Board of Governors is authorized to enter into contracts with the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to G.S. 116-19 would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students in an amount at least equal to the amount

paid to the institution, pursuant to G.S. 116-19, during the fiscal year. Under the terms of the contracts the Board of Governors would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student enrolled at the institutions for the regular academic year, said sum to be determined by appropriations that might be made from time to time by the General Assembly pursuant to G.S. 116-19. Funds appropriated pursuant to G.S. 116-19 shall be paid by the Department of Administration to an institution upon recommendation of the Board of Governors and on certification of the institution showing the number of North Carolina students enrolled at the institution as of October 1 of any year for which funds may be appropriated. [See G.S. 116-19]

802 B. Scholarship and Contract Terms; Base Period.

In order to encourage and assist non-public institutions to educate additional numbers of North Carolinians, the Board of Governors is authorized to enter into contracts with the institutions under the terms of which an institution receiving any funds that may be appropriated pursuant to G.S. 116-20 would agree that, during any fiscal year in which such funds were received, the institution would provide and administer scholarship funds for needy North Carolina students in an amount at least equal to the amount paid to the institution, pursuant to G.S. 116-20, during the fiscal year. Under the terms of the contracts the Board of Governors would agree to pay to the institutions, subject to the availability of funds, a fixed sum of money for each North Carolina student enrolled as of October 1 of any year for which appropriated funds may be available, over and above the number of North Carolina students enrolled in that institution as of October 1, 1970, which shall be the base date for the purpose of this calculation. Funds appropriated pursuant to G.S. 116-20 shall be paid by the Department of Administration to an institution upon recommendation of the Board of Governors and on certification of the institution showing the number of North Carolina students enrolled at the institution as of October 1 of any year for which funds may be appropriated over the number enrolled on the base date. In the event funds are appropriated for expenditure pursuant to G.S. 116-20 and funds are also appropriated, for the same fiscal year, for expenditure pursuant to G.S. 116-19, students who are enrolled at an institution in excess of the number enrolled on the base date may be counted under G.S. 116-20 for the purpose of calculating the amount to be paid to the institution, but the same students may not also be counted under G.S. 116-19, for the purpose of calculating payment to be made under that section. [See G.S. 116-20]

802 C. Contract Forms; Reports; Audits; Regulations.

The Board of Governors is authorized to prescribe the form of the contracts to be executed under G.S. 116-19 and 116-20, to require of the institutions such reports, statements, and audits as the board may deem necessary or desirable in carrying out the purposes of G.S. 116-19 through 116-22 and to make any rules or regulations that will, in the opinion of the board, help to achieve the purposes of G.S. 116-19 through 116-22. [See G.S. 116-21]

802 D. Definitions.

As used in this chapter:

(1) "Institution" shall mean an educational institution located in this state that is not owned or operated by the state of North Carolina or by an agency or political subdivision of the state or by any combination thereof; that is accredited by the Southern Association of Colleges and Schools under the standards of the College Delegate Assembly of said association and that is not a seminary, Bible school, Bible college, or similar religious institution. [See G.S. 116-22(1)]

(2) "Student" shall mean a resident of North Carolina in accordance with definitions of residency that may from time to time be adopted by the Board of Governors and published in the residency manual of said board; and a person who has not received a bachelor's degree, or qualified therefor, and who is otherwise classified as an undergraduate under such regulations as the Board of Governors may promulgate. The enrollment figures required by G.S. 116-19 through 116-22 shall be the number of full-time equivalent students as computed under regulations prescribed by the Board of Governors. Qualification for in-state tuition under the provisions of G.S. 116-143. 3, which deal with the tuition of personnel in the armed services, makes a person a "student" as defined in this section. [See G.S. 116-22(2) and G.S. 116-143. 3]

CHAPTER IX - MISCELLANEOUS PROVISIONS**SECTION 900. THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM****900 A. Composition.**

There is established the University of North Carolina Health Care System to provide patient care, facilitate the education of physicians and other health-care providers, conduct research collaboratively with the health sciences schools of the University of North Carolina at Chapel Hill, and render other services designed to promote the health and well-being of the citizens of North Carolina. The University of North Carolina Hospitals at Chapel Hill and the clinical patient care programs established or maintained by the School of Medicine of the University of North Carolina at Chapel Hill shall be governed by the Board of Directors of the University of North Carolina Health Care System composed of both at-large and ex-officio members.

Vacant at-large positions shall be filled by the appointment of persons from the business and professional public-at-large who have special competence in business management, hospital administration, health-care delivery or medical practice or who otherwise have demonstrated dedication to the improvement of health care in North Carolina, and who are neither members of the Board of Governors, members of the Board of Trustees of a constituent institution of the University of North Carolina, nor officers or employees of the state. No less than nine and no more than 21 members at large, which number to be determined by the Board of Directors, shall be appointed by the President of the University, and ratified by the Board of Governors, from among a slate of nominations made by the Board of Directors of the University of North Carolina Health Care System, said slate to include at least twice as many nominees as there are vacant positions to be filled. No at-large member may be appointed to more than two full four-year terms in succession. Any vacancy in an unexpired term shall be filled by an appointment made by the President, and ratified by the Board of Governors, upon the nomination of the Board of Directors, for the balance of the term remaining.

A minimum of six members ex-officio shall be the President of the University of North Carolina (or the President's designee); the Chief Executive Officer of the health care system; two administrative officers of the University of North Carolina at Chapel Hill designated by the chancellor; and two members of the faculty of the School of Medicine of the University of North Carolina at Chapel Hill designated by the dean of the School of Medicine; provided, that if not such a member ex-officio by virtue of holding one or more of the offices aforementioned, additional ex-officio memberships shall be held by the President of the University of North Carolina Hospitals at Chapel Hill and the dean of the School of Medicine of the University of North Carolina at Chapel Hill, for a total potential ex-officio membership of eight. [See G.S. 116-37(a) and (b)]

900 B. Meetings and Powers of Board.

The Board of Directors of the University of North Carolina Health Care System shall meet at least every 60 days and may hold special meetings at any time and place within the state at the call of the chairman. The Board of Directors, with each ex-officio and at-large member having a vote, shall elect a chairman from among the at-large members, for a term of two years; no person shall be eligible to serve as chairman for more than three terms in succession. In meeting the patient-care, educational, research, and public-service goals of the University of North Carolina Health Care System, the Board of Directors is authorized to exercise such authority and responsibility and adopt such policies, rules and regulations as it deems necessary and appropriate, not inconsistent with the provisions of G.S. 116-37, this *Code*, or the other policies of the Board of Governors. The Board of Directors may adopt policies that make the authorities and responsibilities established herein or by statute separately applicable either to the University of North Carolina Hospitals at Chapel Hill or to the clinical patient care programs of the School of Medicine of the University of North Carolina at Chapel Hill, or to both. The board may authorize any component of the University of North Carolina Health Care System, including the

University of North Carolina Hospitals at Chapel Hill, to contract in its individual capacity, subject to such policies and procedures as the Board of Directors may direct. The Board of Directors may enter into formal agreements with the University of North Carolina at Chapel Hill with respect to the provision of clinical experience for students and for the provision of maintenance and supporting services. The board's action on matters within its jurisdiction is final, except that appeals may be made, in writing, to the Board of Governors with a copy of the appeal to the Chancellor of the University of North Carolina at Chapel Hill. The Board of Directors shall keep the Board of Governors and the Board of Trustees of the University of North Carolina at Chapel Hill fully informed about health care policy and recommend changes necessary to maintain adequate health care delivery, education and research for improvement of the health of the citizens of North Carolina. [See G.S. 116-37 (a) and (b)]

900 C. Officers.

The executive and administrative head of the University of North Carolina Health Care System shall have the title of 'Chief Executive Officer. The Board of Directors, in cooperation with the Board of Trustees and the Chancellor of the University of North Carolina at Chapel Hill, following such search process as the boards and the chancellor deem appropriate, shall identify two or more persons as candidates for the office, who, pursuant to criteria agreed upon by the boards and the chancellor, have the qualifications for both the positions of Chief Executive Officer and Vice Chancellor for Medical Affairs of the University of North Carolina at Chapel Hill. The names of the candidates shall be forwarded by the chancellor to the President who, if satisfied with the quality of one or more of the candidates, will nominate one as Chief Executive Officer, subject to selection by the Board of Governors. The Chief Executive Officer shall have complete executive and administrative authority to formulate proposals for, recommend the adoption of, and implement policies governing the programs and activities of the University of North Carolina Health Care System, subject to all requirements of the Board of Directors. [See G.S. 116-37(c)] The Chief Executive Officer shall serve at the pleasure of the Board of Governors which may terminate the Chief Executive Officer's appointment (as distinguished from such person's joint appointment, if any, as Vice Chancellor for Medical Affairs of the University of North Carolina at Chapel Hill) on its own initiative or upon recommendation of the Board of Directors or the President of the University: provided, that in all instances, the Board of Governors shall consult with the Board of Directors prior to terminating the appointment of the Chief Executive Officer.

The executive and administrative head of the University of North Carolina Hospitals at Chapel Hill shall have the title of "President of the University of North Carolina Hospitals at Chapel Hill." The Board of Directors shall elect, on nomination of the Chief Executive Officer, the President of the University of North Carolina Hospitals at Chapel Hill, and such additional administrative and professional staff employees as may be deemed necessary to assist in fulfilling the duties of the office of the Chief Executive Officer, all of whom shall serve at the pleasure of the Chief Executive Officer. [See G.S. 116-37(c)]

The Board of Governors, on recommendation of the President of the University and of the Board of Directors, shall fix the compensation of the Chief Executive Officer. On recommendation of the Chief Executive Officer and the Board of Directors, with the concurrence of the President of the University, the Board of Governors shall fix the compensation of the President of the University of North Carolina Hospitals at Chapel Hill.

900 D. Health Care System Personnel.

Employees of the University of North Carolina Health Care System shall be deemed to be employees of the state and shall be subject to all provisions of state law relevant thereto; provided, however, that except as to the provisions of Articles 5, 6, 7, and 14 of Chapter 126 of the General Statutes, the provisions of Chapter 126 shall not apply to employees of the University of North Carolina Health Care System, and the policies and procedures governing the terms and conditions of employment of such employees shall be adopted by the Board of Directors. [See G.S. 116-37(d)]

900 E. Health System Finances.

The University of North Carolina Health Care System shall be subject to the provisions of the Executive Budget Act. The Chief Executive Officer, subject to the Board of Directors, shall be responsible for all aspects of budget preparation, budget execution, and expenditure reporting. The preparation and execution of the budget shall be subject to the requirements of Section 501B(7) of this Code. [See G.S. 116-37(e)]

900 F. Health Care System Purchases.

Notwithstanding the provisions of Articles 3, 3A, and 3C of Chapter 143 of the General Statutes to the contrary, the Board of Directors shall establish policies and regulations governing the purchasing requirements of the University of North Carolina Health Care System. These policies and regulations shall provide for requests for proposals, competitive bidding, or purchasing by means other than competitive bidding, contract negotiations, and contract awards for purchasing supplies, materials, equipment, and services which are necessary and appropriate to fulfill the clinical, educational, research, and community service missions of the University of North Carolina Health Care System. [See G.S. 116-37(h)]

900 G. Health Care System Property.

The Board of Directors shall establish rules and regulations for acquiring or disposing of any interest in real property for the use of the University of North Carolina Health Care System. These rules and regulations shall include provisions for development of specifications, advertisement, and negotiations with owners for acquisition by purchase, gift, lease, or rental, but not by condemnation or exercise of eminent domain, on behalf of the University of North Carolina Health Care System. Acquisitions and disposition of any interest in real property pursuant to this section shall not be subject to the provisions of Article 36 of Chapter 143 of the General Statutes or the provisions of Chapter 146 of the General Statutes. [See G.S. 116-37(i)]

900 H. Health Care System Property -- Construction.

Notwithstanding G.S. 143-341(3) and G.S. 143-135.1, the Board of Directors shall adopt policies and procedures with respect to the design, construction, and renovation of buildings, utilities, and other property developments of the University of North Carolina Health Care System requiring the expenditure of public money. [See G.S. 116-37(j)]

SECTION 901. NORTH CAROLINA SCHOOL OF THE ARTS.

901 A. Policy.

It is declared to be the policy of the state to foster, encourage and promote, and to provide assistance for, the cultural development of the citizens of North Carolina, and to this end the General Assembly has created and provided for a training center for instruction in the performing arts. [See G.S. 116-63]

901 B. Establishment.

There is established, and there shall be maintained, a school for the professional training of students having exceptional talent in the performing arts which shall be defined as an educational institution of the state, to serve the students of North Carolina and other states, particularly other states of the South. The school shall be designated the "North Carolina School of the Arts." [See G.S. 116-64]

901 C. Board of Trustees.

The North Carolina School of the Arts is a constituent institution of the University of North Carolina and subject to the provisions of this *Code*; provided, however, that notwithstanding the provisions of Chapter IV of this *Code*, the Board of Trustees of said school shall consist of fifteen persons, thirteen of whom are selected in accordance with provisions of said Chapter IV, one of whom shall be the conductor of the North Carolina Symphony and one of whom shall be the Secretary of the Department of Cultural Resources, each of the latter two serving ex-officio and non-voting. [See G.S. 116-65]

901 D. Powers of Board.

The Board of Governors and the Board of Trustees of the school shall be advised and assisted by the State Board of Education. Entrance requirements shall be prescribed so that the professional training offered shall be available only to those students who possess exceptional talent in the performing arts. In developing curricula the school shall utilize, pursuant to agreement with institutions of higher education or with any local administrative school unit, existing facilities and such academic nonarts courses and programs of instruction as may be needed by the students of the school, and, in the discretion of the Board of Governors, personnel may be employed jointly with any such institution or unit on a cooperative, cost-sharing basis. Curricula below the collegiate level shall be developed with the advice and approval of the State Board of Education and in consultation with the advisory board of the school. The school shall confer and cooperate with the Southern Regional Education Board and with other regional and national organizations to obtain wide support and to establish the school as the center in the South for the professional training and performance of artists. The chancellor of the school shall preferably be a noted composer or dramatist. [See G.S. 116-66]

901 E. Endowment Fund.

The Board of Trustees is authorized to establish a permanent endowment fund, and shall perform such duties in relation thereto as are prescribed by the provisions of Chapter VII of this *Code*. [See G.S. 116-68]

901 F. Purpose of School Program.

The primary purpose of the school shall be the professional training, as distinguished from liberal arts instruction, of talented students in the fields of music, drama, the dance, and allied performing arts, at both the high school and college levels of instruction, with emphasis placed upon performance of the arts, and not upon academic studies of the arts. The said school may also offer high school and college instruction in academic subjects, and such other programs as are deemed necessary to meet the needs of its students and of the state, consistent with appropriations made and gifts received therefor, and may cooperate, if it chooses, with other schools which provide such courses of instruction. The school, on occasion, may accept elementary grade students of rare talent, and shall arrange for such students, in cooperation with an elementary school, a suitable educational program. [See G.S. 116-69]

SECTION 902. NORTH CAROLINA SCHOOL OF SCIENCE AND MATHEMATICS.

The North Carolina School of Science and Mathematics is an affiliated school of the University of North Carolina. It is governed by a Board of Trustees, which has the power and authority granted to it by law. Eleven of the 25 members of the Board of Trustees are elected by the Board of Governors, as provided by law. The Board of Trustees shall develop, prepare and present to the Board of Governors a recommended budget for the school, which shall be transmitted by the Board of Governors to the General Assembly. The Board of Trustees shall keep the Board of Governors fully and promptly informed, through the President of the University of North Carolina, concerning activities of the Board of Trustees, including notices of meetings and copies of the minutes of all meetings. The Board of Governors, in

accordance with the provisions of law, shall establish for the school an Educational Advisory Council.
[See G.S. 116-230. 1 through 116-238]

Appendix 1 - DELEGATIONS OF DUTY AND AUTHORITY TO BOARDS OF TRUSTEES

Pursuant to authority vested in it by the General Statutes, and consistent with the provisions of *The Code of the University of North Carolina*, the Board of Governors hereby delegates to the boards of trustees of the constituent institutions of the University of North Carolina the following duties and powers:

I. ACADEMIC AND ADMINISTRATIVE PERSONNEL

A. Appointment and Compensation

1. Upon recommendation of the chancellor, the Board of trustees of a special responsibility constituent institution with management flexibility for personnel appointments shall, for all positions exempt from the State Personnel Act except the position of the chancellor, appoint, promote, and set the compensation for such employees consistent with the policies and salary ranges set by the Board of Governors and the regulations and guidelines established by the Office of the President.
2. Personnel actions at a constituent institution, other than a special responsibility constituent institution with management flexibility, shall be governed as follows:
 - a. With respect to all faculty positions with permanent tenure and all senior administrative positions, namely vice chancellors, provosts, deans and directors of major educational and public service activities, the chancellor, following consultation with the Board of Trustees, shall forward to the President recommendations with respect to such appointments, promotions, and compensation; if the President concurs in such recommendations, the President shall forward them to the Board of governors for approval.
 - b. With respect to all faculty and administrative positions other than those identified in subparagraph 2a above, and other than those subject to the State Personnel Act, the chancellor shall forward the chancellor's recommendations for appointment, promotion and compensation to the Board of trustees; subject to applicable provisions of the University Code and to such policies as may be established by the Board of Governors, the action of the Board of Trustees with respect to such personnel actions shall be final.

B. Discharge or Suspension

Subject to regulations of the Board of Trustees and consistent with applicable policies of the Board of Governors, all discharges or suspensions of faculty members and administrative personnel, other than those subject to the State Personnel Act, shall be effected by the chancellor. A discharged or suspended employee shall have such rights of appeal from the action of the chancellor as may be prescribed by the University Code, policies of the Board of Governors, or regulations of the Board of Trustees.

C. Personnel Policies

The Board of Trustees may adopt personnel policies not otherwise prescribed by state law, the University Code, or policies of the Board of Governors, for personnel in all categories of University employment. Policies adopted by a Board of Trustees regarding academic tenure and promotion shall be effective upon review by the Senior Vice President for Academic Affairs and the Vice President and General Counsel, and approved by the President.

D. Chancellor Selection

In the event of a vacancy in the chancellorship, the Board of Trustees shall establish a search committee composed of representatives of the Board of Trustees, the faculty, the student body and the alumni. Upon the establishment of the search committee, the chairman of the Board of Trustees and the President shall jointly establish a budget and identify staff for the committee.

The search committee, through its chairman, shall make a preliminary report to the President when the committee is preparing a schedule of interviews of those persons it considers to constitute the final list and from among whom it anticipates the trustees' nominees will be chosen, and the President will be given an opportunity to interview each of these candidates.

The Board of Trustees, following receipt of the report of the search committee, shall recommend at least two names for consideration by the President in designating a nominee for the chancellorship, for approval by the Board of Governors.

II. ACADEMIC PROGRAM

The Board of Trustees shall be responsible for insuring the institution's compliance with the educational, research, and public service roles assigned to it by the Board of Governors, either by express directive or by promulgated long-range plans of the Board of Governors.

III. ACADEMIC DEGREES AND GRADING

Subject to authorization by the Board of Governors of the nature and general content of specific degree programs which may be offered by an institution, each institution shall determine whether an individual student shall be entitled to receipt of a particular degree. Each institution also shall determine what grade a student will be assigned in a particular course. No appeal from such an institutional decision shall lie beyond the Board of Trustees.

IV. HONORARY DEGREES, AWARDS AND DISTINCTIONS

The Board of Trustees shall be responsible for approving the names of all individuals on whom it is proposed that an honorary degree or other honorary or memorial distinction be conferred by the institution, subject to such policies as may be established by the Board of Governors.

V. BUDGET ADMINISTRATION

The Board of Trustees shall advise the chancellor with respect to the development of budget estimates for the institution and with respect to the execution and administration of the budget of the constituent institution, as approved by the General Assembly and the Board of Governors.

VI. PROPERTY AND BUILDINGS

The Board of Trustees of a constituent institution shall be responsible, subject to policies of the Board of Governors and all legal requirements relative to the construction of state-owned buildings, for the following matters concerning campus capital construction projects which have been approved by the Board of Governors and authorized by the state of North Carolina: (1) the selection of architects or engineers for buildings and improvements requiring such professional services; (2) the approval of building sites; (3) the approval of plans and specifications; and (4) the final acceptance of all completed buildings and projects.

The Board of Trustees shall be responsible to the Board of Governors for preparing and

maintaining a master plan for the physical development of the institution, consistent with the total academic and service mission of the institution as defined and approved by the Board of Governors.

Any proposal involving the acquisition or disposition by an institution of any interest in real property shall be recommended by the Board of Trustees to and must be approved by the Board of Governors; provided, that

(a) if the proposal involves an interest in real property which is valued at less than \$50,000, the Board of Trustees may authorize such transaction and proceed to obtain the necessary approvals from appropriate state officials and agencies, without first obtaining the approval of the Board of Governors;

(b) if the proposal involves an interest in real property, the President may approve or execute leases with a value higher than \$50,000 up to \$150,000, and may approve or execute contracts to acquire real property with a value higher than \$50,000 up to \$250,000, without first obtaining approval of the Board of Governors; and

(c) the Board of Governors, under circumstances which it considers appropriate and following notice from it to the Board of Trustees, may take action necessary to effect the acquisition or disposition of an interest in real property which is related to or which affects the institution, without receipt of a recommendation from the Board of Trustees.¹

VII. ENDOWMENTS AND TRUST FUNDS

Subject to applicable provisions of state law and to such terms and conditions as may be prescribed from time to time by the Board of Governors, each Board of Trustees shall be responsible for the preservation, maintenance, and management of all properties, both real and personal, funds and other things of value which, either separately or in combination, constitute all or any part of the authorized endowment or trust funds, either currently in existence or to be established in the future, for the benefit of the individual constituent institution. [See G.S. 116-11(2); 116-12; 116-36; 116-36. 1; 116-36. 2; 116-36. 3]

VIII. ADMISSIONS

Subject to such enrollment levels and minimum general criteria for admission² as may be established for a constituent institution by the Board of Governors, each constituent institution of the University of North Carolina shall establish admissions policies and resolve individual admission questions for all schools and divisions within the institution. No appeal concerning an individual admission case shall lie beyond the institutional Board of Trustees.

IX. TUITION, FEES AND DEPOSITS

A. General Authority of Boards of Trustees

The boards of trustees of the constituent institutions shall cause to be collected from each student, at the beginning of each semester, quarter, or term, such tuition, fees, and other amounts necessary to pay other expenses for the term, as have been approved by the Board of Governors. [See G.S. 116-11(7) and G.S. 116-143]

B. Tuition and Fee Deposits

Each Board of Trustees shall require the payment of such advance deposits, at such times and under such conditions, as may be required by state law or by the Board of Governors. [See G.S. 116-143]

C. Application Fee

¹ By resolution adopted November 13, 1981, the Board of Governors elaborated upon this provision concerning the acquisition and disposition of interest in real estate. The resolution says, among other things, that the value of an interest in real estate shall, with respect to a lease, be deemed the annual rental thereof. Further, the resolution expressly authorizes the Board of Trustees to delegate to their respective chancellors the power to authorize for the institutions the acquisition or disposition by lease of institutions the acquisition or disposition by lease of interests in real estate valued at less than \$25,000, subject to any necessary approval from state officials and agencies.

² The Board of Governors adopted minimum undergraduate admission requirements on July 31, 1987. See Section VII-B of *The Administrative Manual of the University of North Carolina*.

Each Board of Trustees shall require the payment of such nonrefundable application fees, in connection with each application for admission, as may be required by state law or by the Board of Governors. [See G.S. 116-143]

D. Acceptance of Obligations in Lieu of Cash

Subject to policies prescribed by the Board of Governors, the boards of trustees shall establish regulations concerning the acceptance of obligations of students, together with such collateral or security as may be deemed necessary or proper, in lieu of cash, in payment of tuition and fees. [See G.S. 116-143]

E. Fee Recommendations

Subject to policies prescribed by the Board of Governors, each Board of Trustees, in consultation with the chancellor, shall recommend to the President the amounts to be charged at the constituent institution for application, athletics, health services, student activities, educational and technology, retirement of debt incurred for capital improvements projects authorized by the General Assembly, course, and special fees. In carrying out this responsibility, each Board of Trustees and the chancellor shall ascertain that the benefits of the activity or service are commensurate with the recommended fee which is required to support the activity or service. Recommended fees should be consistent with the philosophy set forth in the North Carolina Constitution which states that the benefits of the University of North Carolina should be extended to the people of the state free of expense, as far as practicable.

X. STUDENT FINANCIAL AID

All scholarships and other forms of financial aid to students which are limited in their application to or are supported from sources generated by an individual campus shall be administered by the constituent institution pursuant to such regulations as may be prescribed by the Board of Trustees and subject to the terms of any applicable laws and to policies of the Board of Governors.

XI. STUDENT SERVICES

Each Board of Trustees, upon recommendation of the chancellor, shall determine the type, level, and extent of student services (such as health care, athletic programs, and counseling) to be maintained for the benefit of students at the institution, subject to general provisions concerning types and levels of student services as may be prescribed by the Board of Governors.

XII. STUDENT CONDUCT, ACTIVITIES AND GOVERNMENT

Under such policies as may be prescribed by the Board of Governors and the Board of Trustees, the chancellor shall be responsible for the regulation of student conduct, the approval of organized, institutionally-recognized student activities and the definition of roles and functions of any institutionally-recognized system of student self-government and student participation in the governance of any aspect of the institutional programs and services. No appeal concerning such activities shall lie beyond the Board of Trustees, unless it is alleged that the policy, action or decision being appealed violates any law or constitutional provision of North Carolina or of the United States, the University Code, or policies of the Board of Governors.

XIII. INTERCOLLEGIATE ATHLETICS

Subject to such policies as may be prescribed by the Board of Governors and the Board of Trustees, the chancellor shall be responsible for the establishment and supervision of the institution's program of intercollegiate athletics.

XIV. TRAFFIC AND PARKING REGULATIONS³**XV. CAMPUS SECURITY**

Subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the Board of Trustees, the chancellor shall be responsible for the maintenance of campus security.

XVI. AUXILIARY ENTERPRISES, UTILITIES AND MISCELLANEOUS FACILITIES

Pursuant to applicable provisions of state law and policies of the Board of Governors, the boards of trustees of affected constituent institutions shall have authority and responsibility for the adoption of policies applicable to and the control and supervision of campus electric power plants and water and sewer systems, other utilities and facilities [See G.S. 116-35] and child development centers [See G.S. 116-38(a),(b) and (c)].

³ Legislation adopted by the 1973 session of the General Assembly, on recommendation of the Board of Governors, gave the boards of trustees broad authority in this area and superseded the authority originally granted in this paragraph; hence it is omitted here. [See G.S. 116-44.3 et. seq.]

Adopted 10/12/01

FACULTY MILITARY LEAVE

Background

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994, any employee called to active duty from Military Reserve or National Guard status is entitled to leave without pay and re-employment upon separation from military service under conditions enumerated in the act. Every campus of the University is required to comply with that provision of federal law.

The State of North Carolina accords paid leave to employees, subject to the State Personnel Act, who are called to active duty from Military Reserve or National Guard status. The Military Leave Policy of the State Personnel Commission grants, to SPA employees, military leave in an amount equivalent to 15 workdays.

The Board of Governors in the "Policy On Employees Exempt From The State Personnel Act" and the "Policy on Senior Academic and Administrative Officers" has extended the application of this SPA policy to employees exempt from the State Personnel Act holding appointments other than faculty appointments. As a result of the coverage limitations within each policy, unless addressed by campus policy, faculty called to active duty from Military Reserve or National Guard status do not have comparable leave benefits.

The Board of Governors directs that faculty members, who are called to active military duty, shall be entitled to paid military leave of an annual maximum of (1) either 18 working days, if the employee has an academic-year contract or (2) 24 working days, if the employee has a 12-month contract, effective as of the date of departure from University employment to begin active duty. If an employee has fewer than 18 days remaining on a terminal contract, the maximum paid military leave shall be equal to the remaining days under the contract.

It is not the intent of this policy to grant military leave for the annual training obligation of any member of the Military Reserve or National Guard. Nothing in this policy prohibits any constituent institution from adopting a policy that provides for a greater amount of military leave.

Effective Dates

This policy shall take effect upon adoption by the Board of Governors and shall apply to any faculty member called into active military duty status beginning FY2001 –2002.

Adopted 10/11/85
Amended 11/10/95
Amended 07/12/02

DISTINGUISHED PROFESSORS ENDOWMENT TRUST FUND

The Board of Governors received from the 1985 Session an appropriation of \$4 million (\$2 million in fiscal year 1985-86 and an additional \$2 million in fiscal year 1986-87) for the purpose of establishing "a Distinguished Professors Endowment Trust Fund to be maintained by the Board [of Governors] to provide challenge grants to the constituent institutions" (Chapter 757, 1985 Session Laws, Sec. 202; N.C.G.S. § 116-41.13-41.19). In 1995, the North Carolina General Assembly amended the statute that authorized the trust fund, to make clear that distinguished professorships could be awarded to either current faculty or newly hired faculty (Chapter 507, 1995 Session Laws, Sec. 15.12; N.C.G.S. § 116-41.18).

Consistent with the terms and conditions set out in the legislation, the Board of Governors of the University of North Carolina hereby enacts the following rules and regulations for administering the Board of Governors' Distinguished Professors Endowment Trust Fund (hereafter "the Trust Fund").

I. General

1. All funds appropriated for the Trust Fund shall be held by the Board of Governors, in accordance with N.C.G.S. § 116-36.1.
2. Matching funds shall be allocated by the Board of Governors to the constituent institutions from the Trust Fund in accordance with the schedule set out in Section II., below, and subject to all requirements and conditions in these regulations being met by the institutions that apply for allocations.

II. Schedule of Allocations

1. The sum of \$2,338,000 appropriated for the Trust Fund shall be available to fund 14 challenge grants, each in the amount of \$167,000, and each for the purpose of creating of \$500,000 endowment for a distinguished professorship in each constituent institution of the University of North Carolina, except North Carolina State University at Raleigh and the University of North Carolina at Chapel Hill.
2. The sum of \$668,000 appropriated for the Trust Fund shall be available to fund two challenge grants, each in the amount of \$334,000, and each for the purpose of creating a \$1,000,000 endowment for a distinguished professorship, one at North Carolina State University at Raleigh and one at the University of North Carolina at Chapel Hill; however, the Boards of Trustees of North Carolina State University at Raleigh and of the University of North Carolina at Chapel Hill may elect that one \$167,000 challenge grant be held in reserve for them, in lieu of the \$334,000 reserve provided for above, and in the event either or both make this election, then the balance of the \$334,000 reserve shall be added to the general reserve established in II.3., below.
3. The balance of the \$4,000,000 appropriation, plus all accrued interest shall be available to fund additional challenge grants in the amounts specified in II.1. and 2., or to increase a \$167,000 challenge grant made pursuant to II.1. to a \$334,000 grant to enable the creation of a \$1,000,000 endowment to any institution, upon proper application.

4. This schedule of allocations shall continue in effect until February 1, 1987. By that date the Board of Governors shall receive the recommendation of the Committee on Personnel and Tenure, on the basis of availability of funds and after a review of the operation of the schedule until that date, to continue this schedule or to adopt an alternative schedule.

III. Requirements for Private Contributions

1. An institutional board of trustees, to be eligible for an allocation from the Board of Governors under the schedule set forth herein, shall establish a Distinguished Professors Endowment Fund (hereafter "Endowment Fund") to be administered in accordance with N.C.G.S. § 116-36, and to that Endowment Fund shall be deposited private contributions received for this purpose, together with the challenge grant from the Trust Fund.
2. Private contributions to this Endowment Fund must be given or pledged specifically for the purposes of the Trust Fund, and only contributions received after July 1, 1985, may be credited to the special Endowment Fund of the institution.
3. To qualify for a challenge grant from the Trust Fund in the amount of \$334,000, the institution shall have \$666,000 in donations and interest in its Endowment Fund; and to qualify for a \$167,000 challenge grant the institution shall have \$333,000 in donations and interest.
4. The appropriate challenge grant amount (\$334,000 or \$167,000) may be placed in escrow in the Trust Fund for an institution that has in its Endowment Fund \$111,000 or \$55,500, respectively, and written pledges of additional private contributions in the amount of \$555,000 or \$227,500, as appropriate; provided, that each payment or aggregate payments on this balance shall be no less than the amount of the initial payment or payments and shall be made on or before the anniversary date of the initial payment or payments and the full amount shall be paid within five years of the initial payment or payments. When the full amount (\$666,000 or \$333,000) is in the Endowment Fund, the challenge grant shall be paid from the Trust Fund.

IV. Procedures for Establishing Endowed Chairs

1. At the time an institutional board of trustees establishes the Endowment Fund required in Section III, the chancellor shall prepare a plan for the establishment of the endowed chair or chairs contemplated. This plan shall be submitted to the President for review and approval. No challenge grant shall be made in the absence of an approved plan. The plan shall describe:
 - a. the number of chairs contemplated;
 - b. the general level of salary and other benefits and perquisites, and the amounts to be supported annually by the income from the Endowment Fund;
 - c. the academic department or other unit to which it is anticipated that the chair or chairs will be assigned; and
 - d. whether the chair will be filled by an external or internal appointment (or either). Institutions are encouraged to consider plans for external appointments who will constitute distinguished additions to the faculty; and
 - e. the expected benefits to the institution.

2. The Board of Trustees may name the endowed chair or chairs in honor of a donor, benefactor, or other person or organization.
3. The selection of each distinguished professor to hold an endowed chair shall be made in the following way:
 - a. The selection and appointment procedures followed shall be fully consistent with the institution's tenure policies and regulations and other applicable personnel policies;
 - b. The distinguished professor shall be appointed at the rank of professor¹ and the appointment shall be subject to approval by the Board of Governors at those institutions not designated as Special Responsibility Constituent Institutions with Management Flexibility.
 - c. The academic discipline to which the person is appointed shall be one of major importance to the educational program of the institution; and
 - d. The person appointed shall have a record of outstanding accomplishment in that discipline or field as a teacher and scholar or practitioner.
4. When a vacancy occurs in an endowed chair established with the Endowment Fund, the chancellor shall consult with the institutional board of trustees. The chancellor shall thereafter recommend to the President any amendments to the approved plan or shall recommend continuation of the plan without amendment. Upon approval of the plan by the President, selection and appointment of the new distinguished professor shall then proceed in accordance with these regulations.

¹ At the North Carolina School of the Arts other appropriate rank shall be conferred.