

**NORTH CAROLINA CENTER FOR  
PUBLIC POLICY RESEARCH INC.**

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**NEWS RELEASE**

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**IT'S TIME FOR A TUNE-UP OF GOVERNANCE OF NC'S PUBLIC UNIVERSITIES  
SAYS NEW POLICY CENTER REPORT**

In a new report, the N.C. Center for Public Policy Research concludes the legislature should relinquish the task of choosing the University system's Board of Governors and give that responsibility to the Governor. The Center's report also says that the Board itself needs to begin fulfilling its statutory responsibility for long-range planning in higher education in coordination with the community colleges and private colleges and universities. And, it warns that seven tuition increases in the last eight years invite a lawsuit under the State Constitutional mandate that a university education "as far as practicable, be extended to the people of the State free of expense."

The report also says the research universities need to be more sensitive to statewide needs and problems and that athletics programs need to be brought under control. These and other recommendations are based on extensive research in the Center's new 402-page report, "The Statewide UNC Board of Governors: Its Selection, Powers, and Relationship to the 16 Local Campus Boards of Trustees," released today.

"After 35 years of experience with a statewide system governing our 16 public universities, it's time for a tune-up," says Ran Coble, director of the Center. "But it's a tune-up of the system that's needed – not an overhaul," he adds. "Though we make 11 recommendations for changes, this does not lessen our finding that the basic structure is sound. There is still a great need for a statewide board governing all public universities – a board focused on the University's three missions of teaching, research, and public service and a University system that is helping meet state needs and solve state problems."

**Election of the Board by the Legislature**

The Center concludes that the General Assembly should pass legislation giving the Governor the power to appoint three-fourths of the 32 members of the UNC Board of Governors, which governs all 16 university campuses and now the N.C. School of Science and Mathematics. Only two states – North Carolina and New York – have the legislature elect all voting members of their statewide university boards. Governors appoint board members in 46 other states.

The Center says the legislature is not doing its homework to understand the qualifications of the candidates for the Board of Governors or to find out candidates' views on higher education policy. In addition, the process is being tainted by Board of Governors candidates making campaign contributions to legislators. These contributions totaled \$425,720 in a recent five-year period.

The Center says the legislature also is failing to follow state law in two areas. The legislature's nominating committees are required by law to submit "at least twice the number of candidates for the total seats open." However, in 1999, 2001, 2003, and 2005, the ballots submitted to the full N.C. Senate contained only the same number of active candidates as there were seats available.

And, the legislature is failing to meet the statutory goal of "economic, geographic, political, racial, gender, and ethnic diversity." The Center examined the legislature's record over a 32-year period and found that the General Assembly has consistently failed to elect women and minorities to the Board of Governors in proportion to their numbers in the state's population. Over a 32-year period, the legislature has filled 1,024 positions on the UNC Board, and only 19 percent were women, while women constitute 51 percent of the state's population. And, the legislature has elected 21 percent minority Board members in a state that has 29 percent minorities.

The Center's research also shows that those elected to the Board of Governors by the legislature come disproportionately from the Piedmont, slighting the Eastern and Western regions of North Carolina. Based on its research, the Center recommends gubernatorial appointment of the Board of Governors, longer terms for Board members, giving the student member of the Board the right to vote, and increased efforts at diversity to improve the Board.

### **The Board of Governors' Responsibility for Long-Range Planning in Higher Education**

The Center says the Board of Governors itself is failing to meet one of its key responsibilities. State law requires the Board to develop a "long-range plan for a coordinated system of higher education ... in consultation with representatives of the State Board of Community Colleges and of the private colleges and universities." This mandate is not being met, and yet planning is now more important than ever, says the Center.

The Center praised new UNC President Erskine Bowles for his actions to address the state's teacher shortage, but the Center said a master plan is needed to solve this and other statewide problems. Center director Coble gave four examples of the reasons the Board needs to exercise its long-range planning responsibilities in coordination with community colleges and private colleges.

First, because of rapid population growth, North Carolina will need 10,000 new teachers each year for the next 10 years, but the public universities produce only about 2,361 teachers a year. "This means the Board of Governors is going to have to do what the statute says – coordinate with the Community Colleges and private colleges and produce a plan to meet this need," says Coble. Second, the state will need 9,000 more nurses by 2015 to serve a growing elderly population that will explode when Baby Boomers start turning 65 in 2011. Third, the Board has performed no evaluation of the state's needs as plans have developed for three new law schools in Charlotte and Greensboro to add to the five already existing in the state. Fourth, the Center says that North Carolina needs to improve its percentage of high school students who go to college and that the state will need cooperation between public and private universities, as well as community colleges, to accomplish this.

This year, the university system receives \$2.374 billion in state funds (plus \$246 million for capital improvements), the community colleges receive \$893 million, and private colleges and universities receive a total of \$96.9 million through the N.C. Legislative Tuition Grant Program and the State Contractual Scholarship Program. With all this state money involved, coordinated planning is needed to meet pressing state needs and help solve state problems, says the Center.

### **Seven Tuition Increases in Eight Years Invite a Lawsuit**

The UNC Board of Governors initiated tuition increases in 1999, 2000, 2001, and 2002. The legislature approved these increases and added another on its own initiative in 2003. As a result of these cumulative actions, undergraduate tuition for North Carolina residents rose by 71 percent from 1999 to 2004. In 2004 and 2006, the Board approved and the General Assembly agreed to additional tuition increases that were initiated by individual campuses.

Yet the State Constitution mandates that “The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.” The Center says the recent surge of tuition increases could prompt a lawsuit and that such a suit could cost the state millions of dollars. In 1990, the Center warned of a lawsuit by property tax-poor public schools under the State Constitution’s guarantee of equal educational opportunity, and the successful *Leandro* school finance suit filed in 1994 has now cost the state hundreds of millions of dollars. In this fiscal year alone, the legislature appropriated \$178 million for low-wealth schools.

### **Center Says Research Universities Should Not Be Allowed To Undermine or Exit the State System**

In recent years, boosters at UNC-Chapel Hill and N.C. State University have taken steps to gain special treatment and undermine North Carolina’s system of higher education governance, says the Center. The group says the research universities have benefited from a system that is sixth among the 50 states in total higher education appropriations and 11<sup>th</sup> in salaries for full-time faculty at four-year public universities. UNC-Chapel Hill and N.C. State also received 39 percent of the record \$2.5 billion in statewide bond funds for all 16 universities approved by voters in 2000.

In 2005, university boosters at Carolina and State combined with state Senate leaders to insert two special provisions in the Senate budget that would benefit those two campuses. One provision would have allowed UNC-Chapel Hill and N.C. State to raise tuition on their own and bypass the system’s Board of Governors. The second provision gave in-state tuition status to all 456 out-of-state students who receive full academic or athletic scholarships – of whom 311 are athletes. Public and editorial criticism resulted in the first provision being removed from the final budget, but the second is now law. That provision will cost state taxpayers an estimated \$5.2 million in the coming year, with \$3.4 million going to support out-of-state athletes. The cost to taxpayers will rise to more than \$20 million annually in four years.

Research universities also have done little to discourage another maverick move – the formation of campus-related political action committees (PACs) which are making campaign contributions to legislative candidates. Citizens for Higher Education, a UNC-Chapel Hill group, gave \$362,000 to candidates in a recent election cycle, an N.C. State PAC gave \$36,950, and the Coalition for East Carolina University gave \$8,000.

In the latest legislative session, the UNC system as a whole has sought special treatment that all other state agencies do not receive. UNC sought legislation to exempt universities from a requirement that the N.C.

Department of Insurance conduct safety reviews before new construction can begin. N.C. Commissioner of Insurance Jim Long strongly objected and asked the Governor to veto the bill if it reached his desk. UNC also sought legislative approval in 2005 for an experiment to create its own employee health insurance system separate from the system that covers all other state employees. Former state health plan executive administrator Jack Walker said at the time, “I don’t know how they’re going to pay for it. From what I’ve seen, it is a Mercedes plan, and we’re on a bicycle budget.”

### **More Accountability Needed in Management of Intercollegiate Athletics**

The Center says intercollegiate athletics has been a trouble spot historically in governance of public universities and in the relationship between local campus boards of trustees and the President and Board of Governors for the UNC system. Since 1953, seven of the 16 UNC constituent universities have been sanctioned for “major infractions” of bylaws of the National Collegiate Athletic Association (NCAA). Elizabeth City State University, Western Carolina University, and Winston-Salem State University each have been sanctioned once. East Carolina University, N.C. Central University, and UNC-Chapel Hill each been sanctioned twice. N.C. State University has been sanctioned five times, ranking it 17<sup>th</sup> on the all-time list of institutions with major violations of rules of the 1,027 member National Collegiate Athletic Association.

The Center recommends that the UNC Board of Governors adopt system-wide guidelines on athletics in line with reports by the National Knight Foundation Commission on Intercollegiate Athletics issued in 1991 and 2001 and co-chaired by former UNC President Bill Friday. The Center says the Board of Governors should establish explicit policies to hold Chancellors accountable on each campuses for (1) student athlete graduation rates of at least 50 percent, (2) inappropriate corporate sponsorships, (3) exceptions to campus policies for student athletes, (4) coaching contracts that violate the UNC system’s Administrative Code, and (5) participation in athletic conferences that do not allow universities to establish game times and that do not encourage the development of minor leagues for the National Basketball Association and National Football League.

### **How the Center’s Report Was Done**

To prepare this report, the authors visited campuses throughout the University of North Carolina system and attended almost every Board of Governors meeting over the last five years. The Center also conducted several hundred interviews, including with current and former members of the UNC Board of Governors and with both winning and losing candidates for the Board. The Center obtained data from the State Budget Office, the legislature’s Fiscal Research Division, the National Center for Education Statistics, State Higher Education Executive Officers, UNC-General Administration, and the 16 campuses themselves. The authors reviewed all state statutes and Constitutional provisions pertaining to higher education, as well as the University *Code* and administrative manuals governing local campuses. Many of those statutes and Constitutional and code provisions are reprinted in the report. The Center has previously published both a comprehensive analysis of the governance of public universities in all 50 states and a history of the UNC system.

This report was supported by major grants from The Ford Foundation of New York, the W.K. Kellogg Foundation of Michigan, and the N.C. GlaxoSmithKline Foundation in Research Triangle Park. The James G. Hanes Memorial Fund and John Wesley and Anna Hodgin Hanes Foundation of Winston-Salem also made grants in support of the project.

The N.C. Center for Public Policy Research is an independent, nonpartisan, nonprofit research corporation created in 1977 to evaluate state government programs and to study public policy issues facing North Carolina. The Center receives general operating support from the Z. Smith Reynolds Foundation in Winston-Salem, with additional funding from eight other private foundations, 120 corporate contributors, and about 600 individual and organizational members. The Center publishes a journal, *North Carolina Insight*, and book-length research reports, including a biennial citizens' guide to the legislature. The Center recently has conducted in-depth studies on the teacher shortage in North Carolina, domestic violence, economic development in Eastern North Carolina, and the pros and cons of state lotteries.

The new report, *The Statewide UNC Board of Governors: Its Selection, Powers, and Relationship to the 16 Local Campus Board of Trustees* is available from the Center for \$35. A set of all three publications in the Center's four-part series on higher education governance – also including *Reorganizing Higher Education in North Carolina: What History Tells Us About Our Future* (\$20), and *Governance and Coordination of Public Higher Education In All 50 States* (\$25) – is available for \$70. To order, write the Center at P.O. Box 430, Raleigh, NC 27602, call (919) 832-2839, fax (919) 832-2847, or order by email from [tbromley@nccppr.org](mailto:tbromley@nccppr.org).

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For more information about the Center's higher education report and its recommendations, call Ran Coble at the N.C. Center for Public Policy Research at (919) 832-2839.

Table 4.5

**University of North Carolina Tuition and Fees****A. University of North Carolina Tuition Increases, 1970–2004\***

	<u>In-State Undergraduate</u>		<u>Out-of-State Undergraduate</u>		<u>In-State Graduate</u>		<u>Out-of-State Graduate</u>	
	<i>Average Tuition</i>	<i>Percent Increase</i>	<i>Average Tuition</i>	<i>Percent Increase</i>	<i>Average Tuition</i>	<i>Percent Increase</i>	<i>Average Tuition</i>	<i>Percent Increase</i>
1970–71	\$255		\$939		\$271		\$939	
1971–72	\$256	1%	\$1,305	39%	\$272	1%	\$1,305	39%
1972–73	\$256	0%	\$1,780	36%	\$272	0%	\$1,780	36%
1973–74	\$266	4%	\$1,780	0%	\$283	4%	\$1,780	0%
1974–75	\$273	3%	\$1,780	0%	\$290	3%	\$1,780	0%
1975–76	\$275	1%	\$1,876	5%	\$292	1%	\$1,876	5%
1976–77	\$275	0%	\$1,876	0%	\$292	0%	\$1,876	0%
1977–78	\$302	10%	\$1,976	5%	\$321	10%	\$1,976	5%
1978–79	\$302	0%	\$1,976	0%	\$321	0%	\$1,976	0%
1979–80	\$302	0%	\$1,976	0%	\$321	0%	\$1,976	0%
1980–81	\$302	0%	\$1,976	0%	\$321	0%	\$1,976	0%
1981–82	\$360	19%	\$2,083	5%	\$382	19%	\$2,083	5%
1982–83	\$360	0%	\$2,083	0%	\$382	0%	\$2,083	0%
1983–84	\$396	10%	\$2,620	26%	\$421	10%	\$2,620	26%
1984–85	\$396	0%	\$2,857	9%	\$421	0%	\$2,857	9%
1985–86	\$403	2%	\$3,184	11%	\$428	2%	\$3,184	11%
1986–87	\$403	0%	\$3,577	12%	\$428	0%	\$3,577	12%
1987–88	\$424	5%	\$3,891	9%	\$451	5%	\$3,891	9%
1988–89	\$424	0%	\$4,225	9%	\$451	0%	\$4,225	9%
1989–90	\$510	20%	\$4,841	15%	\$542	20%	\$4,841	15%
1990–91	\$549	8%	\$5,041	4%	\$583	8%	\$5,041	4%
1991–92	\$654	19%	\$5,844	16%	\$695	19%	\$5,844	16%
1992–93	\$690	6%	\$6,462	11%	\$733	6%	\$6,649	14%
1993–94	\$711	3%	\$6,882	7%	\$755	3%	\$6,882	4%
1994–95	\$734	3%	\$7,329	6%	\$780	3%	\$7,329	6%
1995–96	\$809	10%	\$7,818	7%	\$859	10%	\$7,818	7%
1996–97	\$893	10%	\$8,256	6%	\$948	10%	\$8,256	6%
1997–98	\$919	3%	\$8,336	1%	\$977	3%	\$8,336	1%
1998–99	\$938	2%	\$8,503	2%	\$996	2%	\$8,503	2%
1999–00	\$985	5%	\$8,584	1%	\$1,070	7%	\$8,606	1%
2000–01	\$1,067	8%	\$8,696	1%	\$1,183	11%	\$8,756	2%
2001–02	\$1,286	21%	\$9,646	11%	\$1,452	23%	\$9,898	13%
2002–03	\$1,603	25%	\$10,960	14%	\$1,795	24%	\$11,332	14%
2003–04	\$1,683	5%	\$11,602	6%	\$1,885	5%	\$11,827	4%

\* The average tuition figures reported here are the unweighted mean tuition rates for each student category at the 16 campuses of the University of North Carolina.

Notes: Tuition Revenue: (1) Each 1% increase in resident student tuition generates an estimated \$3.2 million. (2) Each 1% increase in nonresident student tuition generates an estimated \$2.6 million. Source: Fiscal Research Division, N.C. General Assembly

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As reported in our study of *Governance and Coordination of Public Higher Education in All 50 States*, the Center found that state laws concerning 37 higher education boards specifically address gender, race/ethnicity, political party affiliation, geographic representation, age, or other criteria for central higher education board membership.<sup>19</sup> Before the 2001 elimination of the guaranteed seats, seven states, including North Carolina, mandated appointment of women on their central higher education boards, while eight states, including North Carolina, mandated that one or more board appointments be reserved for persons of a minority racial or ethnic group.<sup>20</sup>

State laws setting the composition of higher education boards vary. Some of these statutes have specific requirements, while others speak in more general terms. The former category of laws includes the former N.C. statute, which was unusual in its specificity as to the number of women and minority members to be appointed. Also, the Tennessee Higher Education Commission statute is specific in stating that in making appointments to the 15-member commission, the Governor “shall strive to ensure that at least one (1) person appointed to the commission is a member of a racial minority.” Beginning in January 1995, every other appoint-

***Mother whispered, “See, you don’t have to think about doing the right thing. If you’re for the right thing, then you do it without thinking.”***

— MAYA ANGELOU

*I KNOW WHY THE CAGED BIRD SINGS*

tee in Tennessee is to be a woman, until “the membership of the commission reflects the percentage of females in the population generally.”<sup>21</sup> The Kentucky statute governing the state’s Council on Postsecondary Education directs the Governor to make appointments which “shall assure broad geographical and political representation; assure equal representation of the two sexes, inasmuch as possible; assure no less than proportional representation of the two leading political parties of the Commonwealth based on the state’s voter registration; and assure that appointments reflect the minority racial composition of the Commonwealth. No more than two members may hold an undergraduate degree

Table 3.2

***Comparison of UNC Board of Governors Membership with State Demographics by Gender, Race, and Ethnicity***

	<b>N.C. Population,* 2000 Census</b>	<b>2003–04 Board of Governors Membership</b>	<b>1972–73 – 2003–04 Board of Governors Cumulative Average**</b>
Women	51.0%	8 (25%)	199 of 1,024 (19%)
Men	49.0%	24 (75%)	825 of 1,024 (81%)
Whites	72.1%	25 (78%)	807 of 1,024 (79%)
African Americans	21.6%	7 (22%)	207 of 1,024 (20%)
Hispanics	4.7%	0 ( 0%)	0 of 1,024 ( 0%)
Asians	1.4%	0 ( 0%)	0 of 1,024 ( 0%)
Native Americans	1.2%	0 ( 0%)	12 of 1,024 ( 1%)

\* Population percentages do not sum to 100 percent because Hispanic is considered an ethnicity by the U.S. Census Bureau, rather than a race.

\*\* Calculated as percentage of possible seats in each category on an annual basis, coinciding with the Board term of service. For example, women have held seats 199 times of the possible 1,024 times a seat could be held (32 seats times 32 years, with Board years beginning on July 1 of one calendar year and ending on June 30 the following year).

Table 3.4

**Comparison of Legislative Composition by Political Party and 2004 Statewide Voter Registration with UNC Board of Governors Voting<sup>1</sup> Membership**

	Democrats (%)		Republicans (%)		Unaffiliated/Other (%)	
Serving in 2003–04 NC General Assembly (120 House & 50 Senate) <sup>2</sup>	88 of 170	(52%)	82 of 170	(48%)	0 of 170	(0%)
Overall Average for 1972–2004 NC General Assembly	121 of 170	(71%)	49 of 170	(29%)	0 of 170	(0%) <sup>3</sup>
Voting Members, 2004–05 UNC Board of Governors	23 of 32	(72%)	9 of 32	(28%)	0 of 32	(0%)
Average Number of Voting Members, 1972–2004, on the Board of Governors <sup>4</sup>	843 of 1,024	(82%)	179 of 1,024	(18%)	8 of 1,024	(1%)
2004 Statewide Voter Registration <sup>5</sup>	2,406,712	(47.5%)	1,747,276	(34.5%)	917,521	(18.1%)

<sup>1</sup> *Emeritus & ex officio* members do not vote and are not included in this table.

<sup>2</sup> When the N.C. General Assembly conducted the Board of Governors election in 2003, there were 88 Democrats and 82 Republicans. Two members of the legislature changed parties later in the year, changing the partisan composition to 86 Democrats and 84 Republicans.

<sup>3</sup> Former Rep. Carolyn Russell (R-Wayne) was elected as an unaffiliated candidate in 1990, but became a Republican.

<sup>4</sup> Calculated as a percentage of possible seats in each category on an annual basis. For example, Republicans have held 179 seats of the possible 1,024 times a seat could be held (32 seats times 32 years).

<sup>5</sup> The N.C. State Board of Elections reports 5,071,509 registered voters in North Carolina, as of April 10, 2004.

**B. Requirement for Representation of the Minority Political Party**

The third category of seats historically guaranteed on the UNC Board of Governors was set aside for the minority political party. Beginning in 1973, the state law that governs the membership of the UNC Board was altered to mandate that at least four of the 32 voting seats be allocated to “members of the political party to which the largest minority of the members of the General Assembly belongs,” thereby guaranteeing that at least 12.5 percent of the Board would represent the predominant minority political party. Over the 32-year period since the Board of Governors was created, with the exception of 1995–1996 (when Republicans held 92 of the total 170 seats in the legislature), Republicans have been the minority party in the N.C. General Assembly.

However, GOP influence is growing. The number of Republicans in the General Assembly has risen from 31 of 170 legislators in 1971, to 34 in 1981, to 53 in 1991, to 73 in 2001, and to 78 in 2005.<sup>32</sup> The Republi-

can high point was 1995 when the party elected a total of 92 legislators and controlled the 120-member state House, 68–52, and had 24 seats in the 50-member Senate. According to information compiled by the N.C. State Board of Elections, the percentage of registered Republicans in the state has increased from 22.9 percent in November 1972 to 29.6 percent in November 1988 to 34.5 percent of registered voters in April 2004.<sup>33</sup>

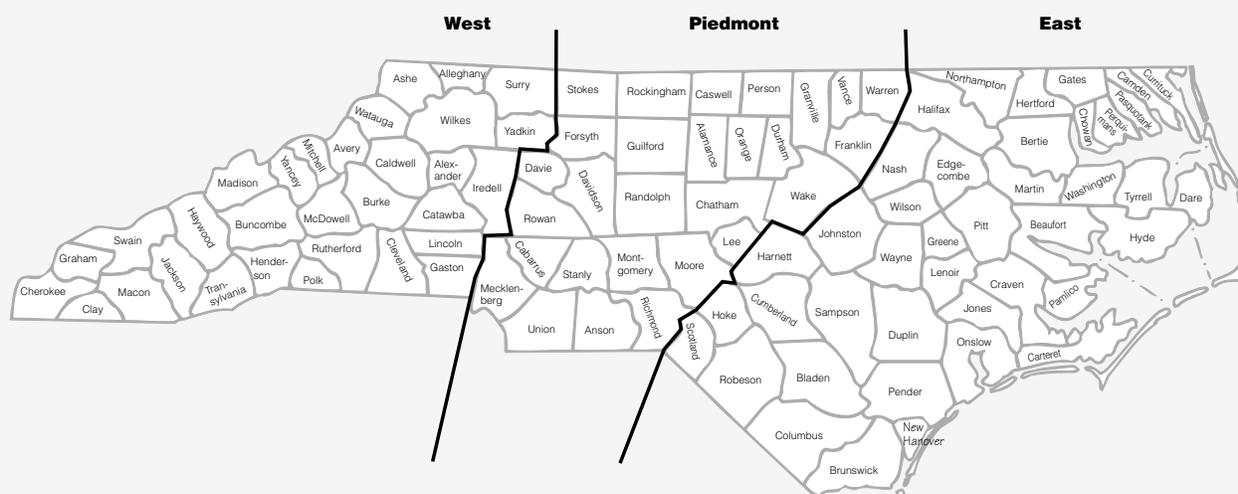
Since 1973, Republicans have held from one to 13 or from 3 to 41 percent of the 32 voting seats on the Board of Governors. The Republican high points on the Board of Governors were 1997 and 1998, when the party held 13, or 41 percent, of the voting seats. In 2003, the elections in the Senate and House increased the number of Republicans with a vote on the UNC Board of Governors from seven (22%) in 2001–2002 to nine (28%) in 2003–2004.

Although the percentage of members of the UNC Board of Governors who are members of the minority political party exceeded the former statutory minimum of 12.5 percent from time to time, the percentage of seats

Table 3.5

**UNC Board of Governors Voting Membership by Geographic Region in N.C., 1997–2004**

	Population%	Geographic Ideal Membership	Members of the UNC Board of Governors by Region			
			1997–98*	1999–2000	2001–02	2003–04
West	22%	7	5 (16%)	4 (13%)	2 (6%)	5 (16%)
Piedmont	48%	15	19 (59%)	17 (53%)	21 (66%)	21 (66%)
East	30%	10	7 (22%)	11 (34%)	9 (28%)	6 (19%)



\* Because there was a vacancy on the Board in 1997–98 and a total of 31 members instead of the full 32, percentages will not add to 100%.

**1. The Idea of Geographical Balance**

Some want to see more attention to regional loyalties and expertise on the UNC Board. Currently, 24 boards in 22 states mandate some form of geographic representation in their higher education boards.<sup>48</sup> In the early days of the UNC Board of Governors, members were selected from the boards of the constituent higher education institutions. Now, many state policymakers say the Board has properly evolved into a body composed of members who see themselves as representing statewide higher education interests, as the law requires. The make-up of the Board also has changed to reflect the political strengths of various regions of the state. “At one time on our Board, when the political strength was centered in Raleigh and Durham, we had more members from there. But as things have shifted, you have seen the membership on our Board shift,” says former Board of Governors Chairman Sam Neill of Hendersonville in

the mountains. Of the 31 voting members of the 1997–98 Board of Governors (there was one vacancy), five (16 percent) were from the western portion of the state, 19 (59 percent) were from the Piedmont (Charlotte to Raleigh), and seven (22 percent) were from eastern North Carolina (see Table 3.5). Of the 32 voting members of the 1999–2000 Board of Governors, four (13 percent) were from the western portion of the state, 17 (53 percent) were from the Piedmont, and 11 (34 percent) were from eastern North Carolina.<sup>49</sup> The 2001–2002 Board was comprised of 2 (6 percent) members from western North Carolina, 21 (66 percent) members from the Piedmont portion of the state and 9 (28 percent) members from the east. The corresponding figures for the 2003–04 Board were five from the west (16 percent), 21 from the Piedmont (66 percent), and six members (19 percent) from eastern North Carolina. The percentage of the state’s population that lives in each region is 22% in the West, 48% in the Piedmont, and 30% in the East. In

**SUMMARY OF RECOMMENDATIONS FROM “THE STATEWIDE UNC BOARD OF GOVERNORS:  
ITS SELECTION, POWERS, AND RELATIONSHIP TO THE 16 LOCAL CAMPUS BOARD OF TRUSTEES”  
by The N.C. Center for Public Policy Research**

**SELECTION AND COMPOSITION OF THE BOARD OF GOVERNORS**

1. The North Carolina General Assembly should enact legislation to change the process of selecting the UNC Board of Governors **from having the legislature elect all members of the Board of Governors to a system where the Governor would appoint 24 of the 32 members with confirmation by the state Senate and House of Representatives.** Four of the eight remaining appointments should be made by the state Senate and four by the House.

2. The Governor and /or the General Assembly should **make their appointments more accurately reflect the proportions of women and racial and ethnic minorities in the state’s population, the proportions of registered voters in each political party and those who are not affiliated with a political party, and the proportion of the population residing in the western, Piedmont, and eastern regions of the state.** North Carolina’s statute should be amended to read like Kentucky’s, which says the Governor must “assure broad geographical and political representation; assure equal representation of the two sexes, inasmuch as possible; assure no less than proportional representation of the two leading political parties of the [state] based on the state’s voter registration; and assure that appointments reflect the minority racial composition of the [state].”

3. The legislature should change the status of the **student member** of the Board of Governors from non-voting to **a voting seat** on the Board.

**TERMS OF BOARD MEMBERS**

4. The N.C. General Assembly should **increase the length of terms** of University Board of Governors members from four years with a three-term limit **to six years with a two-term limit.**

**GOVERNANCE OF FLAGSHIP UNIVERSITIES**

5. The Board of Governors and the N.C. General Assembly should **reject any proposals to give special “flagship status”** to certain universities.

6. The Center recommends that the Board of Governors, Governor, and General Assembly **reject any proposal that would (i) take UNC-Chapel Hill and N.C. State out of the system governed by the Board of Governors** and have them governed solely by campus boards of trustees **or (ii) that would create a separate board** governing just the research universities, as the California System does.

**REQUESTS FOR EXCEPTIONS FOR PUBLIC UNIVERSITIES FROM POLICIES APPLICABLE TO OTHER STATE AGENCIES**

7. (a) The Governor and legislature should **reject further requests for special treatment for some or all of the 16 universities unless and until the UNC system makes a compelling case about the specific ways these institutions are legitimately different** from other agencies in the executive branch of state government, **or** unless such requests for flexibility are **accompanied by outcome-based accountability standards** that have been fully examined in an open public process.

(b) The Center recommends that a **study commission** be established by the Governor or the legislature **to examine the state construction, purchasing and contracting, personnel, and budgeting systems** to determine the following:

\*whether these systems are working well and, if not, in what situations, and for which agencies the problems occur;

\*whether changes are needed to modernize state construction, purchasing and contracting, personnel, and budgeting procedures;

\*whether any state agency, including the University system, is disproportionately affected by weaknesses in the system such that special treatment or flexibility is justified; and

\*whether there is a need for an overall State Capital Improvement Plan that ranks priorities in capital projects over an eight-year period for all of state government – including projects on all 16 university campuses.

The study group could be either a legislative study commission created by the General Assembly or a blue ribbon commission created by the Governor. In any event, the study commission should be composed of at least four legislators from both chambers; representatives from at least two executive departments under the Governor; representatives from two other departments headed by other elected officials in the Council of State; the University system; the State Employees Association; outside corporate consultants with expertise in construction, purchasing and contracting, personnel, and budgeting; and representatives from the State Offices of Construction, Purchase and Contract, Personnel, and State Budget and Management. The majority of the members should be legislators.

## **CHANGES IN THE ALLOCATION OF POWERS BETWEEN THE STATEWIDE UNC BOARD OF GOVERNORS AND THE 16 LOCAL CAMPUS BOARDS OF TRUSTEES**

### **Refine the Delegation of Power to Campuses on Intercollegiate Athletics**

8. (a) The UNC Board of Governors should **refine its delegation of power to the local campuses on intercollegiate athletics**. The chancellors should retain their lead role, but the Board of Governors should lead reform in governance of intercollegiate athletics by **adopting system-wide guidelines on intercollegiate athletics in line with reports by the national Knight Foundation Commission on Intercollegiate Athletics** issued in 1991 and 2001. This should include language incorporated into the University Code based on the Commission's recommendations that would:

- (1) require Chancellors to bar teams that do not graduate at least 50 percent of their players from conference championships or post-season play;
- (2) require Chancellors to prohibit athletes from wearing uniforms with corporate logos for which the campus, campus employees, or athletes have received any compensation and require that any and all corporate sponsorship and product placement arrangements, such as Website advertising, be subject to open public review;
- (3) forbid campuses from enacting policies or following practices that make it easier for athletes (compared to other students) to be granted exceptions to any campus policy;
- (4) forbid campuses from negotiating contracts with coaches that would require exceptions to the current UNC Code and require that coaches' salaries be set in the context of other salaries in higher education;
- (5) forbid campuses from participating in athletic conferences in which universities alone do not decide when games would be played and broadcast on television, and expressly forbid NCAA Division I football games from being played on school nights; and
- (6) forbid campuses from participating in athletic conferences that do not encourage the NBA and NFL to develop minor leagues to give young athletes a route to professional sports other than playing on college or university teams.

### **Special Task Force of the Board of Governors on Intercollegiate Athletics**

8. (b) The UNC Board of Governors should **appoint a special task force**:
- (1) **to determine whether the Board's policies on intercollegiate athletics are being followed** by the campus chancellors and boards of trustees. This recommendation contemplates an inquiry beyond simply reviewing the annual reports submitted by each of the 15 chancellors subject to the Board's policies on intercollegiate athletics.
  - (2) The special task force also should **reassess the need for additional University-wide standards** to ensure that the traditional academic values present in the student athlete model are maintained, and if necessary, restored on every UNC campus.

### **Policies on Private Fundraising by Public Universities**

9. (a) The UNC Board of Governors should **establish policies to increase equity among the local campuses on private fundraising and development staff**.

(b) The UNC Board of Governors should **clarify and broaden its definition of university-affiliated foundations and related entities** in a manner consistent with the State Auditor's special review of October 2004, **expand reporting requirements** for these foundations and related entities, and ensure that these **reports are public records**.

## **LONG-RANGE PLANNING FOR A COORDINATED SYSTEM OF HIGHER EDUCATION**

10. The Board of Governors should fulfill its statutory duty and exercise its authority to develop "a long-range plan for a coordinated system of higher education," as required by state law in G.S. 116-11(1). Through its Education Oversight Committee, the General Assembly should require the Board of Governors to exercise its master planning role and **produce a master plan every four years on higher education issues of common concern to public and private institutions of higher education**, including increasing the state's college-going rate, increasing manpower in fields of need such as teaching and nursing, ease of transferability between educational systems and institutions, and eliminating duplication of programs.

## **THE BOARD'S LEADERSHIP ROLE ON TUITION POLICY AND SETTING TUITION RATES WITHIN A CONSTITUTIONAL RESTRAINT**

11. The Board of Governors should continue its recent activities in taking a **leadership role in setting system-wide tuition rates**, and the General Assembly should revisit its decision to permit individual campuses to initiate additional tuition rate increases. The Center recommends that the **General Assembly repeal N.C.G.S. 116-40.22(c), which permits local campus boards of trustees to propose raising tuition rates and keep the full proceeds on their campus**. The Board of Governors should revise the UNC General Administration policy 1000.1.1 to remove the provisions allowing for campus-initiated tuition increases.