

The Board of Trustees
of
The University of North Carolina at Asheville
Special Meeting Minutes
Monday, January 26, 2009

The University of North Carolina at Asheville Board of Trustees met on Monday, January 26, 2009 in the Red Oak Room, Ramsey Library, UNC Asheville Campus.

The following members of the Board of Trustees were present in person: Al Whitesides, Jr., Janice Brumit, Cissie Stevens, Pam Turner, and Nick Ladd. Members who attended via telephone: Jim Buckner, David Cogburn, Sue McClinton, Audrey Byrd Mosley, Doug Orr, Virgil Smith. Members absent: Phil Carson, Joe Damore.

Also in attendance, Chancellor Anne Ponder; Janet Cone, Athletics Director; Lothar Dohse, Chair, Faculty Senate; Merianne Epstein, Public Information Officer; Jane Fernandes, Vice Chancellor for Academic Affairs; Bill Haggard, Vice Chancellor for Student Affairs; Ed Katz, Assoc. Provost; Tom Lawton, University General Counsel; Judi Leffe, Chair, Chancellor's Staff Advisory Committee; Bill Massey, Vice Chancellor for Alumni and Development; Courtland Mercer, Student; John Pierce, Vice Chancellor for Finance and Operations; Christine Riley, Chief of Staff; Wilma Sherrill, Special Assistant to the Chancellor; Lynn Spaight, Assistant Secretary to the Board.

Chair Whitesides called the meeting to order at 12:18 pm. Referencing the State Ethics Act, Chair Whitesides asked any trustees to declare if they had conflicts with any items for discussion on the agenda. None were disclosed. He asked everyone present and those attending via telephone to introduce themselves.

Chair Whitesides then called on Chancellor Ponder to provide a report on the current fiscal situation and requirements for budget adjustments from UNC General Administration.

Chancellor Ponder thanked trustees for their attendance and attention to this matter and said she very much appreciates their ideas on ways to help in the current situation. She reported on a meeting she had attended via video conference earlier in the day. President Bowles and members of General Administration met with the chancellors of all the campuses to work on a proposal for the Tuition and Fees resolution that the Board of Governors will be approving for submission to the state legislature. He indicated there is reluctance from the Board of Governors to increasing tuition, particularly for undergraduate North Carolina resident students. President Bowles is asking our campus to reduce the tuition by one third, so that our increase of \$75 would be revised to be \$50. Fees would remain as originally proposed. Our tuition and fee increase would be 3.0%, well below the cap of 4.5%. Tuition revenue would be allocated to financial aid (40%) and campus priorities (60%). The Board of Governors will make their final decision at their February 13 meeting.

Chancellor Ponder answered questions from trustees on tuition and fees.

Chancellor Ponder then reported on the current budget situation. She reported that the 4% budget reduction mandated for November 1 for the 2008-09 fiscal year has been further increased to a 6% budget cut by February 1. North Carolina is currently experiencing a reduction in revenue of 10% for the current year. Chancellor Ponder indicated that any additional cuts could require personnel cuts. Any relief that comes from the federal economic stimulus bill currently being considered would include money for shovel ready infrastructure projects only.

Vice Chancellor John Pierce provided additional information on the budget situation. The Office of State Budget and Management issued a directive on new limits to expenditures for travel, purchasing and personnel vacancies. Mr. Pierce reported that his office is finishing a six-month review of income and expenditures that will provide better information on where the campus stands regarding the current fiscal year budget.

Chancellor Ponder reported on her consultations with various campus constituencies including the Student Government Association, the Chancellor's Staff Advisory Committee, the University Planning Council and at an All Campus Meeting." She asked for questions about the budget and finances.

Chancellor Ponder provided a metaphor for our experience from Reading The Forested Landscape by Tom Wessels, which suggests that, "Our best defense is unity."

Chancellor Ponder gave trustees some suggestions about how they can help the university face the fiscal situation:

1. Be calm and confident about the university's future and the way the situation is being handled – not a crisis, an issue that is being managed
2. The message we communicate to the public is vital. Al Whitesides is the spokesperson for the Board of Trustees, the Chancellor for the university and John Pierce for specifics about the budget and university finances.
3. Provide feedback to the chair and the Chancellor about how others in the community perceive this situation and the way it is being handled.

She then asked trustees if they had suggestions for her. Responses:

1. This is not a time for surprises; make sure communication is tight and that trustees have the knowledge they need in a timely manner.
2. It was mentioned that SGA has received communication; it is important to communicate with the entire student body. Nick Ladd commended the Chancellor and VC Pierce for the meetings they had had with students and the SGA, and the manner in which they had communicated with students. He also noted that faculty from the Economics Department had given talks about the situation, and that many faculty appeared to be addressing the topic in the classroom in a variety of classes, and treating this as an "opportunity to learn."

Mr. Ladd, as SGA president, has a regular column in The Blue Banner and plans to write about the economy, the job market, and the budget there as well.

Virgil Smith concurred that student input and advice should be sought about potential savings and budget measures: Because they are impacted in the cuts, they should be involved in the process of deciding them.

Chancellor Ponder shared suggestions she had received from others on campus:

- Try to lead in a consistent and inspiring way
- Teach by example; show that educated people can manage and flourish in any difficult situation
- Perfect our customer service skills; show patience and understanding and go the extra steps to be helpful.

Judi Leffe, representative of the Chancellor's Staff Advisory Committee reported that staff members were very appreciative of the transparent and open process that Chancellor Ponder and VC Pierce have used in communicating on the budget situation. It has created an atmosphere where people are willing to be team players. Several people have suggested ways to save, including voluntarily cutting back hours.


Chancellor Ponder provided additional campus updates from the previous week, including campus events with students on the Presidential Inauguration, and lower than expected bids for the construction for the North Carolina Center for Health & Wellness.

Chair Whitesides asked if there was other business to discuss. Hearing none, he thanked everyone for attending and asked people to contact him and Chancellor Ponder with questions. **Janice Brumit moved for adjournment and Cissie Stevens seconded the motion. Approval was unanimous and the meeting was adjourned at 1:34 pm.**

Submitted respectfully,

Approved,


Lynn Spaight
Assistant Secretary to the Board


Al Whitesides
Chair

Date

3/23/09

Date

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