

BOARD OF TRUSTEES

East Carolina University

April 15, 2011

The Board of Trustees met in regular session in Mendenhall Student Center. David Brody, chair of the Board, called the meeting to order and read the conflict of interest statement required by the State Government Ethics Act. No conflicts were identified.

Mr. Brody asked Secretary David Redwine to call the roll.

Members Present

Bill Bodenhamer
Robert Brinkley
David Brody
Ken Chalk
Bob Greczyn
Steve Jones
Bob Lucas
Carol Mabe
David Redwine
Danny Scott
Tremayne Smith
Mark Tipton

Members Absent

Joel Butler

Chairman Brody read Governor Perdue's Executive Order # 34 to the Board as required by the Governor. The order outlined attendance guidelines for those appointed to boards across the state.

APPROVAL OF MINUTES

Mr. Brody asked for a motion approving the minutes from the Board meeting on February 25, 2011. Mr. Bodenhamer moved approval of the minutes. Mr. Brinkley seconded the motion. The motion passed with no negative votes.

REPORT OF THE BOARD OF VISITORS

Chair of the Board of Visitors, Mr. Reid Overcash gave the report to the Board. Mr. Overcash introduced the incoming leadership of the Board of Visitors: Mr. Steve Brown, Chair, Mr. Terry Yeargan, Vice Chair, and Mrs. Olivia Collier, Secretary. In addition, he urged the Board approve the Class of 2015 that will be presented later in the meeting. He concluded his remarks by inviting all Board members to the May 19-20 Board of Visitors meeting in Raleigh.

CHANCELLOR'S REPORT

A text version of Chancellor Ballard's remarks to the Board is included as Attachment A.

REPORT FROM THE BOARD OF GOVERNORS

Mr. Phil Dixon gave the report from the Board of Governors. Mr. Dixon congratulated ECU on having Dr. Ballard chosen as the chair of the Task Force on Academics and Athletics. In addition, he expressed his appreciation to the outgoing board members. He also gave a demographic overview of the newly appointed members of Board of Governors.

REPORT FROM THE CHAIR OF THE FACULTY

Dr. Marianna Walker, Chair of the Faculty, gave the report. The text of Dr. Walker's remarks to the Board is included as Attachment B.

REPORT FROM THE SGA

SGA President Tremayne Smith gave remarks to the board. Mr. Smith reported that the annual SGA elections are taking place right now and that the new officers will take office in

May. He said that the SGA has met all the goals that it had set out to accomplish over his year as President and he is very proud of that. He thanked the Board and the Administration for guiding him not only as a student, but as role models.

COMMITTEE REPORTS

AUDIT COMMITTEE

Mr. Ken Chalk gave the Audit report in Mr. Joel Butler's absence. A summary of his report is included as Attachment C. There were no action items.

FACILITIES & RESOURCES COMMITTEE

Mr. Redwine gave the Facilities and Resources Committee Report. A summary of his report is included as Attachment D. There were several items that required the Board's attention.

Mr. Redwine moved that the Board approve the six naming proposals in accordance with the terms and conditions provided in the Board materials. They are: The Family Medicine Center Lobby, The Defense Auditorium in Football Team Meeting Rooms suite in the Ward Sports Medicine Building, the Assistant Football Coach's Office in the Ward Sports Medicine Building, the Visiting Team Dugout – Clark LeClair Stadium, the Director of Athletics Office in the Ward Sports Medicine Building and the Pirate Club Suite Office #306 in the Ward Sports Medicine Building. The motion was approved with no negative votes. The naming proposals are included in this document as Attachment E.

Mr. Redwine moved that the Board approve the Gateway Technology Center lease in accordance with the terms and conditions provided in the Board materials. The motion was approved with no negative votes. The lease is included in this document as Attachment F.

Mr. Redwine moved approval of the Tyler Residence Hall elevations in accordance with the terms and conditions provided in the Board materials. The motion was approved with no negative votes. The elevations are included in this document as Attachment G.

Mr. Redwine moved approval of the ECU Debt Management Guidelines in accordance with the terms and conditions provided in the Board materials. The motion passed with no negative votes. The guidelines are included in this document as Attachment H.

Mr. Redwine moved that the Board approve the Resolution to Approve the Issuance of Special Obligation Bonds in accordance with the terms and conditions provided in the Board materials. The motion passed with no negative votes. The resolution is included in this document as Attachment I.

HEALTH SCIENCES COMMITTEE

Mr. Steve Jones gave the Health Sciences report. A summary of his report is listed as Attachment J. There were no action items.

UNIVERSITY AFFAIRS COMMITTEE

Mr. Bob Lucas gave the University Affairs report. A summary of his report is listed as Attachment K. There was one action item.

Mr. Lucas moved that the candidates for degrees, as approved by the Faculty Senate and the Chancellor, be authorized for conferral on Friday, May 6, 2011, at the annual Spring commencement. The motion was approved with no negative votes.

EXECUTIVE COMMITTEE

Mr. Redwine gave the Executive Committee report. There were several items that required action by the Board.

Mr. Redwine moved approval of the conferral on tenure for faculty members from the Division of Health Sciences as they were presented in the Board materials. The motion passed with no negative votes. Tenure materials are included in the document as Attachment L.

Mr. Redwine moved approval of new members of the Board of Visitors and appointment of Board of Visitors officers as recommended by the Chancellor and presented in Board materials. The motion was approved with no negative votes. Board of Visitors nomination information is included in this document as Attachment M.

Mr. Redwine moved approval of the revision of Section 104 (Endowment Fund Board) of the ECU Board of Trustees Bylaws as presented in Board materials. The motion was approved with no negative votes. The revision is included in this document as Attachment N.

Mr. Redwine moved approval of the appointment of Rick Niswander as Vice Chancellor for Administration and Finance at an annual salary of \$270,000 and with an automobile allowance of \$7,928.00 per year. The motion was approved with no negative votes.

Mr. Redwine moved approval of the Policy Framework for Resource Allocation as presented to and amended by the Executive Committee. The motion was approved with no negative votes. The amended document is included as Attachment O.

REPORT FROM THE NOMINATING COMMITTEE

Mr. Greczyn reported that the Nominating Committee is composed of Joel Butler, Bill Bodenhamer and himself. The election of officers will be conducted at the July 21, 2011,

meeting. Mr. Greczyn said that he has had contact with every trustee and that he has tried to make this a very open process. The slate of nominees for 2011 – 2012 are: Chair – Bob Lucas; Vice Chair – Carol Mabe; Secretary – Joel Butler. He also recommended that Mr. Tipton serve as secretary in the 2012 – 2013 term.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Brody adjourned the meeting at 11:45 a.m.

Respectfully Submitted,

John Durham
Assistant Secretary to the Board

Chancellors Remarks to the Board of Trustees
April 15, 2011

Thank you, Chairman Brody. It is always a pleasure to talk about East Carolina University because so many good things are happening here and I will share a few of them with you today.

OUR SHARED DIRECTION

I want to spend a few minutes this morning updating you about an ECU initiative we call “Our Shared Direction: Building partnerships for the East.” Over the past 9 months I have visited a number of communities including Manteo, Rocky Mount, New Bern, Jacksonville, Wilson, Edenton and in May we will go to Goldsboro. These trips generally include meetings with alumni, newspaper publishers, community college leaders and regional economic development groups, and they remind us of the vital role ECU plays in these communities. The trips are but one aspect of this program so let me share a few additional dimensions:

- Professor Mulu Wubneh has completed a new Economic Impact Study that sets our economic impact at more than \$1.8 Billion for the East and more than \$3.3 Billion statewide. Our job creation impact is 17,500 (not counting the ECU workforce); and for every state dollar received we return almost \$14 in impact.
- In addition we are proud of our vision: “delivering on the promise of opportunity.” Programs like our Wachovia Partnership East are allowing people like **Carissa**

Marshall from Dare County to realize her dream of becoming an elementary school teacher. Mother of three children and a teaching aid, Ms. Marshall was able to complete her degree through this partnership with her local community college and our distance education courses. She graduated in December and now is teaching in Dare County.

- Our military partnerships have been strengthened tremendously over the past few years; I have spoken about these programs frequently during the past year.
- The economic development work of **Ted Morris** and his team, with links to every community throughout the region, and the work of our Outreach Scholars, led by **Beth Velde**, is rippling through the region. Recently I had the pleasure of meeting with the North Carolina Northeast Commission. It was clear they were very aware and appreciative of our partnerships, while at the same time hungry for additional initiatives.

These are just a sampling of dozens of ways ECU is supporting its mission of serving as a model for regional transformation. As one of our marketing ads proclaims, “East Carolina is more than just our name...it is also our home.”

The best part of the Edenton trip was the reaction of the Chairman of the Northeast Commission when told that Doogie is my Chief of Staff. His reply: “I have shoes older than that...”

LEGISLATIVE UPDATE

It will come as no surprise to anyone that we face a new fiscal reality in North Carolina. I believe the most fundamental long-term change affecting higher education nationally and in North Carolina is the near certainty that state support for public universities ...measured by percentage of the total cost of education paid by the state ...will continue to decline.

North Carolina has been one of a handful, and arguably the best and last state, to have a first rate system of higher education built on low tuition. As you know, Board of Governors' policy mandates that all universities stay in the bottom quartile of their peers in terms of tuition and fees charged to the student. The result is that North Carolinians can get an excellent education almost anywhere in the state, and most especially in Greenville. As you all know, I believe in access and affordability.

That philosophy of education ... high quality and affordability, is now endangered. For example:

- The state fiscal crisis has lead to average tuition increases of 39% since the 2008-09 academic year;
- Tuition and fees will almost certainly go up even more next year because we have few choices to meet the base budget cuts that we expect;

- While Mickey and his team are doing A+ work, private support is a weak substitute for recurring state dollars... it takes \$100 dollars of private giving to make up for \$5 of recurring state support; and
- The incentive system related to enrollment growth is changing as we speak; state funding for growth may soon decline significantly or disappear.
- The loss of great faculty to Florida, Georgia

The legislature still has lots of work to do to meet the projected revenue gap, so we don't know what the cut will be to the UNC System. But a 12% cut seems probable and it could go to 15% or higher. It seems inevitable that our students will have to cover at least 25% of this cut, or as much as \$325 dollars per student for increased tuition. This would be on top of \$467 in increased tuition and fees that has already been approved.

Among the numerous responses we are making to deal with this situation, I want to highlight three that are particularly significant:

- We have an enhanced resource allocation policy that has previously been discussed, updating your policy from 2009. The new policy takes into account the new state reality that I have described and recognizes we have to do business differently and become even more focused in our priorities; and

- Under the leadership of Provost Sheerer and Faculty Chair Walker, and with the great help of the Faculty Senate Educational Policy and Planning Committee... we have initiated a "Program Prioritization Committee" that will work for several months to ensure that our resources are allocated to the highest priority and highest impact academic programs. We can't be all things to all people; and
- We continue to evaluate how to reduce academic administration costs and we will continue to consolidate and centralize services to save money and to protect the academic core. While no decisions have been made regarding consolidations and program elimination, it seems inevitable that we will have to organize our selves better to consolidate such services as marketing, information technology, advancement and fundraising.

Task Force on Athletics and Academic Success

As you know, I am chairing the UNC Task force on Athletics and Academics. This is undoubtedly punishment for some unknown indiscretion on my part...

Seriously, it may be one of the most significant things I've been involved in during my time here if we are able to increase the awareness of the academic progress of student athletes across the system and also reduce the risks associated with the arms race in intercollegiate athletics. It has certainly gone too far, as my alma mater, Ohio State,

continues to prove on a daily basis. The task force is evaluating six areas of risk that occur across the University of North Carolina system:

- The admissions process, especially with respect to students without adequate preparation for college work
- How to define academic success for student athletes;
- Enhancing ethical standards for student athletes;
- Enhancing the quality and evaluation of academic support staff;
- Preferred organizational structures for compliance activities and academic support; and
- The role of university systems and conferences related to oversight and certification of compliance and academic support services.

The task force will continue to meet for several more weeks. In the end, I hope the task force agrees to emphasize a few fundamental values about collegiate sports:

1. Because such a very small percentage of college athletics ever make money in professional sports, we have an obligation to do all we can to enhance their academic success;
2. Coaches must be accountable for the academic progress of their teams;

3. Academic support services and monitoring must be fully integrated with the academic enterprises. ECU is a leader in this regard as the Director of compliance now reports directly to me, Academic support services report to the Provost, and we have an Academic Success Committee chaired by our Faculty Athletic Representative.

VICE CHANCELLOR FOR ADMINISTRATION AND FINANCE

We have completed our search for this critical position. The candidate pool was deep and strong which says much about ECU and also the search process lead by Vice Chancellor Horns. We interviewed four very strong candidates from strong universities and university systems across the country.

In addition to experience and technical competencies...which are a requirement to be seriously considered... my final decision depends on my assessment of their team behaviors, organizational competencies and leadership capacities. In other words, I want someone who can work collaboratively to move ECU forward, who can build our long-term capacity, and who can exert strong leadership in these turbulent times.

It's a great pleasure to announce....

Remarks to the Board of Trustees – April 2011

Marianna Walker, Ph.D.
Chair of the Faculty
East Carolina University

For the last time in our academic year (2010-2011), I bring you greetings from the faculty and the Faculty Senate. This has been a quite a year and yes, glad to say that it has been productive!

This year, and the previous year as Chair of the Faculty, has been about our team, and there have been many individuals who have contributed to the success of our university shared governance, especially in these particularly challenging times.

Without these individuals and groups of individuals, we would not have been as productive as we have been, nor would we have the support and collaboration between the faculty and administration.

Keys to our success – communication and collaboration

- Communication – from small working groups to bringing multiple committees together – has been my focus in the past two years, where faculty, administrators, staff, and students all work together.
- New groups have been formed; old ideas are reshaped into contemporary practices.
- Traditional process is observed and respected - All voices are heard. Consensus is reached. Action occurs and work is completed.

Can't think of another university where shared governance is as strong as it is than at ECU.

So, today I would like to express my gratitude for these individuals and groups who have contributed to the respect of the faculty, administration, and Faculty Senate, in addressing university missions and initiatives.

Two of the faculty officers are here today – Dr. Mark Sprague – Vice Chair and Associate Professor of Physics – Thanks Mark for all your support and efforts especially with overall faculty governance, academic standards, and graduate school matters. Dr. Brenda Killingsworth, Parliamentarian, Associate Professor of Business, thanks for all your help in parliamentarian procedures, helping to answer the myriad of questions I may have during the week, and your advice relative to program prioritization. You are truly an information management specialist! Your wisdom all shines through! Hunt McKinnon, our architect, has been awesome as our

secretary and has been an advocate for master planning and faculty involvement, university environment matters, and the library.

Thanks to the faculty and Faculty Senate for all their work this year. We are truly a community of scholars and I continue to be in awe of the excellence we have in our faculty. We need to use these minds to assist in solving our challenges and plan for our future.

Thanks to the Chancellor for all your support and listening to my ideas and allowing the faculty to have a true voice in university affairs and in advocating for the faculty. Also thanks to the senior administration, including Provost Marilyn Sheerer, Vice Chancellor Phyllis Horns, and Vice Chancellor Deirdre Mageean for all your support and advocacy. I really appreciate how many times you and Chancellor Ballard attended crucial committee meetings to engage in dialogue with the faculty and university committees. You have had faith in our process and have advocated that we must have shared governance, as exemplified by your participation and representation on our Faculty Senate committees. You have seen and overtly acknowledge the productivity of the faculty and Faculty Senate. We truly have mutual respect and open discourse. Thanks to others, Deans and other VC's, especially Vice Chancellor Rick Niwsander who has worked closely with the Faculty Senate this year.

Now to provide a brief update on our efforts in the revision of the Faculty Manual. I can't believe how much work has been done in the past two years, especially considering that we have had debates, edits, omissions, additions, vetting, questions, and deliberations over the content. But believe it or not, we have successfully completed 56% of the Faculty Manual and pending recommendations by the Senate next week, and approval by the Chancellor. 73% will be completed at the end of the academic year.

It is not finished yet, but we have made significant gains and will work next year to finalize it and then reorganize it. We will make it!

I want to thank each of the outgoing Board of Trustee members for all you have done for our university. We truly appreciate your dedication and preservation of the academic core during times of budget crisis. I appreciate your support and sensitivity in relating to the faculty. You always have the best interest of the university in mind.

Mr. Brody, I appreciate your efforts in support of the Faculty Manual and the process used to revise it. I continue to use your quote, or a "father's quote" "The process must be better than the person". Thank you for your sincerity and dedication.

Mr. Grezchan – Thank you for your advocacy and for coming to serve on the Faculty Manual Steering Committee and getting "down in the weeds" with us. We appreciate

how you engaged with our Faculty Manual Steering committee and in addressing wording and new considerations for the Faculty Manual.

Mr. Redwine – we certainly appreciate your dedication and interest in our university. Thank you for your service. We look forward to your continued advocacy.

Mr. Bodenheimer – Thank you for your sensitivity and acknowledgment of the good work that of our faculty and for all your overt support.

Tremayne – thanks for your enthusiasm and for always wanting to work with the faculty. You will always be a leader.

To each of you, I appreciate your recognition of the relationship that we have established with the administration and how the relationship have served to provide a consistent and productive model of shared governance on our campus. We work together, solve problems, and laugh! My hope is that this relationship will continue and that we all will work together for our university and the education of our students who will be the future of our state and nation!

- Acknowledge, just as Bob Grezchan did last night, that we have many challenges in the new academic year and beyond.
- Hope is that the productive relationship between the BOT, faculty, and administration will continue even though we may be facing new challenges.
- The administration and faculty leadership, including the work of EPPC and the University Budget Committee, has been preparing the faculty, staff, and students in understanding the budget situation, the university, and what a budget cut would do to the university. As charged by the Chancellor, EPPC has been exploring criteria for program prioritization and efficiency, especially considering administrative costs.
- The faculty are concerned that we use this time to be strategic in planning for possible budget cuts, which may affect degree programs and loss of faculty. They remain concerned about the increasing class size and reducing numbers of sections to save costs. These are two examples of how this budget situation may affect retention of our students and graduation rates. They remain concerned about travel, since such university travel relates to scholarship and being known in their discipline.
- They also remained concern about the retention of our faculty in the face of severe budget crisis.
- But we have a team of VC's, and a faculty friendly Chancellor, who has gone to each college with a budget forum, to inform and engage in a conversation about potential effects of budget cuts to the university. We will continue to inform, throughout the summer, the facts about the budget and effects on our campus.

So, in closing, while we are worried, we have confidence in our leadership, including the BOT, that all will be done to protect and preserve our university and the excellence academic programs. We will be involved in open, honest, and interactive

discourse, about potential problems, and will assist in providing solutions. We are, by nature, scholars, researchers, clinicians, teachers, volunteers, and civic-minded citizens. We are academicians and part of the greatest university in North Carolina.

I thank all of you for being part of this institution and look forward to our future collaboration.

**East Carolina University
Report of Audit Committee Meeting
04/14/11**

Action Items

- Approval of February 24, 2011 minutes
- Approval of revisions to 2010-2011 Annual Audit Plan

ERM Report

- Update on ERM efforts to include:
 - Upcoming ERM Committee meeting will revisit the major risks that have been identified to assign ownership and address mitigation/actions regarding these risks.
 - Next ERM Committee meeting will focus on operational and safety risk.
- Audit Committee inquired if the major risks had been presented to Executive Council because wanted to make sure the senior management “owns” the top risks. Tim Wiseman reported the major risks had been presented to the Executive Council.

BSOM Compliance Report

- Update on BSOM Compliance initiatives to include:
 - Compliance Plan has been revised and updated.
 - Reviewed and updated 24 policies.
 - 78 internal provider reviews conducted between July 1 - March 31
 - Provided data mining assistance for 13 external reviews.
 - Reviewed numerous contracts in conjunction with University Attorney’s Office and BSOM Risk Management.
 - Performed reviews in anticipation of RAC reviews.
 - Working on mandatory compliance training
- Having difficulty recruiting for Regulatory Compliance Specialist due to position being part-time. This prompted audit committee to question the staffing in BSOM Compliance as this is considered a high risk area. It was noted that a HIPAA Security Officer position is needed but has been tabled because of budgetary reasons. Audit Committee expressed concern with staffing and stated this needed to be a priority.

Internal Audit Report

- Internal Audit is required to have a quality assurance review at least every 5 years (audit of the auditors). Report of results was released this month.
- Purpose of quality assurance review is to ascertain IA’s conformance with the IIA Standards and to identify opportunities for improvement.
- The three ratings that you can receive are (1) generally conforms, (2) partially conforms, and (3) does not conform. IA received a rating of generally conforms.
- A few opportunities for improvement were noted. The most notable was the recommendation to “consider increasing dedicated information technology

resources.” It was noted there is one IT auditor in IA but this position also conducts fraud and abuse audits that requires the utilization of a highly technical software product (which is why the IT auditor conducts these audits). The Audit Committee stated that information technology is a high risk area and IA and management needs to ensure that IT audit resources become a priority, whether that means funding another position or training someone in an existing position.

- One of the commendable areas that was noted in the review was, “client survey results that demonstrates an above average overall satisfaction level with the Office of Internal Audit.”

**ECU Board of Trustees
Facilities and Resources Committee
April 15, 2011**

Highlights

The Facilities and Resources Committee met on April 14, 2011.

University Advancement University

The Committee went into closed session to discuss six naming proposals. Each proposal was approved and will be presented to the full Board as an action item today. During open session there was more discussion about the naming policy. The Committee asked Mr. Dowdy to consider working some of the policy language into Memoranda of Understanding with donors as part of the naming process. He will bring ideas to the Committee at our next meeting.

Economic Impact Study

Mr. Dowdy shared the results of the recent Economic Impact Study completed by Dr. Mulatu Wubneh in the Department of Planning. Mr. Dowdy stated that using the most conservative multipliers the economic impact was even larger than anticipated. ECU has a \$3.3 billion economic impact in North Carolina, and the impact is more than \$1.8 billion in eastern North Carolina. Additionally, he shared that for every dollar invested by the state of NC the return is almost \$14.00. The University also has a jobs impact of more than 17,500 jobs.

Other Advancement Highlights

Mr. Dowdy explained his newest Campaign initiative – P90X. The goal is to document 90 proposals to 90 prospective donors in 90 days beginning April 1 – June 30. To date, 22 new proposals have been presented.

The Second Century Campaign stands at \$195M toward the \$200M goal. The campaign will wrap up in December and we will transition to mini-campaigns for several targeted areas including merit scholarships, among others.

Mr. Dowdy concluded by sharing information about the upcoming 50 year Golden Alumni reunion which will now be held in conjunction with commencement.

The Committee approved a motion to recommend that the full Board approve the six (6) naming proposals as presented in the Board materials.

Administration and Finance

Gateway Technology Center

The Committee reviewed a request to lease +/- 822 net square feet of classroom and office space, for a one year term with the option to renew for two additional years, from the Gate Technology Center on the North Carolina Wesleyan University Campus in Rocky Mount. The lease will be in collaboration with NCSU Distance Education and Learning Application Division and ECU's Office of Academic Outreach. Mr. Buck was available for questions. The Committee approved a motion to recommend that the full Board approve the lease.

Tyler Residence Hall Elevations

The Committee reviewed elevations of Tyler Residence Hall presented by Mr. Roby Stevenson and Ms. Sydney O'Hare of Davis Kane Architects. Mr. Bagnell was present for additional questions. The Committee approved a motion to recommend that the full Board approve the elevations.

Debt Management Guidelines

The Committee reviewed ECU Debt Management Guidelines. Dr. Niswander and Ms. Jenkins were available for questions. The Committee approved a motion to recommend that the full Board approve the ECU Debt Management Guidelines.

Resolution to Approve the Issuance of Special Obligation Bonds

The Committee reviewed a resolution approving the issuance of special obligations bonds. ECU will request the Board of Governors to issue special obligation bonds, the proceeds of which will be used to refinance the Series 2001C and 2003A bonds used to construct and equip a new student recreation center and West End Dining Hall. Ms. Jenkins was available for questions. The Committee approved a motion to recommend that the full Board approve the resolution to approve the issuance of special obligation bonds.

Capital Projects Update

Mr. Bagnell presented an update of the current major capital projects. The current information for the major capital projects is available on the ECU website at <http://www.ecu.edu/cs-admin/bot/majorcapitalprojects.cfm>.

Other

The Committee discussed the progress on the Student Union.

PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Michael B Dowdy

Name of Originator UAD Phone 328-9583 Email DowdyM@ECU.EDU
Department/Division _____ State _____

Proposed Name(s) to Honor: David S. Brody

Kinston, NC 28501
Address: City _____ State _____ Zip _____
Telephone: 252/523-2775 252/523-4344
Home Business

Relationship to the University: Chair, ECU Board of Trustees

Proposed Object for Naming: Family Medicine Center Lobby

Purpose for recommendation: Service Gift
Explanation (Attach background materials as appropriate to justify the recommendation)

Has included Dept. Family Medicine as a beneficiary in Charitable Trust

If related to a gift:
Purpose of Gift: Annual Capital Endowment
Date of Original Commitment: _____
Amount of the Total Commitment: \$ 110,000
Amount Paid: n/a
Current Pledge Balance: n/a
Status of Payments: CRT designation
Was the gift part of a campaign: Yes No Define: _____
Was the project pre-approved: Yes No
Directed to: ECU Foundation Educational Foundation
 Medical Foundation Other

If the Gift was more than \$25,000:

1. Attach a copy of the signed Letter of Intent.
2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.

Michael B. Dowdy
Signature of Originator

3/25/2011
Date



CONFIDENTIAL STATEMENT
CHARITABLE REMAINDER TRUST PROVISION

Please print or type:

Name: DAVID S. BRODY Birth date: 10/26/1950
Mailing Address: 1200 SWEET BRIAL CIRCLE
KINSTON, NC 28501

I have made provisions for the East Carolina University Medical & Health Sciences Foundation, Inc. in my estate plan as follows:

Provision in my Charitable Remainder Trust of 30% of the remainder interest (please give spouse's birthdate if trust includes two lives) 6/14/1950 Estimated Value Today (of 30% interest) \$110,000-

If this provision is restricted to a specific area(s) within East Carolina University, please specify: FAMILY MEDICINE DEPARTMENT @ BRODY SCHOOL OF MEDICINE
DEPARTMENT CHAIR'S FUND

[Attachments or letters which further describe the nature of the above provision(s) are welcomed. Also, the section of your Will, Trust Agreement or other documents pertaining to said provision(s) would be appreciated, though not required.]

So that we may encourage others to follow your lead, we would like your permission to list your name, among others who have done likewise, in future East Carolina University publications. No amounts would be mentioned.

You may print my name as one who has included East Carolina University in my estate plans.

Please do not print my name.

I agree to notify the Director of Planned Giving at East Carolina University of any relevant changes in my estate planning.

4/18/2011
(Date)

David S. Brody
(Your Signature)

GROUND FLOOR



PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Dennis A. Young

Name of Originator

ECU Educational Foundation

Department/Division

252-737-4542

Phone

youngd@ecu.edu

Email

Proposed Name(s) to Honor: **Sybil Trevisan (At the request of husband, ECU Alumnus and Athletics Hall of Fame Member Paul Trevisan)**

1415 Hark-A-Way

Address:

Chester Springs

City

PA

State

19425

Zip

Telephone: **610-827-7906**

Home

610-692-3100

Business

Relationship to the University: **Alumni**

Proposed Object for Naming: **Defense Auditorium in Football Team Meeting Rooms Suite in the Ward Sports Medicine Building**

Purpose for recommendation: Service Gift

Explanation (Attach background materials as appropriate to justify the recommendation)

Consideration received in making campaign pledge.

I related to a gift:

Purpose of Gift: Annual Capital Endowment

Date of Original Commitment: **June 1, 2010**

Amount of the Total Commitment: **\$100,000**

Amount Paid: **\$100,000**

Current Pledge Balance: **- 0 -**

Status of Payments: **N/A**

Was the gift part of a campaign: Yes No Define: _____

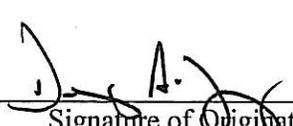
Was the project pre-approved: Yes No

Directed to: ECU Foundation Educational Foundation

Medical Foundation Other

If the Gift was more than \$25,000:

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2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.


Signature of Originator

3/23/11
Date



STATEMENT OF INTENT

STEP UP TO THE HIGHEST LEVEL Campaign

East Carolina University

PC# 27204

Name PAUL TREVISAN

Street Address 1415 MARK A WAY RD

City CHESTER SPRINGS State PA Zip 19425

Phone (610) 827-7906 Fax (610) 827-1528

E-mail PTREVISAN@ROMANMOSAIC.COM

Naming Opportunity(ies) DEFENSE/SMAILED AUDITORIUM IN FOOTBALL MEETING ROOM
(MY WIFE'S NAME) SCITE

To assist in attaining the goals set forth by the Department of Athletics under the STEP UP TO THE HIGHEST LEVEL Campaign for East Carolina University, I/we will commit a gift to the East Carolina Educational Foundation, Inc., in the sum of \$ 100,000 to be paid in either cash, securities or other property of equivalent market value.

I/we desire to have this financial support distributed in the following manner:

- \$ 60,000 in 2010 (Year)
- \$ 10,000 in 2011 (Year)
- \$ 10,000 in 2012 (Year)
- \$ 10,000 in 2013 (Year)
- \$ 10,000 in 2014 (Year)

Annually () Semi-Annually () Quarterly

In making this Statement of Intent, it is understood that this document constitutes a declaration of intent only, and shall not legally bind me/us or my/our estate.

Signature [Signature]

Signature [Signature]

Date 06/01/10

PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Dennis A. Young

Name of Originator

ECU Educational Foundation

Department/Division

252-737-4542

Phone

youngd@ecu.edu

Email

Proposed Name(s) to Honor: Arnold and Kay Wallace

1104 Swift Creek Drive

Address:

Clayton

City

NC

State

27520

Zip

Telephone: 919-934-8733

Home

919-831-3300

Business

Relationship to the University: Alumni

Proposed Object for Naming: An Assistant Football Coach's Office in the Ward
Sports Medicine Building

Purpose for recommendation: Service Gift

Explanation (Attach background materials as appropriate to justify the recommendation)

Consideration received in making campaign pledge.

I related to a gift:

Purpose of Gift: Annual Capital Endowment

Date of Original Commitment: February 14, 2011

Amount of the Total Commitment: \$25,000

Amount Paid: \$25,000

Current Pledge Balance: - 0 -

Status of Payments: N/A

Was the gift part of a campaign: Yes No Define: _____

Was the project pre-approved: Yes No

Directed to: ECU Foundation Educational Foundation

Medical Foundation Other

If the Gift was more than \$25,000:

1. Attach a copy of the signed Letter of Intent.
2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.

Dennis A. Young
Signature of Originator

3/23/11
Date



PC#
12248

STATEMENT OF INTENT

STEP UP TO THE HIGHEST LEVEL Campaign

East Carolina University

Name ARNOLD & KAY WALLACE

Street Address 1104 Swift Creek Drive

City CLAYTON State NC Zip 27520

Phone (919) 934-8733 Fax (919) 831-3254

E-mail AWallace@flowserve.com

Naming Opportunity(ies) Coaches Office in Football Office Suite in WSTM B

To assist in attaining the goals set forth by the Department of Athletics under the STEP UP TO THE HIGHEST LEVEL Campaign for East Carolina University, I/we will commit a gift to the East Carolina Educational Foundation, Inc., in the sum of \$ 25,000.⁰⁰ to be paid in either cash, securities or other property of equivalent market value.

I/we desire to have this financial support distributed in the following manner:

- \$ 25,000.⁰⁰ in 2011 (Year)
- \$ _____ in 20__ (Year)

CK# 371
\$25,000

() Annually () Semi-Annually () Quarterly

In making this Statement of Intent, it is understood that this document constitutes a declaration of intent only, and shall not legally bind me/us or my/our estate.

Signature Arnold Wallace

Signature Kay Wallace

Date 2/14/2011



(Handwritten initials)

PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Dennis A. Young

Name of Originator

ECU Educational Foundation

Department/Division

252-737-4542

Phone

youngd@ecu.edu

Email

Proposed Name(s) to Honor: **The Little Bank (Designated by Donor, C. Felix Harvey)**

P. O. Box 189

Address:

Kinston

City

NC

State

28502

Zip

Telephone: _____

Home

252-523-3862

Business

Relationship to the University: **Benefactor**

Proposed Object for Naming: **Visiting Team Dugout – Clark-LeClair Stadium**

Purpose for recommendation:

Service

Gift

Explanation (Attach background materials as appropriate to justify the recommendation)

Consideration received in making campaign pledge.

I related to a gift:

Purpose of Gift: Annual

Capital

Endowment

Date of Original Commitment:

October 10, 2010

Amount of the Total Commitment:

\$100,000

Amount Paid:

\$100,000

Current Pledge Balance:

- 0 -

Status of Payments:

N/A

Was the gift part of a campaign:

Yes

No

Define: _____

Was the project pre-approved:

Yes

No

Directed to:

ECU Foundation

Educational Foundation

Medical Foundation

Other

If the Gift was more than \$25,000:

1. Attach a copy of the signed Letter of Intent.
2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.


Signature of Originator

3/23/11
Date



STATEMENT OF INTENT
STEP UP TO THE HIGHEST LEVEL Campaign
East Carolina University Athletics

Name C. Felix Harvey

Street Address P. O. Box 189

City Kinston State NC Zip 28502

Phone (252) 523-3862 Fax () _____

E-mail _____

Naming Opportunity(ies) To Be Decided

To assist in attaining the goals set forth by the Department of Athletics under the STEP UP TO THE HIGHEST LEVEL Campaign for East Carolina University, I/we will commit a gift to the East Carolina Educational Foundation, Inc., in the sum of \$ 100,000 to be paid in either cash, securities or other property of equivalent market value.

I/we desire to have this financial support distributed in the following manner:

\$ 20,000 in 2011 (Year)

\$ 20,000 in 2012 (Year)

\$ 20,000 in 2013 (Year)

\$ 20,000 in 2014 (Year)

\$ 20,000 in 2015 (Year)

Annually () Semi-Annually () Quarterly

In making this Statement of Intent, it is understood that this document constitutes a declaration of intent only, and shall not legally bind me/us or my/our estate.

Signature *C. Felix Harvey*

Date 10/12/10

Signature _____

Date _____

**C. FELIX HARVEY
P.O. BOX 189
KINSTON, NC 28502**

March 21, 2011

Mr. Dennis Young, Associate Athletic Director
ECU Educational Foundation
302 Ward Sports Medicine Building
Greenville, N. C. 27858

Re: Donation to ECU Educational Foundation

Dear Dennis,

In regards to the \$100,000.00 donation made to the ECU Educational Foundation from the Felix Harvey Foundation, Inc. for the purpose of funding the new Basketball Practice Facility, as we discussed, I want the Little Bank to benefit from the gift, as it relates to any benefits from the Pirate Club.

Cordially,



Felix Harvey
President
Felix Harvey Foundation, Inc.

PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Dennis A. Young

Name of Originator

ECU Educational Foundation
Department/Division

252-737-4542
Phone

youngd@ecu.edu
Email

Proposed Name(s) to Honor: **Carl and Connie Rogers**

102 Circle Drive

Wrightsville Beach

NC

28480

Address:

City

State

Zip

Telephone:

Home

910-590-2151

Business

Relationship to the University: **Carl is an alumnus**

Proposed Object for Naming: **Director of Athletics Office in the Ward Sports Medicine Building**

Purpose for recommendation:

Service

Gift

Explanation (Attach background materials as appropriate to justify the recommendation)

Consideration received in making campaign pledge.

I related to a gift:

Purpose of Gift: Annual

Capital

Endowment

Date of Original Commitment:

October 19, 2010

Amount of the Total Commitment:

\$100,000

Amount Paid:

\$100,000

Current Pledge Balance:

- 0 -

Status of Payments:

N/A

Was the gift part of a campaign:

Yes

No

Define: _____

Was the project pre-approved: Yes

No

Directed to:

ECU Foundation

Educational Foundation

Medical Foundation

Other

If the Gift was more than \$25,000:

1. Attach a copy of the signed Letter of Intent.
2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.


Signature of Originator

3/23/11
Date



Pct# 132721

STATEMENT OF INTENT

STEP UP TO THE HIGHEST LEVEL Campaign

East Carolina University

Name CARL & Connie Rogers

Street Address 102 Circle Drive

City Wrightsville Beach State NC Zip 28480

Phone (910) 590-2151 Fax (910) 229-9003

E-mail CROGERS@TURBONEFS.COM

Naming Opportunity(ies) Athletic Director's Office - WSMB

To assist in attaining the goals set forth by the Department of Athletics under the STEP UP TO THE HIGHEST LEVEL Campaign for East Carolina University, I/we will commit a gift to the East Carolina Educational Foundation, Inc., in the sum of \$ 100,000 to be paid in either cash, securities or other property of equivalent market value.

I/we desire to have this financial support distributed in the following manner:

- \$ 50,000 in 20__ (Year)
- \$ 12,500 in 20__ (Year)
- \$ _____ in 20__ (Year)
- \$ _____ in 20__ (Year)
- \$ _____ in 20__ (Year)

Annually () Semi-Annually () Quarterly

In making this Statement of Intent, it is understood that this document constitutes a declaration of intent only, and shall not legally bind me/us or my/our estate.

Signature Car Rogers P/C# 16041

Signature _____

Date 10/19/10

PROPOSAL TO EAST CAROLINA UNIVERSITY BOARD OF TRUSTEES
COMMITTEE ON NAMING UNIVERSITY FACILITIES AND ACTIVITIES

Dennis A. Young

Name of Originator

ECU Educational Foundation
Department/Division

252-737-4542
Phone

youngd@ecu.edu
Email

Proposed Name(s) to Honor: **Richard and Elizabeth Rogers**

252 Irwin Drive

Newton Grove

NC

28366

Address:

City

State

Zip

Telephone: **910-520-8911**
Home

910-590-2151
Business

Relationship to the University: **Richard is an alumnus**

Proposed Object for Naming: **Pirate Club Suite Office Number 306 in the Ward
Sports Medicine Building**

Purpose for recommendation: Service Gift
Explanation (Attach background materials as appropriate to justify the recommendation)

Consideration received in making campaign pledge.

I related to a gift:

Purpose of Gift: Annual Capital Endowment

Date of Original Commitment: **October 19, 2010**

Amount of the Total Commitment: **\$25,000**

Amount Paid: **\$25,000**

Current Pledge Balance: **- 0 -**

Status of Payments: **N/A**

Was the gift part of a campaign: Yes No Define: _____

Was the project pre-approved: Yes No

Directed to: ECU Foundation Educational Foundation
 Medical Foundation Other

If the Gift was more than \$25,000:

1. Attach a copy of the signed Letter of Intent.
2. Define in detail any special arrangements or expectations the donor may have resulting from this Gift.
3. If the Gift is other than cash or cash equivalent, explain the method of valuation, and the plan for liquidation.


Signature of Originator

3/23/11
Date



PC# 26297

STATEMENT OF INTENT

STEP UP TO THE HIGHEST LEVEL Campaign

East Carolina University

Name RICHARD & ELIZABETH ROGERS

Street Address 252 IRWIN DRIVE

City NEWTON GROVE State NC Zip 28366

Phone (910) 520-8911 Fax () _____

E-mail RMROGERS11 @ HOTMAIL . COM

Naming Opportunity(ies) "BIG Guy's" OFFICE IN PIRATE CLUB SUITE

To assist in attaining the goals set forth by the Department of Athletics under the STEP UP TO THE HIGHEST LEVEL Campaign for East Carolina University, I/we will commit a gift to the East Carolina Educational Foundation, Inc., in the sum of \$ 25,000.⁰⁰ to be paid in either cash, securities or other property of equivalent market value.

I/we desire to have this financial support distributed in the following manner:

- \$ 25,000.⁰⁰ in 2010 (Year)
- \$ _____ in 20__ (Year)

() Annually () Semi-Annually () Quarterly

In making this Statement of Intent, it is understood that this document constitutes a declaration of intent only, and shall not legally bind me/us or my/our estate.

Signature [Signature] PIRATE Club # 26297

Signature _____

Date 10/19/10

[Signature]





Associate Vice Chancellor for
 Administration and Finance - Business Services
 East Carolina University
 224 Ragsdale Building • Greenville, NC 27858-4353
 252-328-6910 office • 252-328-1558 fax

MEMORANDUM

TO: Rick Niswander

FROM: Scott Buck *Scott*

DATE: March 17, 2011

SUBJECT: Request ECU Board of Trustees Approval to Lease +/-822 Net Square Feet of Classroom and Office Space from Gateway Technology Center

Request ECU Board of Trustees approval to lease in collaboration with NCSU Distance Education and Learning Application (DELTA) Division and ECU's Office of Academic Outreach, +/- 1,643 net square feet (ECU's share +/- 822 net square feet) at the Gateway Technology Center (GTC), on the North Carolina Wesleyan University campus, Rocky Mount, NC. ECU will pay 50% of the lease (822 NSF) at an annual rate of +/- \$26,761.11 inclusive of janitorial and utilities (except phones), building and space maintenance, security cameras and personnel.

The first floor will be office space jointly shared with NCSU. ECU and NCSU will provide computers and software. The second floor will be classroom/computer lab space jointly shared with NCSU.

This space has been jointly leased by ECU and NCSU since May 1, 2006 and expires April 30, 2011. This lease request shall be for a term of one (1) year with the option to renew for two (2) additional years.

Source of funds shall be : Fund: 111101 Org: 513009 Acct.: 73662 Prog.: 0000.

Contingent of ECU Board of Trustees approval, we will seek State Property Office and Council of State approvals.

Cc: Elmer Poe
 Clayton Sessoms
 Terry Feravich
 Pam Strickland



Existing Building



3D rendering of new exterior

EXISTING/ NEW PERSPECTIVE



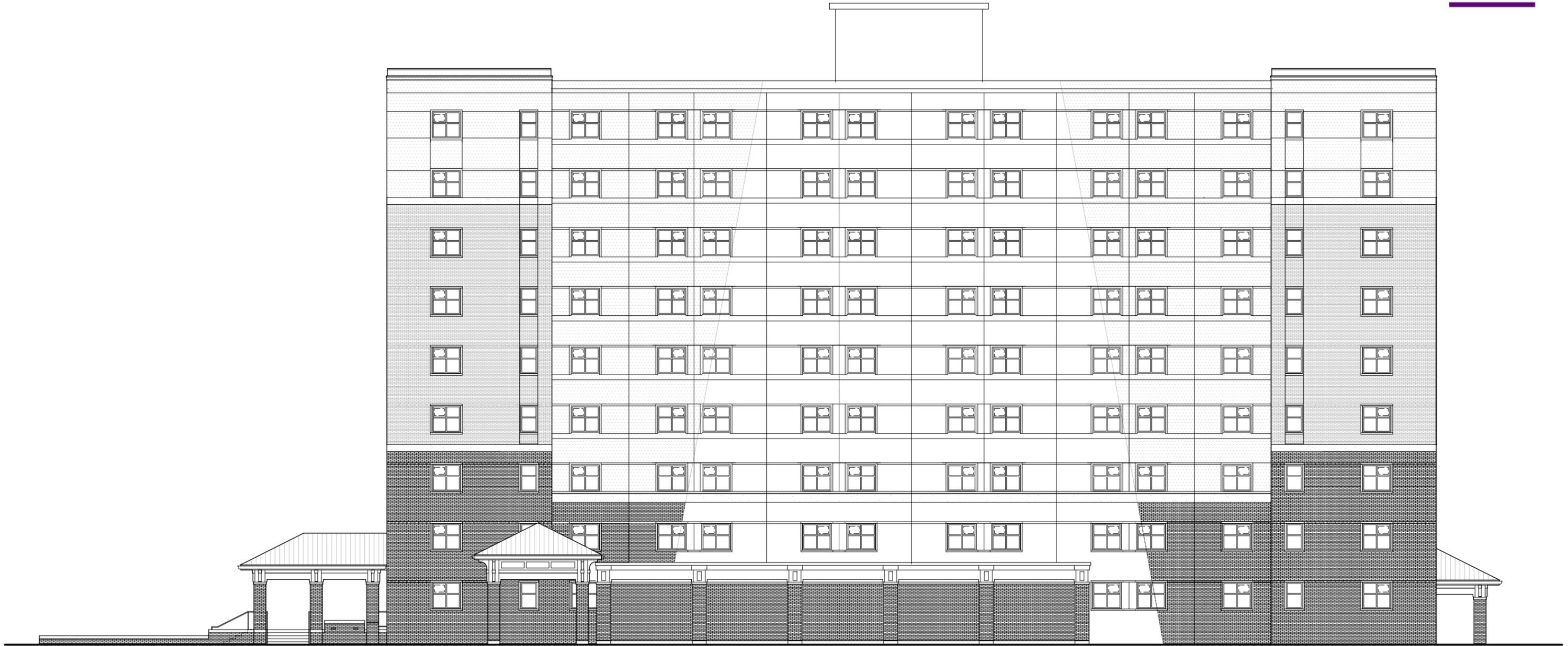
TYLER RESIDENCE HALL
EAST CAROLINA UNIVERSITY



RENDERINGS



TYLER RESIDENCE HALL
EAST CAROLINA UNIVERSITY



FRONT ELEVATION



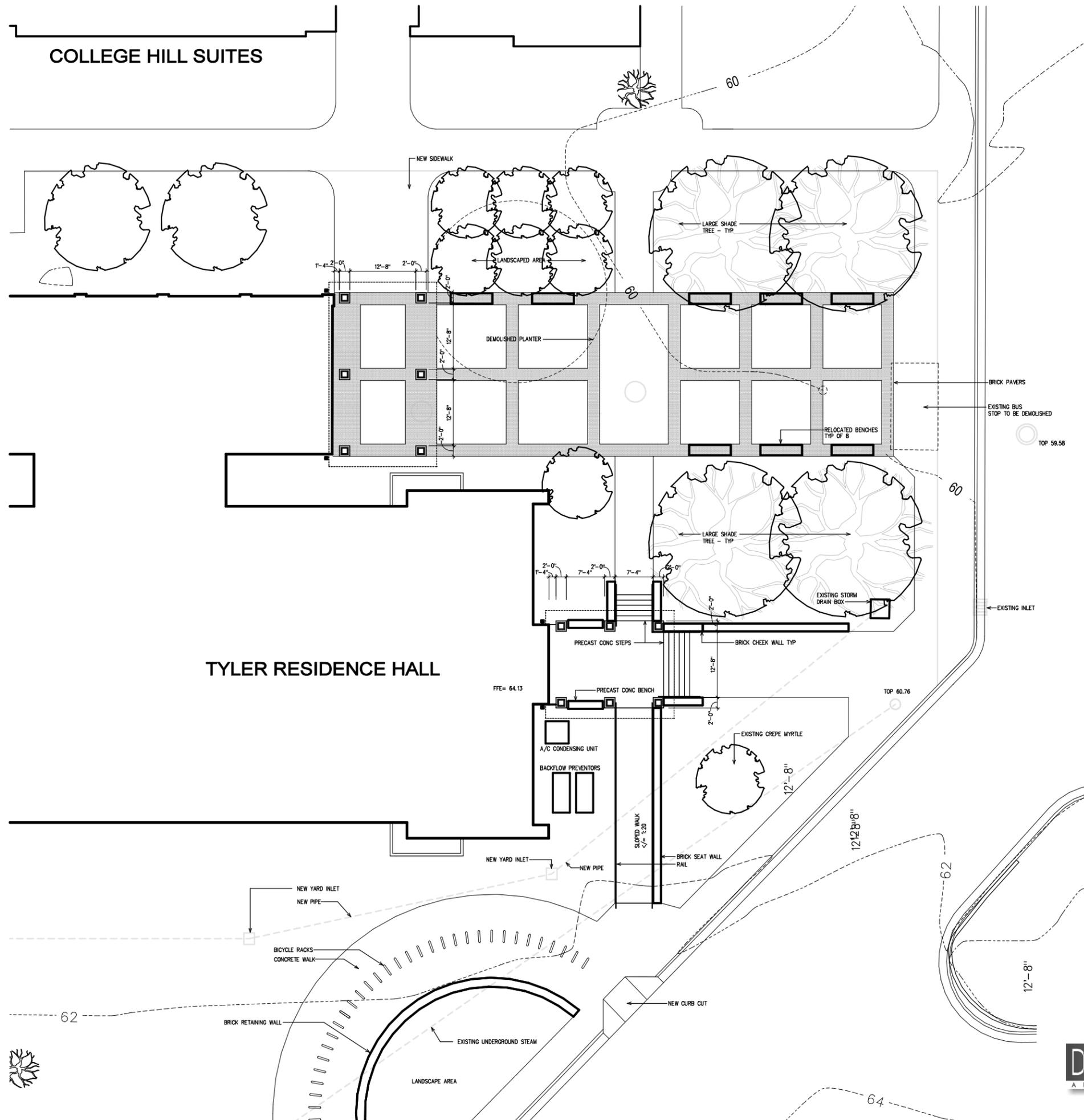
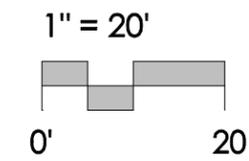
TYLER RESIDENCE HALL
EAST CAROLINA UNIVERSITY



SIDE ELEVATION



TYLER RESIDENCE HALL
EAST CAROLINA UNIVERSITY



TYLER RESIDENCE HALL

COLLEGE HILL SUITES

SITE PLAN

TYLER RESIDENCE HALL
EAST CAROLINA UNIVERSITY



East Carolina University

Debt Management Guidelines

Draft



Last Revised: 3-31-2011

East Carolina University

East Fifth St
Greenville, NC 27858-4353
252.328.6131



East Carolina University

Debt Management Guidelines

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East Carolina University

Debt Management Guidelines

I. Introduction

Purpose

To fulfill its mission, East Carolina University will need to make ongoing strategic capital investments for additional academic, student life, medical, athletic, and other plant facilities using an appropriate mix of funding sources including State bonds and appropriations, University bonds, internal reserves, and private giving.

The purpose of this debt policy is to ensure the appropriate mix of funding sources is used and to provide guidance on the strategic use of debt as a funding source. Debt is a valuable source of capital project financing and its use should be limited to projects that relate to the mission and strategic objectives of the University. The amount of debt incurred affects the financial health of the University and its credit rating. Debt provides a limited low cost source of funding for capital projects and, together with other limited resources, should be used and allocated appropriately and strategically.

This policy provides a discipline and framework that will be used by management to evaluate the appropriate use of debt in capital financing plans.

Objectives of the Debt Policy

The objectives stated below provide the framework by which decisions will be made regarding the use and management of debt. The debt policy and objectives are subject to re-evaluation and change over time.

This Debt Policy is set forth to:

1. Outline a process for identifying and prioritizing capital projects considered eligible for debt financing and assuring that debt-financed projects have a feasible plan of repayment. Projects that relate to the core mission and that have associated revenues will generally be given higher priority for debt financing.
2. Define the quantitative tests that will be used to evaluate the University's overall financial health and present and future debt capacity.
3. Define project specific quantitative tests, as appropriate, that will be used to determine the financial feasibility of an individual project.
4. Manage the University's debt to maintain an acceptable credit rating. The University, consistent with the capital objectives, will limit its overall debt to a level that will maintain an acceptable credit rating with bond rating agencies. Maintaining an acceptable

credit rating will permit the University to continue to issue debt and finance capital projects at favorable interest rates, although the attainment or maintenance of a specific rating is not an objective of this policy.

5. Establish guidelines to limit the risk of the University's debt portfolio. The University will manage debt on a portfolio basis, rather than on a transactional or project specific basis, and will use an appropriate mix of fixed and variable rate debt to achieve the lowest cost of capital while limiting exposure to market interest rate shifts. Various types of debt structures and instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures. Debt instruments covered by this policy include not only bonds, but obligations of the university, such as special obligations, lease purchases, installment purchases, commercial paper, limited obligations, notes, etc.
6. Assign responsibilities for the implementation and management of the University's Debt Policy.

II. Process for Identifying and Prioritizing Capital Projects Requiring Debt

At the current credit rating the University has adequate but limited debt capacity. Additionally, the State of North Carolina adheres to limits on debt issuance provided in its adopted debt affordability policy and the University must compete with all other state agencies for capital projects bonding authority. Therefore it is essential that the University appropriately prioritize capital projects requiring debt.

Management will allocate the use of debt financing within the University to include prioritization of debt resources among all uses, including academic and student life projects, plant and equipment financing, and projects with University-wide impact.

The debt allocation matrix below depicts an approach to prioritizing capital projects requiring debt.

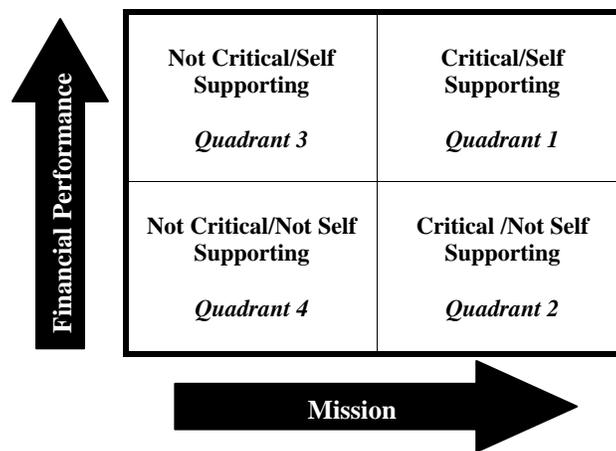


Figure 1 Debt Allocation Matrix

Explanation of debt allocation matrix

Quadrant 1:

Project is critical to the core missions of research, service or instruction **and** has its own funding source (i.e., non-general fund supported).

Quadrant 2

Project is critical to the core missions of research, service or instruction **but does not** have its own funding source (i.e., will require-general fund support).

Quadrant 3

Project is not critical to the core missions of research, service or instruction **but** has its own funding source (i.e., non-general fund supported).

Quadrant 4

Project is not critical to the core missions of research, service or instruction **and does not have** its own funding source (i.e., will require general fund support).

Note that approval of projects in Quadrant 3 and 4 will reduce the ability to issue debt for the mission critical projects identified in Quadrants 1 and 2.

Guidelines for Prioritizing Capital Projects Requiring Debt

Management will use the following guidelines when prioritizing capital projects and making decisions about financing options and use of debt:

1. Only projects related to the mission of the University, directly or indirectly, will be eligible for debt financing.
2. State funding and philanthropy are expected to remain major sources of financing for the University's capital projects. In assessing the possible use of debt, all other financing and revenue sources will be considered. State appropriations and bonds, philanthropy, project-generating revenues, research facilities and administration cost reimbursement, expendable reserves, and other sources are expected to finance a portion of the cost of a project. Debt is to be used conservatively and strategically.
3. The University will consider other funding opportunities (e.g., joint ventures, real estate development, etc.) when appropriate and advantageous to the University. Opportunities and financing sources will be evaluated within the context of the Debt Policy.
4. Federal research projects will receive priority consideration for debt financing due to partial reimbursement of operating expenses (including the interest component of applicable debt service) of research facilities.

5. Every project considered for financing must have a defined, supportable plan of costs (construction and incremental operating) approved by management. A project that has a related revenue stream or can create budgetary savings will receive priority consideration. However, projects may not receive a higher priority simply because they are self-supporting. For example, a project that mitigates life safety issues may be given preferences over a self supporting project.

III. Debt Ratios

The University will establish guidelines for overall debt management using a select number of ratios that are specific to the ability to issue debt and are key determinants used by the rating agencies in rating the University's bonds. The Moody's Investors Service annual Public University Median Report will be used as a guide and the University will review and contrast performance measures that are viewed with more emphasis, including but not limited to: unrestricted resources to debt, expendable resources to debt, and debt burden. The ratios will be calculated and reported annually and when new debt is issued, and revised periodically to reflect any changes in accounting standards. A goal is to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and are based on current GAAP requirements, including the GASB 34/35 reporting format and are consistent with ratios used in the higher education industry to permit benchmarking. Furthermore, in light of GASB implemented changes to GAAP accounting rules, any changes made by the rating analysts to ratio methodology will be incorporated accordingly.

IV. Project Specific Quantitative Tests

Consideration of the performance ratios will determine the ability and/or advisability of issuing additional debt from a University-wide perspective. Determination of the prioritization of individual projects to be allocated a portion of available debt capacity is a separate, internal decision that must be made before a project is initiated.

Many factors will influence this internal decision process. First and foremost will be how the project is prioritized with regard to mission criticality as described by the debt allocation matrix (four quadrant model) above. Although debt will be structured to meet the University's comprehensive long-term objectives, each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected useful life of the asset financed. Additionally, every project considered for debt financing must have a management approved plan of project costs, including incremental operating expenses and revenues. Incremental revenues include revenue increases directly associated with the project (e.g., usage fees) that can only be realized if the project is undertaken. Similarly, incremental expenses include any increase in expected operating costs associated with the project. Revenues and cost savings should be estimated conservatively, especially for high-risk projects.

V. General Debt Management Guidelines

Methods of Sale

The University will use the method of sale that will achieve the lowest cost of capital considering the complexity of the transaction. This can be achieved by using either a competitive or negotiated sale method for the placement of bond offerings. For transactions using new or non-traditional pledges of University revenues, or those involving greater complexity, a negotiated method of sale will be considered, and legislative approval requested, on an individual transaction basis. Bonds may also be sold through a private or limited placement, but only if it is determined that a public offering through either a competitive or negotiated sale is not in the best interests of the university.

Selection of Financial Advisors, Underwriters and Bond Counsel

The University will use a request for proposal process to select Financial Advisors, Underwriters and Bond Counsel. Firms providing financial advisory and bond counsel services are generally selected for a specific period of time rather than for individual transactions. Underwriting firms will be selected on individual transactions and will be selected based upon expertise related to the specific transaction. Additionally, the University may use the Financial Advisors, Underwriters and Bond Counsel selected by General Administration through its own similar competitive process.

Structure and Maturity

Generally, debt should be structured on a level debt basis, i.e., so that the annual debt service repayments will, as nearly as practicable, be the same in each year. A deviation from these preferences is permissible if it can be demonstrated to be in the university's best interest, such as restructuring debt to avoid a default. On projects that are designed to be self sufficient, the debt service may be structured to match future anticipated receipts.

The University will issue bonds to finance capital projects under the provisions of trust indentures approved by the Board of Trustees.

Debt in the form of capitalized lease obligations will be approved by the Board of Trustees and issued on behalf of the University by the ECU Real Estate Foundation, and other financing entities.

The University will employ maturity structures that correspond with the life of the facilities financed, generally not to exceed 30 years. Equipment will be financed for a period up to 120% of its useful life. As market dynamics change, maturity structures should be reevaluated. Call features should be structured to provide the highest degree of flexibility relative to cost.

Variable Rate Debt

A degree of exposure to variable interest rates within the University's debt portfolio may be desirable in order to:

- (i) take advantage of repayment/restructuring flexibility; and

- (ii) benefit from historically lower average interest costs; and
- (iii) diversify the debt portfolio; and,
- (iv) provide a hedge to short-term working capital balances.

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 20% of the University's outstanding debt. This limit is based on (i) the University's desire to limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University's variable rate allocation within acceptable external parameters, and (iv) use variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs.

$$\frac{\text{VARIABLE RATE AND LIQUIDITY EXPOSURE}}{\text{TOTAL LONG-TERM DEBT OUTSTANDING}} < 20\%$$

Budgetary controls for variable rate debt: To avoid a situation in which debt service on variable rate bonds exceeds the annual amount budgeted; the following guidelines should be followed in establishing a variable rate debt service budget:

- i) A principal amortization schedule should be established, with provision made for payment of amortization installments in each respective annual budget;
- ii) Provide for payment of interest for each budget year using an assumed budgetary interest rate that allows for fluctuations in interest rates on the bonds without exceeding the amount budgeted. The budgetary interest rate may be established by:
 - (1) using an artificially high interest rate given current market conditions; or (2) setting the rate based on the last 12 months actual rates of an appropriate index plus a 200 basis point cushion or spread to anticipate interest rate fluctuations during the budget year. The spread should be determined by considering the historical volatility of short-term interest rates, the dollar effect on the budget and current economic conditions and forecasts; or,
 - (3) any other reasonable method determined by the university
- iii) The amount of debt service incurred in each budget year should be monitored monthly by the university to detect any significant deviations from the annual budgeted debt service. Any deviations in interest rates that might lead to a budgetary problem should be addressed immediately; and
- iv) As part of the effort to monitor actual variable rate debt service in relation to the budgeted amounts and external benchmarks, the university should establish a system to

monitor the performance of any service provider whose role it is to periodically reset the interest rates on the debt, i.e., the remarketing agent or auction agent.

Liquidity: One of the features typical of variable rate debt instruments is the bondholder's right to require the issuer to repurchase the debt at various times and under certain conditions. This, in theory, could force the issuer to repurchase large amounts of its variable rate debt on short notice, requiring access to large amounts of liquid assets. Issuers that do not have large amounts of liquid assets may establish a liquidity facility with a financial institution that will provide the money needed to satisfy the repurchase. The liquidity provider should have a rating of A1/P1 or higher. The liquidity agreement does not typically run for the life of long-term debt. Accordingly, there is a risk that the provider will not renew the agreement or that it could be renewed only at substantially higher cost. Similar issues may arise if the liquidity provider encounters credit problems or an event occurs that results in early termination of the liquidity arrangement; in either case the issuer must arrange for a replacement liquidity facility.

Swaps: Should the University participate in the use of Swaps, it must do so in agreement with the Board of Governors of the University of North Carolina "Swap Policy for Constituent Institutions", as shown in Appendix A.

Taxable Debt (without Federal subsidies)

While all the University's capital projects may not qualify for tax-exempt debt, taxable debt should be used only in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance. Issuing taxable debt reduces the University's overall debt affordability due to higher associated interest expense. When utilized, taxable debt will be structured to provide maximum repayment flexibility and rapid principal amortization.

Capitalized Interest

Capitalized interest from bond proceeds is used to pay debt service until a revenue producing project is completed or to manage cash flows for debt service in special circumstances. Because the use of capitalized interest increases the cost of the financing, it should only be used when necessary for the financial feasibility of the project. In revenue-producing transactions, the University will attempt to structure debt service payments to match the revenue structure in order to minimize the use of capitalized interest.

Credit Ratings

The University will maintain ongoing communication and interaction with bond rating agencies, striving to educate the agencies about the general credit structure and financial performance of the University in order to attain the highest credit rating possible.

Refunding Targets

Generally, refunding bonds are issued to achieve debt service savings by redeeming high interest rate debt with lower interest rate debt. Refunding bonds may also be issued to restructure debt or modify covenants contained in the bond documents. Current tax law limits to one time the issuance of tax-exempt advance refunding bonds to refinance bonds issued after 1986. There is

no similar limitation for tax-exempt current refunding bonds. The University will continuously monitor its outstanding tax-exempt debt portfolio for refunding and/or restructuring opportunities. The following guidelines should apply to the issuance of refunding bonds, unless circumstances warrant a deviation there from:

- a) Refunding bonds should generally be structured to achieve level annual debt service savings.
- b) The life of the refunding bonds should not exceed the remaining life of the bonds being refunded.
- c) Advance refunding bonds issued to achieve debt service savings should have a minimum target savings level measured on a present value basis equal to 2-3% of the par amount of the bonds being advance refunded. The 2-3% minimum target savings level for advance refundings should be used as a general guide to guard against prematurely using the one advance refunding opportunity for post-1986 bond issues. However, because of the numerous considerations involved in the sale of advance refunding bonds, the target should not prohibit advance refundings when the circumstances justify a deviation from the guideline.
- d) Refunding bonds that do not achieve debt service savings may be issued to restructure debt or provisions of bond documents if such refunding serves a compelling university interest.

For current refundings, the University will consider transactions that, in general, produce present value savings (based on refunded bonds). A refunding will also be considered if it relieves the University of certain limitations, covenants, payment obligations or reserve requirements that reduce flexibility. The University will also consider refinancing certain obligations within a new money offering even if savings levels are minimal in order to consolidate debt into a general revenue pledge, and/or reduce the administrative burden and cost of managing many small outstanding obligations.

VI. Disclosure

Primary Disclosure

The University shall use best practices in preparing disclosure documents in connection with the public offer and sale of debt so that accurate and complete financial and operating information needed by the markets to assess the credit quality and risks of each particular debt issue is provided.

The disclosure recommendations of the Government Finance Officers Association's "Disclosure for State and Local Governments Securities," and the National Federation of Municipal Analysts' "Recommended Best Practices in Disclosure for Private Colleges and Universities" should be followed to the extent practicable, specifically including the recommendation that

financial statements be prepared and presented according to generally accepted accounting principles.

Secondary Disclosure

The University will continue to meet its ongoing disclosure requirements as required under Rule 15c2-12 of the Securities and Exchange Commission. The University will submit financial reports, statistical data, and any other material events as required under outstanding bond indentures.

VII. Tax-Exempt Debt - Post Issuance Considerations

Bond Proceeds Investment

The University will invest bond-funded construction funds, capitalized interest funds, and costs of issuance funds appropriately to achieve the highest return available under arbitrage limitations. When sizing bond transactions, the University will consider funding on either a net or gross basis.

Arbitrage

The University will comply with federal arbitrage requirements on invested tax-exempt bond proceeds, causing arbitrage rebate calculations to be performed annually and rebate payments to be remitted to the IRS periodically as required.

Private Use and Gifts

The University will monitor all arrangements with third parties to use bond-financed property, including the federal government and other colleges and universities, in order to ensure the tax-exempt status of the related debt. The University will monitor any sales of bond-financed property, and any lease management contracts, research arrangements and naming rights agreements to the extent such arrangements impact bond-financed property, and will work closely with bond counsel in determining events/actions that may cause a bond issue to become taxable. The University will also work with the bond counsel to train University personnel in these matters. In order to track arrangements that could potentially result in a loss of tax-exempt status of University debt, a record of financed facilities, including facilities financed by the State will be maintained.

The University will track gifts which are restricted to facilities financed, or to be financed with tax-exempt debt and will work with bond counsel to ensure that such gifts are used in a manner that complies with federal tax law limitations.

VIII. Responsibility

Assignment of Responsibilities

The Vice Chancellor for Administration and Finance is directly responsible for overseeing capital debt management and adhering to advice and guidelines adopted by the Board of Trustees.

Facilities Planning and Facilities Management

The Associate Vice Chancellor for Campus Operations will take the lead role in estimating and defining project costs and in maintaining a list of projects that are being considered. The Associate Vice Chancellor for Campus Operations will take the lead role in developing capital planning documents for the current year, current biennium and the capital plan.

Treasury Management

The Financial Director will maintain a schedule of current and forecasted debt and associated payment of principal, interest and fees. The Associate Vice Chancellor for Financial Services is responsible for the administration of all aspects of debt financing, including accounting, and contracting with financial advisors, underwriters and bond counsel to issue new debt or refinance existing debt.

Management

A Debt/Capital Committee will be established by the Vice Chancellor of Administration and Finance. The committee will consist of no more than 12 individuals from various areas of the University including, but not necessarily limited to: Financial Services, Campus Operations, Academic Affairs, Health Sciences, Research and Graduate Studies, Student Life, and Athletics. The Debt/Capital Committee will meet on a regular basis to review projects being considered and the various financing options available. They will make recommendations to the Vice Chancellor for Administration and Finance who will present the recommendations of this group to the Executive Council and the Chancellor, for further discussion and prioritization.

Board of Trustees

The Board of Trustees will consider for approval each special obligation project of the University, in accordance with State law. The Board of Trustees will consider and approve this Debt Policy and any proposed changes to it.

Review of Debt Policy/Oversight

This debt policy is a living document. The Executive Council will review this policy at least annually and change as needed to reflect changing conditions and practices. However, it is noted that consistent application of the University's debt policy provides evidence of debt management discipline over the long term. This review process is necessary to ensure that the policy remains consistent with the University's objectives/debt philosophy and responsive to evolving practices. In addition, the Debt/Capital Committee will hold periodic meetings in order to review short and intermediate term financing needs, market opportunities, and financial performance. This periodic review will help the University determine appropriate financial decisions as well as review capital investments and the timing of financing plans responsive to market conditions.



Glossary

Annual debt service – the principal and interest due on long-term debt in a fiscal year.

Bridge financing – any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

Capital project – physical facilities or equipment or software that may be capitalized.

GAAP – Generally Accepted Accounting Principles.

GASB 34/35 – Government Accounting Standards Board Statement Nos. 34 and 35.

Leverage – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.

Competitive sale – A sale of municipal securities by an issuer in which underwriters or syndicates of underwriters submit sealed bids to purchase the securities. The securities are won and purchased by the underwriter or syndicate of underwriters who submit the best bid according to guidelines in the notice of sale.

Negotiated sale – In a negotiated underwriting the sale of bonds is by negotiation and agreement with an underwriter or underwriting syndicate selected by the issuer before the moment of sale. This is in contrast to a competitive or an advertised sale.

Advance refunding – A financing structure under which new bonds are issued to repay an outstanding bond issue more than ninety (90) days from the date of issuance of the new issue. Generally, the proceeds of the new issue are invested in government securities, which are placed in escrow. The interest and principal repayments on these securities are then used to repay the old issue, usually on the first call date. Advance refundings are done to save interest, extend the maturity of the debt or change existing restrictive covenants.

Current refunding – Sale of a new issue, the proceeds of which are to be used, within ninety (90) days, to retire an outstanding issue by, essentially, replacing the outstanding issues with the new issue. Current refundings are done to save interest cost, extend the maturity of the debt, or change existing restrictive covenants.

Primary disclosure – SEC Rule 15c2-12 obligates underwriters participating in primary (new) offerings of municipal securities (of \$1,000,000 or more; are sold to more than 35 people; and have a maturity greater than 9 months) to obtain, review, and distribute to investors copies of the issuer’s official statement. While previously exempt, as of December 1, 2010, all new Variable Rate Demand Obligations will also be subject to Rule 15c2-12.



GLOSSARY OF TERMS

Secondary disclosure - At the time bonds are offered, the issuer must outline the type of Annual Financial Information it will provide annually and the terms of its continuing disclosure agreement. Issuers are also required to provide notice of certain events to each NRMSIR or Municipal Securities Rulemaking Board within 10 business days after the occurrence of the event. Certain events require an events notice to be filed, *regardless of materiality* as follows:

1. Failure to pay principal and interest;
2. Unscheduled draws on debt service reserves;
3. Unscheduled draws on credit enhancement;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or events affecting the tax-exempt status of the security;
6. Defeasances;
7. Rating changes;
8. Issuance by IRS of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities;
9. Tender offers; and,
10. Bankruptcy, insolvency, receivership or similar proceeding.

For other events, an events notice only needs to be filed if *deemed material*.

1. Non-payment related defaults;
2. Modifications to rights of security holders;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the securities;
5. Mergers, consolidations, acquisitions the sale of all or substantially all of the assets of the obligated person or their termination; and,
6. Appointment of a successor or additional trustee or the change of the name of a trustee.

East Carolina University Financing Schedule Example

<u>Date</u> [Actual Dates to Be Inserted]	<u>Event</u>	<u>Responsibility</u>
Month 1	Develop/Review financial projections for available revenues to repay debt service	ECU/FA
Month 1	Schedule conference call with UNC-GA staff to discuss the proposed financing and schedule	ECU/FA
Month 1	Select underwriting team	ECU/FA
Month 2	Organizational conference call with the working group to review the plan of finance and the financing schedule	WG
Month 2	Board of Trustees approval	ECU
Month 2	Underwriters Counsel and Bond Counsel receive disclosure/due diligence information from ECU	ECU
Month 2	Distribute Preliminary Official Statement and legal documents to working group	BC/UC
Month 3	Document review meeting/conference call	WG
Month 3	Distribute 2 nd draft of legal documents and POS	BC/UC
Month 3	Board of Governors resolution to General Administration	BC
Month 3	Conference call to review 2 nd draft of documents	WG
Month 3	Distribute information package to Rating Agencies/ Bond Insurers	FA; U
Month 4	Board of Governors Finance Committee approval	S
Month 4	Board of Governors approval	S
Month 4	Rating Agency/Insurer visits or conference calls	ECU, FA; U
Month 4	Receive Bond Insurance bids and select Bond Insurer	ECU, FA, U
Month 5	Receive Ratings	ECU, FA, U
Month 5	Distribute Preliminary Official Statement	UC
Month 5	Bond Sale	ECU, FA, U
Month 5	Sign Bond Purchase Agreement	U, ECU
Month 5	Distribute Final Official Statement	U; UC
Month 5	Pre-closing	WG
Month 5	Closing	WG

Key Working Group Participants

ECU	University staff
WG	Working Group
FA	Financial Advisor
BC	Bond Counsel
S	UNC System
U	Underwriter
UC	Underwriter Counsel
WG	Working Group

Appendix A

BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH CAROLINA SWAP POLICY FOR CONSTITUENT INSTITUTIONS

This policy will govern the use by the constituent institutions of the University of North Carolina System of Swap Agreements.

DEFINITIONS

“*Chief Financial Officer*” means the person from time to time serving as the responsible financial person for a Constituent Institution.

“*Constituent Institution*” means one of the constituent institutions of the University of North Carolina System listed in Section 116-4 of the North Carolina General Statutes, as amended.

“*Swap Agreement*” mean a written contract entered into in connection with the debt issued or to be issued by or on behalf of a Constituent Institution in the form of a rate swap agreement, basis swap agreement, forward rate agreement, interest rate option agreement, rate cap agreement, rate floor agreement, rate collar agreement, or other similar agreement, including any option to enter into or terminate any of the foregoing or any combination of such agreements.

THE CONDITIONS UNDER WHICH SWAP AGREEMENTS MAY BE ENTERED INTO

Purposes

A Constituent Institution may use a Swap Agreement for the following purposes only:

- (a) To achieve significant savings as compared to a product available in the debt market.
- (b) To enhance investment returns within prudent risk guidelines.
- (c) To prudently hedge risk in the context of a particular financing or the overall asset/liability management of the Constituent Institution.
- (d) To incur variable rate exposure, such as selling interest rate caps or entering into a swap in which the Constituent Institution’s payment obligation is floating rate.
- (e) To achieve more flexibility in meeting the Constituent Institution’s overall financial objectives than can be achieved in conventional markets.

Legality. The Board must receive an opinion acceptable to the market from a nationally recognized bond counsel law firm acceptable to the Chief Financial Officer of the Constituent Institution that the Swap Agreement is a legal, valid and binding obligation of the Board and entering into the transaction complies with applicable law.

SPECULATION

A Constituent Institution may not use a Swap Agreement for speculative purposes. Associated risks will be prudent risks that are appropriate for the Constituent Institution to take.

ASPECTS OF RISK EXPOSURE ASSOCIATED WITH A SWAP AGREEMENT

Before entering into a Swap Agreement, the Constituent Institution shall evaluate all the risks inherent in the transaction. These risks to be evaluated could include counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk.

The Constituent Institution shall endeavor to diversify its exposure to counterparties. To that end, before entering into a transaction, it should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure. The exposure should not be measured solely in terms of notional amount, but rather how changes in interest rates would affect the Constituent Institution's exposure.

COUNTERPARTY SELECTION CRITERIA

The Constituent Institution may enter into a Swap Agreement if the counterparty has at least two long term unsecured credit ratings in the double A category from Fitch Ratings, Moody's, or S&P and the counterparty has demonstrated experience in successfully executing a Swap Agreement. The Constituent Institution may enter into a Swap Agreement if the counterparty has at least two long term unsecured credit ratings in the single A category or better from Fitch Ratings, Moody's, or S&P only if (a) the counterparty either provides a guarantor or assigns the agreement to a party meeting the rating criteria in the preceding sentence or (b) the counterparty (or guarantor) collateralizes the Swap Agreement in accordance with the criteria set forth in this Policy and the transaction documents.

If the rating of the counterparty, or if secured, the entity unconditionally guaranteeing its payment obligations not satisfy the requirements of the Counterparty Selection Criteria, then the obligations of the counterparty must be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America and such collateral must be deposited with financial institution serving as a custodial agent for the Constituent Institution.

METHODS BY WHICH A SWAP AGREEMENT IS TO BE PROCURED

Negotiated Method. A Constituent Institution may procure a Swap Agreement by a negotiated method under any of the following conditions:

(a) (1) If the Chief Financial Officer of the Constituent Institution makes a determination that, due to the size or complexity of a particular swap, a negotiated transaction would result in the most favorable pricing and terms; or

(2) If a derivative embedded within a refunding issue is proposed and meets the Constituent Institution's savings target; and

(b) If the Constituent Institution receives a certification from an independent financial institution or financial advisor that the terms and conditions of the Swap Agreement provides the Constituent Institution a fair

market value as of the date of its execution in light of the facts and circumstances.

Competitive Method. A Constituent Institution may also procure a Swap Agreement by competitive bidding. The competitive bid can limit the number of firms solicited to no fewer than three. The Constituent Institution may determine which parties it will allow to participate in a competitive transaction. In situations in which the Constituent Institution would like to achieve diversification of counterparty exposure, the Constituent Institution may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid. The parameters for the bid must be disclosed in writing to all potential bidders.

LONG-TERM IMPLICATIONS

In evaluating a particular transaction involving the use of Swap Agreement, the Constituent Institution shall review long-term implications associated with entering into the Swap Agreement, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.

**RESOLUTION OF THE BOARD OF TRUSTEES OF
EAST CAROLINA UNIVERSITY
APPROVING THE ISSUANCE OF SPECIAL OBLIGATION BONDS**

WHEREAS, under Article 3, Section 116D of the General Statutes of North Carolina (the “*Act*”) the Board of Governors (the “*Board of Governors*”) of the University of North Carolina (the “*University*”) may issue special obligation bonds, payable from obligated resources to pay the costs of acquiring, constructing or providing a special obligation project at one of the constituent institutions of the University or refunding any obligations previously issued by the Board of Governors;

WHEREAS, East Carolina University (“*ECU*”) will request the Board of Governors to issue its special obligation bonds (the “*Bonds*”), the proceeds of which will be used for the purpose of (1) refinancing the costs of constructing and equipping a new student recreation center, the financing of which was authorized by Chapter 965 of the 1989 Session Laws of the North Carolina General Assembly and refinancing the costs of constructing and equipping West End Dining Hall, the financing of which was authorized by Chapter 140 of the 1998 Session Laws, Chapter 168 of the 2000 Session Laws and Chapter 173 of the 2002 Session Laws of the North Carolina General Assembly (collectively, the “*Special Obligation Bond Projects*”), and (2) paying the costs incurred in connection with the issuance of the Bonds;

WHEREAS, Section 116D-26(b) of the Act requires the Board of Trustees of ECU to approve the issuance of the Bonds for the Special Obligation Bond Projects;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of ECU as follows:

Section 1. **Approval of Issuance of Bonds.** The issuance of the Bonds for the Special Obligation Bond Projects is approved.

Section 2. **Effective Date.** This Resolution is effective immediately.

ADOPTED AND APPROVED this 15th day of April, 2011.

THE BOARD OF TRUSTEES OF EAST CAROLINA UNIVERSITY

By: _____
Secretary

STATE OF NORTH CAROLINA)
)
COUNTY OF PITT) **SS:**

I, _____, the duly elected Secretary of the Board of Trustees of East Carolina University, ***DO HEREBY CERTIFY*** that (1) the foregoing is a full, true and correct copy of the Resolution adopted by the Board of Trustees of East Carolina University at its meeting of April 15, 2011 and appearing in the minutes of such meeting, (2) notice of the meeting of the Board of Trustees of East Carolina University held on April 15, 2011 was sent to each member of the Board, and (3) a quorum was present at the meeting on April 15, 2011 at which time the foregoing Resolution was adopted.

WITNESS, my hand and the seal of East Carolina University this 15th day of April, 2011.

[SEAL]

Secretary

PCMH Update: Mr. Steve Lawler, President

- PCMH was excited to be a sponsor of the College of Nursing's 50th Anniversary Gala which was held this weekend. PCMH is probably "the hospital" in the State that has the most number of graduates from the College of Nursing.
- Working with the BSOM to further develop the Graduate Medical Education (GME) enterprise – i.e., how it is put together, funding, and opportunities to expand it.
- Project updates - Children's Hospital's groundbreaking in June 2011 and plans for a Pediatric ED (a dedicated space to care for children located within the ED).
- PCMH is doing a lot of ground breaking work on preparing for Health Care Reform in partnership with the BSOM.

College of Allied Health Sciences Update: Dr. Stephen Thomas

- 803 students are enrolled in allied health sciences degree programs as of Fall 2010 which is a 73% increase in student growth since 2001. 80% of allied health sciences graduates stay in NC for employment.
- First Time Student Certification Pass Rates continue to be positive. Programs with 100% pass rates are – Communication Sciences & Disorders, Occupational Therapy, and PA Studies.
- Creating a MS in Health Informatics and Information Management which will replace the BS program. 5 new DE certificate programs have been developed.
- CAHS Clinics – Speech, Language & Hearing clinic saw 7,938 patient visits per year (3 semesters); PT Clinic – 4,184 patient visits projected for 2010-11 and a second clinic will open in the new Family Practice Center.
- The number of grants submitted and awarded over the past 3 years has increased. A major research initiative is the Operation Re-Entry NC - which is in support of military personnel, veterans and their families. Total amount over a 5 year period to be received by ECU is \$10.5M.

Health Sciences Division Update: Dr. Phyllis Horns

- Dr. Paul Cunningham was inducted this week into the American Surgical Association which is a very prestigious surgical organization and is by invitation only.
- School of Dental Medicine – pleased that the first draft of the House budget and the Governor's budget does include the operating money for the School and we are optimistic that this will move forward for approval. Faculty recruitment continues. Planning to announce sometime within the next 2-3 months the 5th learning service site which will be located somewhere in western part of the State.

BSOM Update: Dr. Nicholas Benson & Mr. Brian Jowers

- The American Academy of Family Physicians reported over the past 10 years that the BSOM is the #1 school for producing family physicians.
- The BSOM in the coming months will be creating opportunities to dialogue with the citizens of Eastern North Carolina to see how they can better meet their needs (i.e., clinical care, research, education, and public service).
- UHS has agreed to fund \$3.4M for the remaining half of the cost for the roll out of the 5 remaining departments to Health Span. BSOM will match the other half.
- Cancer Services Joint Venture – The joint venture launch date has been revised to June 13, 2011 due to the new regulations from CMS that were updated in December 2010.
- New Family Medicine Center will open in the next 2 months.
- Mr. Jowers reported on the Upper Payment Limit. Negotiations with UNC and Wake Med were finalized and the wording was signed off and sent to CMS. Expect it to be approved in the next 90 days. Once approved upper payments retro to July 1, 2010 can be received.
- Mr. Jowers reported that the ECU Physicians financial performance is improving and they are very optimistic that a positive budget will be met by the end of the fiscal year.

University Affairs Committee

Academic Affairs – Honors College Update – Dr. Richard Eakin

- For fall 2011, the Honors College had more than 300 applications.
- ECU set aside \$1.2 million Honors College students which will be the equivalent of in-state tuition.
- The Honors College moved to the Mamie Jenkins Building and has a grand re-opening on April 26th.
- As for the EC Scholars Award, the fall 2011 entering class is set for 15 people and these students receive funds on top of their honors college grants and will also have opportunities for Study Abroad.
- Challenges – strong competition from NC State and UNC Chapel Hill for larger amounts of money to students. .

Research and Graduate Studies – Presentations –

- Dr. Paul Gemperline and Dr. Mary Farwell introduced faculty mentors and students doing amazing undergraduate research at ECU. The students presented at the State Capital this week.
 - **Johnathan Dennis** is leading a student team who is looking at the ecological footprint left behind when homes are built. They intend to find energy savings by implementing technologies that can be installed in homes that already exist. These technologies target toward lower and middle income households, so cost is a major concern. They have to be affordable and must be able to be installed in already existing homes. **The goal is to find long-term energy savings which make the higher initial installation costs worth it.**
 - **Sarah Hardison** is studying how water pollution originates from diverse sources, travel long distances via shallow groundwater, and discharge into streams and other surface water bodies. Determining the specific origin challenging, time consuming and costly, though on-site wastewater systems are common sources of this pollution in coastal North Carolina. **Sarah's study used an innovative geophysical technique to map the extent of water quality degradation from an on-site wastewater system in Craven County and compared electrical resistivity surveys with corresponding groundwater quality data.**
 - **Ashley Roseno's** research shows repeated exposure to new foods may increase young children's familiarity and preference for those foods. She engaged preschool children in hands-on, food-based nutrition education. The FoodMASTER Initiative is curriculum geared towards introducing a variety of nuts and seeds. Children were engaged in two weeks of daily 30-minute lessons that encouraged food exploration and through photos of foods Sarah measured preferences between healthy and unhealthy food choices. **The data indicated children preferred the taste of the targeted nuts and seeds.**
 - **Zachary Aardweg (Ard-weg)** told us there are concerns about the sustainability of the production of biofuels and the possible effects on wildlife habitat and biodiversity. He compared traditional intensive pine management and four biofuels management practices on study plots in an experiment in eastern North Carolina. The area was divided into four blocks that each contained a replicate of all treatments tested. 266 herpetiles (herp-e-tiles) were captured from 11 species. **The hope is to have a better understanding of what biofuel production can do to wildlife.**

Athletics – Terry Holland

- The track is near completion, grass is now on the soccer field and softball is now complete.
- Football season ticket sales are slightly up from last year which is a great sign for the Pirate Nation.
- The Conference USA Honor Roll was released - ECU ranked third with students having a GPA of 3.0 or higher and 3rd as well for the 3.75 GPA Commissioner Medal winners.



Office of the
Vice Chancellor

Health Sciences Division

Phyllis N. Horns, RN, DSN, FAAN

AD-48 Brody Medical
Sciences Building

600 Moye Boulevard

Mail Stop 600

East Carolina University

Greenville, NC 27834-4354

252-744-2984 office

252-744-3192 fax

March 28, 2011

Chancellor Steve Ballard
East Carolina University
Greenville, NC 27858

Dear Chancellor Ballard:

I would appreciate your consideration of the enclosed recommendation for initial appointment with permanent tenure on behalf of Jana Pressler, PhD, RN.

Dr. Jana Pressler will join the College of Nursing as Professor and Associate Dean for Graduate Programs effective August 1, 2011. Dr. Pressler earned her PhD from Case Western Reserve University, Cleveland Ohio in 1986. In addition to her academic appointments, Dr. Pressler served on the staff of Children's Memorial Hospital, Chicago, IL; C. S. Mott's Children's Hospital, Ann Arbor, MI; and Mercy Medical Center, Durango, CO.

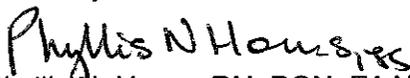
Dr. Pressler has 13 published book chapters and 16 referred journal articles. In addition, she has given 36 presentations and served as principal investigator/co-investigator on 10 research grants and 2 doctoral training grants.

For your convenience, attached are the following documents:

- Dr. Pressler's curriculum vitae
- The *East Carolina Personnel Action Summary Form* for the Board of Trustees

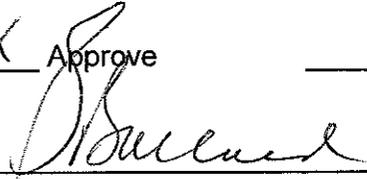
If you approve, we will make arrangements for this recommendation to be placed on the agenda for the April 15, 2011 Board of Trustees meeting.

Sincerely,


Phyllis N. Horns, RN, DSN, FAAN
Vice Chancellor for Health Sciences Division

Enclosures

Approve Do Not Approve


Steve Ballard, Chancellor

4/2/11
Date

Office of the
Vice Chancellor
Health Sciences Division
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MEMORANDUM

TO: Chancellor Steve Ballard *PNH*

FROM: Phyllis N. Horns, RN, DSN, FAAN
Vice Chancellor for Health Sciences

DATE: March 11, 2011

SUBJECT: Health Sciences Division Recommendation for Permanent Tenure, 2010-11 Academic Year (Late Submission)

Listed below is a recommendation regarding permanent tenure for Dr. David Tulis, a faculty member in the Division of Health Sciences, Brody School of Medicine. Attached is a chart that indicates the recommendations from the departmental tenure committee, department chair, dean, and vice chancellor. The Brody School of Medicine Promotion and Tenure Advisory Committee recommendation is also included (approved committee in the BSOM Unit Code of Operations).

The individual summary for Dr. David Tulis, as required by the Board of Trustees, is enclosed. If you desire additional information, I will be happy to provide it.

BRODY SCHOOL OF MEDICINE

David A. Tulis, PhD
Associate Professor
Department of Physiology

Conferral of Permanent Tenure

Enclosures: Chart of Recommendations
East Carolina University Personnel Action Summary Form

Approve Do Not Approve

Steve Ballard

Steve Ballard, Chancellor *3/17/11*
Date



ECU Board of Visitors Nominations

The following individuals were nominated for reappointment to the **Class of 2015**:

1. **Sabrina Bengal** of New Bern, Eligible for reappointment
2. **Faye Bordeaux** of Greenville, Eligible for reappointment
3. **Stephen Brown** of Raleigh, Eligible for reappointment
4. **Olivia Collier** of Fuquay-Varina, Eligible for reappointment
5. **Mark Copeland** of Charlotte, Eligible for reappointment
6. **Don Davis** of Snow Hill, Eligible for reappointment
7. **Tommy Lewis** of Raleigh, Eligible for reappointment
8. **Angela Moss** of Raleigh, Eligible for reappointment
9. **Delores Parker** of Raleigh, Eligible for reappointment
10. **William Phipps** of Tabor City, Eligible for reappointment
11. **William Steed** of Advance, Eligible for reappointment
12. **Joseph Tart** of Dunn, Eligible for reappointment
13. **Reid Tyler** of Raleigh, Eligible for reappointment

The following individuals were nominated to fill unexpired terms in the **Class of 2012**:

1. **Vern Davenport** of Raleigh
2. **Donna Phillips** of Winterville
3. **Ernest Logemann** of Winston-Salem

Nominated to be appointed as **officers for 2011 – 2012**:

1. Chair: **Steve Brown**
2. Vice Chair: **Terry Yeargan**
3. Secretary: **Olivia Collier**

PROPOSED REVISION, BOT BYLAWS--SECTION 104

Section 104. Endowment Fund Board. The Trustees of the Endowment Fund Board shall consist of six members, one of whom shall be the Chair of the Board of Trustees, who shall serve as the ex-officio Chair of the Endowment Fund Board; one of whom shall be the Chancellor; one of whom shall be the Vice Chair of the Board of Trustees; and three of whom shall be elected by the Board of Trustees. One of those elected may be (but need not be) a member of the Board of Trustees and the other two shall be members of the Investment Committee of the ECU Foundation. The terms of the three elected members shall be for staggered three-year terms.

The Trustees of the Endowment Fund Board shall make decisions concerning the receipt and administering of Endowment Fund gifts and property bequests, exclusive always of monies received through State appropriations and from tuition and fees.

The Endowment Fund Board shall function in accordance with North Carolina General Statute 116-36 and regulations of the Board of Governors of the University of North Carolina.

**Policy Framework for Resource Allocation
East Carolina University
April 2011**

Virtually every state in the nation continues to experience significant budgetary shortfalls. North Carolina is no exception. Discussions are underway in Raleigh as the General Assembly works towards passage of a budget for the 2011-2012 and 2012-2013 legislative biennium. While the eventual outcome is unknown, it is likely that cuts to the UNC-system will be significant.

The budgetary challenges of the next two years cannot be viewed in isolation. For many years, state appropriations have been cut to all state agencies, higher education and ECU included. For example, in the last three years, ECU has incurred permanent and one-time reductions of over \$102 million. As a result, ECU's ability to manage future cuts will be constrained by our past actions. Not only are we unable to eliminate something already eliminated, but also activities that have been reduced in the past may not be able to be reduced further or by as large a degree.

This document sets forth the overarching criteria which will use to manage cuts to state appropriations over the next two fiscal years. We are uncertain as to the level of cuts as well as mechanisms which will ultimately be available to address the shortfall. Thus, this document purposefully sets forth broad guidelines and mechanisms rather than prescriptive details.

East Carolina University is a large, complex, inter-related, and inter-dependent organization. Our approach to virtually everything now and in the future must recognize and embrace those characteristics. Our approach to the budget for the upcoming biennium is no exception. No part of the organization can exist independently from others. No part of the organization can choose to not participate. No part of the organization is immune from the fiscal challenges that face our university. Clearly, unequivocally, and demonstrably, we are all in this together.

Budgetary Framework

Our approach to resource allocation is guided by four overarching concepts: prioritization, sacrifice, flexibility, and stewardship.

Prioritization

For many years, ECU has received additional state appropriations for enrollment increases and for new programs and initiatives (Coastal Studies Institute, Manteo, and the School of Dental Medicine being recent examples). These additional funds have enabled us to hire faculty to sustain the academic infrastructure as well as offer new degrees, expand programs, and add initiatives.

The fiscal challenges we face in the next biennium will be daunting. Of potentially greater importance is an ongoing structural shift in state funding priorities. Given the pressures on state budgets around the country, it is probable that future funding for higher education will be subject to chronic and ongoing downward pressure. Thus, the likelihood of ECU receiving material additional state funding is low, particularly on either a per-student or inflation-adjusted basis.

These forces will require us to rethink and adjust our strategic decision-making process and mindset. We must focus clearly on prioritization. No longer can we add and not subtract. If we believe it is important to add something, we must simultaneously identify an activity that we will stop. Fundamentally, prioritization not only requires an organization to identify the programs it will support, it also requires the organization to decide what not to support.

Sacrifice

In part because of the cuts ECU has absorbed in the past, it is a near-certainty that appropriations cuts over the next two years will affect all parts of the university. While individuals, programs, units, and activities may be affected to a greater or lesser extent, the entire university community will experience the negative impact of ongoing fiscal constraints.

Flexibility

We do not know the magnitude of cuts to state appropriations nor do we know the manner in which we ultimately will be able or permitted to address any eventual cut. We must maintain flexibility to adjust our approach to accommodate factors that are, as of now, unclear or unknown.

Stewardship

We have been entrusted with funds from state appropriations, private giving, payment for services, external grants, and many other sources. It is our obligation and duty to expend money from ALL these sources wisely, with care, with accountability, and to support the mission of the university.

The Next Two Years

As has been noted, we do not know the magnitude of the eventual cut. We also do not know whether mechanisms used in the past to address budget shortfalls will continue to be available in the future. Subject to these uncertainties, we expect to manage the budget cuts for the next two fiscal years by utilizing four major approaches.

Operational efficiencies and organizational restructuring

Range: 5% to 10% of the ECU-wide cut

In the past few years, ECU has made significant strides to increase our operational efficiencies and to reduce duplication and overhead. Many of these savings have been driven by and are incorporated into our statewide leadership in the PACE and UNC FIT initiatives. While we have made significant progress, we must revisit our past actions and re-evaluate our progress in an effort to identify additional savings.

In close cooperation with the Faculty Senate and its committees including, but not limited to, the Educational Policies and Planning Committee and the University Budget Committee, we must examine the structure and composition of our academic organizational units in an effort to identify and realize administrative cost savings. This process will be a long-term effort. Savings will likely be limited in the 2011-2012 fiscal year, but should be more significant in future years.

Strategic Unallocated Reserves

Range: 20%-30% of the ECU-wide cut

ECU has been proactive in strategically planning for the fiscal challenges we currently face. As part of that planning, we have appropriately utilized new and reallocated resources for short term needs, but

we have retained our ability to use these resources to address longer-term fiscal challenges. A portion of these resources will be used to meet the upcoming cuts.

Academic and non-academic units

Range: 40% to 60% of the ECU-wide cut

All academic and non-academic units will share in addressing the budgetary cuts. While it is almost painful to express, we can no longer exempt any segment of the university from sacrifice. We will recognize the effect of prior cuts as we address future cuts.

Student Tuition

Range: 20%-30% of the ECU-wide cut

Students must also be a part of how we manage cuts to state appropriations. While tuition has increased at all UNC schools, at NC state-supported universities, students pay around 25%-30% of the cost of their education. In the future, this percentage will likely rise as state appropriations falls. We will ensure that our tuition remains in the bottom quartile of our peer institutions.

Additional initiatives

In the last few months, we have begun to engage the larger university community in two broad initiatives that will help us address the longer-term challenges we face. We must provide significant emotional, administrative, operational, and intellectual support to these initiatives. Execution and implementation of the initiatives must be robust and meaningful. If so, we have an excellent opportunity to be a stronger and more focused institution.

Process improvement

The internal processes of an enterprise – how an enterprise “works” from day-to-day – represent a complex group of activities, processes, and information flows. These range from the process by which the cashier collects tuition, to the way in which people are hired, to how repairs are identified and completed, to how students register for classes, to when grades must be posted, to how bills are paid, and hundreds and hundreds of other examples.

Organizations with processes that are more efficient and effective spend less money per unit of output, and have outcomes that are more accurate and timely. We have established a comprehensive and inclusive plan of action that will identify, prioritize, evaluate, and improve our processes. This program clearly embraces the inter-connectedness of the university. We must now operationalize this effort and make it a priority.

Program reductions and eliminations

We must be prepared to reduce programs that are least important to the future of East Carolina University or that are no longer productive, needed, or beneficial. In conjunction with the faculty, we have started to establish the criteria under which degrees, concentrations, certificates, and programs will be measured and prioritized. It is likely that this effort will culminate in recommendations during AY 11-12.

In the short and medium term, significant fiscal savings cannot be expected from this effort. However, honest, concentrated, and diligent work will achieve academic offerings that are focused, effective, and efficient.