Politics and patronage are nothing new to the governance of North Carolina's state universities. The conservatives now in control are raising questions about the line between setting policy and micromanaging.

*by Barry Yeoman*
It of a single moment could define the political battle over control of the UNC System, it came when Thomas Fetzer, a member of the system’s Board of Governors, invoked the 20th-century’s leading conservative stateswoman. “Consensus: the process of abandoning the noose is tight!” the chair wrote to BOG member Roger Aiken, an investment banker who served until last year. “All of us felt that there was an accusation of something in which no one believes but to which no one objects.”

“Raging internal conflict is a long-held American tradition,” Fetzer continued. During the Constitutional Convention of 1787, some states packed up and went home. There was anger. There was passion. “There was passion. There was emotion. But look at the result.”

At that meeting, Fetzer and his allies offered a series of surprise motions aimed at re-examining how the UNC System is governed. “The letter exceeded a weakness and hand wringing that does not accurately reflect the Board’s opinion,” the letter read. “We would have preferred a strong statement that while our campuses have achieved a lot of good things, there was still room for conflict. That was the case when Democrats controlled the process. It was natural that, when the Legislature changed hands in 2011, the new Republican leadership would follow suit.”

The first rounds of Republican appointments sparked bitter debate. Democratic lawmakers said their party was shut out and noted that new members were overwhelmingly white and male. National Progressive Republicans replaid that these were the spoils of victory. “I would just remind you of one thing,”GOP Rep. Edgar Sterns said in 2013. “The Republicans won the election. We are in control.”

That year, appointees included one then-Democrat, hotel developer Doyle Parrish ’76. In his response, then-House Speaker Thom Tillis pointed out that Parrish had donated generously to Republicans. “I would estimate he is directly responsible for more than $100,000 in financial support,” Tillis, who is now a U.S. senator, wrote in a memo to legislative leaders.

By 2014, the BOG’s new majority was making its ideology felt. It capped at 15 percent the amount of tuition revenue that could be set aside for need-based financial aid, arguing that this would help keep tuition rates low. It launched a review that led to the 2013 closure of Carolina’s law school’s Center on Poverty, Work and Opportunity. Both decisions came under fire for how they could affect low-income North Carolinians, first by limiting college access and then by shutting down a privately funded advocacy, training and research center.

The board’s most dramatic decision came in 2015. It fired then-President Tom Ross ’75 (JD), a Democrat, without explanation. Members praised Ross’ tenure and insisted the move was not political, BOG emails obtained by The News & Observer showed the firing was privately applauded by Republican politicians.

If the new board was moving toward compromise with GOP legislators, there was still room for conflict. Because of the firing of Ross’ replacement, Spellings, a Texan who served as secretary of education under President George W. Bush, was a pragmatist who helped craft the No Child Left Behind Act of 2001, which passed Congress with bipartisan support. Her moderation on some social issues rankled conservatives, once, asked about the decline of traditional two-parent families, she answered, “So what?”

Spellings impressed Joan MacNeill, a Republican who chaired the BOG’s search committee. “My belief was that we were tasked to find [and] interview the best qualified pool of candidates and to hire someone who would take the university to the next level,” said MacNeill, a retired entrepreneur and nurse. “I believe we achieved that goal.”

During the search, though, MacNeill says a fellow board member informed her of a consensus were over. “I wanted to read you a definition of consensus from one of my heroes,” he said, naming the late British prime minister Margaret Thatcher. “Consensus: the process of abandoning the Board of Governors, invoked the 20th-century’s leading conservative stateswoman.

“Higher education, just like health care, is under a tremendous amount of disruption. There is a tremendous amount of opportunity to do things quicker, smarter, faster and better.”
that legislative leaders wanted another candidate: former BOG Chair Peter D. Hans ’91, who had advised several prominent Republican politicians. “They made it eminently clear,” she said. “They were very careful that I never heard directly, but it was very clear where the message came from.”

That, for McNeill, was a turning point. “The search brought to a head the desire of the Legislature — certain very powerful elements of the Legislature — to control the outcome,” she said. “When that didn’t happen, I think there was a long-term strategy to make sure they populated the board with members who would carry out their bidding.”

McNeill was not reappointed in 2017, nor was former vice chair Aiken, who had helped narrow down the candidates. “I believe there were politics behind it, pure and simple,” Aiken said.

“The Legislature’s top leaders, House Speaker Tim Moore and Senate President Pro Tempore Phil Berger, did not respond to requests for comment. Neither did Spellers or Fetter.

The current board of Governors has numerous ties to the General Assembly. Its 28 members include five ex-lawmakers and five current and former lobbyists. Legislators now serve on committee meet- ings, and Jane Stancil, a higher education reporter for The News & Observer, noted in an article that BOG member Tom Golightly ’91 (JD), a lobbyist and former legislator, “has repeatedly told his fellow board members that they should pay closer attention to what the legislature wants.” Golightly did not respond to interview requests.

“The board has way too many lobbyists and ex-politicians,” said Grainger, the veteran member. “You never know what their agenda is.”

Member Bob Ruche, a former Republi- can state senator and retired dentist, says these political connections are overblown. “I have a lot of friends in the Legislature that I can pick up the phone and say, ‘You guys need to think about funding summer school to help us achieve our four-year graduation-rate goals,’ ” he said. “If we don’t have a relationship with them, what’s the chance of getting extra money?”

Targeting tuition?
The four sequential votes at Septem- ber’s board meeting provide a rough guide to the new majority’s priorities.

The first resolution pledged to “endeav- or to reduce tuition and fees” at all UNC System schools. “We’ve outstripped the affordableness of the average working North Carolina family,” Fetter said. “One out of three students who leave us [do so] for economic reasons, not academic reasons. And I think that’s a tragedy.” Applications for admission are up significantly at three system schools — Western Carolina, Pembroke State and Elizabeth City State — for which the Legislature mandated a 8,000 annual tuition in 2016.

The motion passed without audible nays. Before the vote, though, several members warned against making such a blanket pledge. “Excellence is not cheap,” Knott said. “We can’t starve the University in the name of free tuition, or whatever, and expect our top-level institutions to continue to be ranked and recognized nationally and internationally.”

Left un debated was whether reducing tuition would, in fact, improve student outcomes — particularly now that the schools cannot set aside more than 15 percent of their tuition revenues for need- based financial aid. In November, UNC Chancellor Carol L. Folt told the board that low-cost, low-aid schools tend to have low graduation rates and that institutions in the UNC System face that prospect unless they can help poorer families more.

The other three resolutions created committees to study various pieces of how the system is run: the staffing and purpose of the system offices and its headquarters; whether to move its offices to Raleigh or Research Triangle Park; and whether chancellors and their staffs need to attend every BOG meeting, as they currently do.

No final action has been taken on these issues. Supporters insist there is nothing ideological or inappropriate about challenging long held assumptions. “It’s been portrayed as a bunch of folks coming in, riding high on a steed,” said Byers, the retired sheriff. “No. With new members, you have folks who have given money to the universities, attended the universities, cheered for the universities, and all of a sudden now they’re on the board. So we’re getting a great influx of new ideas, and I think that’s perceived as micromanaging.”

Each of the ideas under study, say ad- vocates, has a legitimate basis. Moving the administrative offices to Raleigh, maybe even to a shared campus with the K-12 and community-college headquarters, could promote the cross fertilization of ideas. Dropping the expectation that chancellors attend all meetings would reduce unnec- essary travel in an era of teleconferencing. Re-evaluating bureaucracy is standard organizational practice.

“Every time we turn around, we see a new vice president or associate dean for some new program. The scope of the [UNC System] hasn’t been looked at in probably three decades. Do you think education and society has changed during that period of time?”

— Bob Ruche, BOG member

UNC and Its Governors: Same as It Ever Was

UNC System presidents to evaluate the ad- ministration of the university, including the chancellor and secretaries of the board of governors. The UNC Board of Governors will continue to be ranked and recognized nationally and internationally.

“Excellence is not cheap. We can’t starve the University in the name of free tuition, or whatever, and expect our top-level institutions to continue to be ranked and recognized nationally and internationally.”

— Joe Knott ’74 (90 JD), BOG member

“Targeting tuition?”

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cuffles over governance go back to the founding of the University in Chapel Hill. Many of the issues sound familiar today — the role of politicians, the autonomy of administrators, even how to respond to unruly students.

In the 1780s and ’90s, the Legislature granted the new University two revenue sources: land confiscated by the state and “escheated” land that was unclaimed after its owners’ deaths. Those modest gifts fostered considerable resentment. The University’s champions, and much of its faculty, were Federalists. Their opponents, the Republicans, controlled the Legislature at the turn of the 19th century. Republicans disliked the University for political reasons, and the will was compounded by “reports of the misbehavior of students, undoubtedly bad, but grievously exaggerated,” wrote Kemp Plummer Battle (class of 1849), UNC’s president starting in 1876, in a history of the University.

In 1896, the Legislature with UNC’s funding mechanism and clawed back all the unused escheated land. Federalists were mortified. “Alas! Alas! the Legislature of No. Carolina about to wage war against the arts and sciences. I blush for my native State!” wrote Congressman Archibald Henderson. Former Gov. William Richardson Davie argued: “The friends of science in other States regard the people of North Carolina about to wage war against the arts and sciences. I blush for my native State.”

The biggest modern-day dispute came in the early 1970s. It was described by both sides as a “holy war”: how to consolidate North Carolina’s four-year public institutions into a single system of higher education, and how over much power to give the new Board of Governors, how much to insulate the universities from political interference, and how much political and academic influence the original university would retain.

At the center of the debate were Gov. Bob Scott, who buoyantly championed the restructuring, and Bill Friday ’48 (LLB), president of what for 40 years had been the Consolidated University, which encompassed the original university in Chapel Hill, and what now are N.C. State University and UNC-Greensboro. Friday saw the new board as a means to coordinate the different parts of the Chapel Hill. The two men had clashed before, notably in 1969, when the diplomacy-minded Friday felt undercut by Scott’s decision to sue nightly civil rights protests with not- trained state police.

The final plan, passed in 1971, represented a compromise: it did not end the conversation about governance. In 2001, the state and the Board of Governors were sued over a law setting BOG membership quotas based on sex, race and party affiliation. The lead plaintiff, Walter R. Davis, a former BOG member after whom the used escheated land. Federalists were mortified. “Alas! Alas! the Legislature of No. Carolina about to wage war against the arts and sciences. I blush for my native State!” wrote Congressman Archibald Henderson. Former Gov. William Richardson Davie argued: “The friends of science in other States regard the people of North Carolina about to wage war against the arts and sciences. I blush for my native State.”

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Then, in 2006, the N.C. Center for Public Policy Research, a nonpartisan think tank, warned that the BOG selection process had become “highly politicized” and “increasingly partisan.” The center called for a hybrid system in which the governor and Legislature shared appointment powers. A year earlier, the conservative John W. Pope Center for Higher Education Policy (the predecessor of the James G. Martin Center for Academic Renewal) called for the governor to appoint all BOG members.

Neither suggestion was taken. In 2017, the Legislature made one significant change: it voted to gradually reduce the BOG’s membership from 32 to 24. (It’s now 24.)

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Rucho, who chairs the BOG task force, says he wants it to go deeper, examining whether the administration is, in fact, providing the right services to the institutions. Critics, some of whom decline to talk publicly, say there is a political agenda buried in the benign language of the resolutions. One high-ranking official at a system school described Rucho’s task force as an effort to “disempower” Spellings. Knott has described it as “a back door for communication” with the president’s employees, “undermining her administrative and supervisory power.”

Chapel Hill absorbs hits

The September board meeting lasted two days. The four resolutions passed on Thursday. Then, on Friday, the board stripped Carolina’s law school’s Center for Civil Rights of its ability to provide legal representation to poor and minority North Carolinians. (See “Shutdown,” January/February 2018 Review.)

BOG members said the center was harming taxpayers by suing government entities, such as local school boards, over racial discrimination.

To the Board of Governors’ critics, the vote was one of several actions designed to silence those who believe the University’s resources should be harnessed against economic and racial inequality. To that list, they add the closure of the Center on Poverty, Work and Opportunity — which, like the Center for Civil Rights, was associated with Gene Nichol, the Boyd Tinsley Distinguished Professor of law and an outspoken critic of many North Carolina Republican politicians.

They also cite the closure of a center at Western Carolina and Wake Forest at a system school described Rucho’s as an effort to “disempower” Spellings. Knott has described it as “a back door for communication” with the president’s employees, “undermining her administrative and supervisory power.”

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Wilson and other faculty worry that the board’s actions send a signal that certain issues are dangerous to raise on campus. “It diminishes the quality of faculty who want to operate under those restraints,” she said. “If you have an interventionist Board of Governors, it reduces the chance that you’re going to get top-flight faculty who want to be able to come and do their work unencumbered by political machinations.”

Michael Palm, associate professor of media and technology studies, says the recruitment issue extends to graduate students, too. “In the past couple of years,” he said, “money has been replaced by politics as the No. 1 reason that people report that they choose not to come to UNC for a PhD in communication.”

Faculty members have been at the forefront of challenging the Board of Governors. Pushback from the Faculty Assembly helped moderate the free speech policy. Last year, the assembly also brought its concerns to the Southern Association of Colleges and Schools, which accredits Southern universities and requires that governing boards be free from “undue” political influence.

George Leef, director of research at the Martin Center, dismissed the faculty’s SACS memo as ideological posturing. “What is going on here is that the Board of Governors consists largely of conservatives who are trying to exert control over the very leftist faculty and administration,” he wrote in the National Review. “Whining to SACS that the Board is doing things that violate accreditation standards is just a desperate ploy.”

But some faculty insist the times warrant forceful action. Appealing to the accreditor, they say, is the only leverage they have.

Barry Yeoman is a freelance writer based in Durham.

“Anybody. Each one has different facts. And, sure, you may not agree with them. But all of those things were developed with a lot of input and a lot of thought.”

— Lou Bissette ’68 (JD), BOG chair

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