



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

HOLDEN THORP
Chancellor

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October 1, 2009

VIA FACSIMILE AND
U.S./CAMPUS MAIL

Mr. Charles Adams
North Carolina High School Athletic Association
PO Box 3216
Chapel Hill, NC 27515

Ms. Allison Sholar, Superintendent
Pender County Schools
925 Penderlea Highway
Burgaw, NC 28425

RE: Relationship between UNC-Chapel Hill and the North Carolina High
School Athletic Association

Dear Charlie and Allison:

As you know, this year has been an exceptionally challenging one for the University of North Carolina System. We have faced – and are continuing to face – difficult budget cuts, and President Bowles has instructed each constituent institution to look closely at any proposed cuts or changes to ensure that the core academic mission is protected. Moreover, President Bowles has recently ordered each Chancellor to look especially closely at administrative growth and take the steps necessary to ensure that this area is not overshadowing our academic priorities. This review on our campus has encompassed all of our administrative units, including the North Carolina High School Athletic Association (NCHSAA).

During this same time, we have also seen increased attention on the operations of the North Carolina High School Athletic Association from both the State Treasurer (the agency that oversees the Teachers & State Employees' Retirement System) and the Office of the State Auditor. These agencies have focused their inquiries on the connection between UNC-Chapel Hill and the North Carolina High School Athletic Association, especially as it relates to the status of NCHSAA employees as State employees and the NCHSAA's compliance with State pay policies. The University

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has been able to respond that the creation of the NCHSAA can be traced back to the University and that the two have remained connected ever since, with the NCHSAA Executive Director reporting up through the Friday Center for Continuing Education to the Provost's Office, and the NCHSAA's business and personnel functions operating under the University's rules and processes. We have, however, found discrepancies between University policies and the current NCHSAA Bylaws, and our Office of Human Resources and Provost's Office have been working with the employees at the NCHSAA to ensure that current management practices comply with our policies. We are still awaiting final findings and determinations from the Office of the State Auditor.

Due in part to these external inquiries and also because of the current search for a new Executive Director for the NCHSAA, I know that both the University and the NCHSAA have been openly and actively discussing ways to clarify their relationship and connection and to ensure that there is appropriate oversight of the NCHSAA's employment and financial processes and of its programmatic and strategic planning.

As Charlie and I discussed by telephone on September 18, 2009, in light of the mandates I have from President Bowles to review and reduce administrative costs and to refocus on our core academic mission, I have therefore made the difficult decision that the University needs to end its administrative relationship with the NCHSAA by May 15, 2010. This decision necessarily involves careful transitioning, and I expect that University leaders from the Provost's Office, the Office of University Counsel, the Friday Center for Continuing Education, and the Office of Human Resources will work closely with both of you, the incoming Executive Director, and the NCHSAA Board to help implement this change as easily as possible, including developing an agreement to allow the NCHSAA to remain physically housed on the University campus, addressing the effect of this change on NCHSAA employees, and resolving any other related issues that may be mutually identified.

I deeply regret that current circumstances have necessitated this decision, as the University has long appreciated its administrative affiliation with the NCHSAA. We do, however, look forward to continuing to support high school athletics through a robust partnership with the Association that involves hosting high

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school athletic events on campus, engaging in joint research projects, and maintaining ongoing interactions between the Association and the Department of Athletics and other University units.

Sincerely,



H. Holden Thorp

HHT:bl

cc: Bruce Carney
Carol Tresolini
Norm Loewenthal
Brenda Malone
Joanna Carey Cleveland

Thorp/NCHSAA