

## **Board of Governors Meeting**

**Friday, March 20, 2009**

**Chapel Hill, North Carolina**

The Board of Governors met in regular session on March 20, 2009, at the Spangler Center, Chapel Hill, North Carolina. Chairman Gage called the meeting to order at 9:00 a.m.

### **INVOCATION**

Chairman Gage called upon Mrs. Goodyear to give the invocation.

### **ROLL CALL**

Secretary Sanders called the roll. The following members were present:

Bradley T. Adcock	Charles A. Hayes
Brent D. Barringer	Adelaide Daniels Key
Peaches Gunter Blank	G. Leroy Lail
R. Steve Bowden	Ronald C. Leatherwood
Laura W. Buffaloe	Cheryl Ransom Locklear
Frank Daniels, Jr.	Charles H. Mercer, Jr.
John W. Davis III	Fred G. Mills
Phillip R. Dixon	Jim W. Phillips, Jr.
T. Greg Doucette	Marshall B. Pitts, Jr.
Ray S. Farris	Irvin (Al) Roseman
Dudley E. Flood	Estelle "Bunny" Sanders
Hannah D. Gage	William G. Smith
Ann B. Goodnight	J. Craig Souza
Clarice Cato Goodyear	Priscilla P. Taylor
H. Frank Grainger	David W. Young
Peter D. Hans	

The following member were absent:

James E. Holshouser, Jr.	J. Bradley Wilson
Gladys Ashe Robinson	

## **STATE ETHICS ACT**

Chairman Gage stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for the meeting, she asked if anyone had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. There were none.

## **MINUTES**

Mr. Pitts moved, seconded by Dr. Buffaloe, that the minutes from the open session of the February 13, 2009, meeting be approved. The motion carried.

## **PRESIDENT'S REPORT**

President Bowles recognized Vice President Nelson and Associate Vice President Burks for their extraordinary work amidst this difficult budget climate. He recognized the Chancellors for their outstanding work in managing our campuses during these challenging times. For President Bowles' report, please see Appendix A.

## **ADMINISTRATIVE ACTION ITEMS**

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Barringer moved, seconded by Mr. Grainger, that the following Administrative Action Items be approved by consent:

- a. (B&F) Authorization to Sell Special Obligation Bonds, UNCG
- b. (EPPP) Authorization to Discontinue the Bachelor of Science in Social Sciences Education, ASU
- c. (EPPP) Authorization to Discontinue the Bachelor of Science in Clinical Laboratory Sciences, ASU
- d. (EPPP) Authorization to Discontinue the Bachelor of Science in Family and Consumer Science, ECU
- e. (EPPP) Authorization to Discontinue the Bachelor of Science in Business Education in Marketing Education, ECU
- f. (EPPP) Authorization to Discontinue the Bachelor of Science in

- g. (EPPP) Education in Special Ed: Mental Retardation, ECSU  
Authorization to Discontinue the Bachelor of Science in Special Ed: Learning Disabilities, ECSU
- h. (EPPP) Authorization to Discontinue the Bachelor of Science in Business Education, Secondary, FSU
- i. (EPPP) Authorization to Discontinue the Bachelor of Science in Health Education (K-12), FSU
- j. (EPPP) Authorization to Discontinue the Bachelor of Science in Marketing Education for Teachers, FSU
- k. (EPPP) Authorization to Discontinue the Bachelor of Science in Visual Arts, Art Education, NCA&T
- l. (EPPP) Authorization to Discontinue the Bachelor of Science in Music Education, NCA&T
- m. (EPPP) Authorization to Discontinue the Bachelor of Science in Romance Languages and Literatures, French Secondary Education, NCA&T
- n. (EPPP) Authorization to Discontinue the Bachelor of Science in Romance Languages and Literatures, Spanish Secondary Education, NCA&T
- o. (EPPP) Authorization to Discontinue the Bachelor of Science in Health Occupations Education, NCSU
- p. (EPPP) Authorization to Discontinue the Bachelor of Arts in Russian & East European Studies, UNCCH
- q. (EPPP) Authorization to Discontinue the Bachelor of Arts in Special Education: Mental Handicaps, UNCC
- r. (EPPP) Authorization to Discontinue the Bachelor of Science in Dance, Education (General), UNCG
- s. (EPPP) Authorization to Discontinue the Bachelor of Arts in German, Secondary Education, UNCG
- t. (EPPP) Authorization to Discontinue the Bachelor of Science in Biology, Secondary Education, UNCP
- u. (EPPP) Authorization to Discontinue the Bachelor of Science in Recreation Management/Administration, UNCP
- v. (EPPP) Authorization to Discontinue the Bachelor of Science in Health Promotion, UNCP
- w. (EPPP) Authorization to Discontinue the Bachelor of Arts in Special Education (Cross-Categorical), UNCW
- x. (EPPP) Authorization to Discontinue the Bachelor of Arts in Special Education (Behaviorally/Emotionally Handicapped), UNCW
- y. (EPPP) Authorization to Discontinue the Bachelor of Arts in Special Education (Mental Retardation), UNCW
- z. (EPPP) Authorization to Discontinue the Bachelor of Arts in Special Education (Learning Disabilities), UNCW
- aa. (EPPP) Authorization to Discontinue the Bachelor of Arts in History, Secondary Education, UNCW
- bb. (EPPP) Authorization to Discontinue the Bachelor of Science in Education in French, Secondary Education, WCU

- cc. (EPPP) Authorization to Discontinue the Bachelor of Science in Education in German, Secondary Education, WCU
- dd. (EPPP) Authorization to Discontinue the Bachelor of Science in Electrical and Computer Engineering Technology, WCU
- ee. (EPPP) Authorization to Discontinue the Bachelor of Science in Telecommunications Engineering Technology, WCU
- ff. (EPPP) Authorization to Discontinue the Bachelor of Science in Industrial Distribution, WCU
- gg. (EPPP) Authorization to Discontinue the Bachelor of Science in Engineering Technologies Manufacturing, WCU
- hh. (EPPP) Authorization to Discontinue the Bachelor of Science in Industrial Chemistry, WCU
- ii. (EPPP) Authorization to Discontinue the Bachelor of Science and Bachelor of Arts in Social Sciences, WCU
- jj. (EPPP) Authorization to Discontinue the Bachelor of Science in International Business, WCU
- kk. (EPPP) Authorization to Discontinue the Bachelor of Arts in Art Education, WSSU
- ll. (EPPP) Authorization to Discontinue the Bachelor of Arts in Social Studies Education, WSSU
- mm. (EPPP) Authorization to Discontinue the Bachelor of Arts in Spanish Teacher Education, WSSU
- nn. (EPPP) Authorization to Discontinue the Bachelor of Science in Molecular Biology, WSSU
- oo. (EPPP) Authorization to Discontinue the Master of Music in Music Therapy, ECU
- pp. (EPPP) Authorization to Discontinue the Master of Science in Counselor Education, ECU
- qq. (EPPP) Authorization to Discontinue the Master of Library Science, ECU
- rr. (EPPP) Authorization to Discontinue the Master of Science in English Education, NCA&T
- ss. (EPPP) Authorization to Discontinue the Master of Science in Mathematics Education, NCA&T
- tt. (EPPP) Authorization to Discontinue the Master of Science in History Education, NCA&T
- uu. (EPPP) Authorization to Discontinue the Master of Education in Special Education, Emotionally Handicapped, NCCU
- vv. (EPPP) Authorization to Discontinue the Master of Education in Special Education, Mentally Handicapped, NCCU
- ww. (EPPP) Authorization to Discontinue the Master of Education in Special Education, Learning Disabilities, NCCU
- xx. (EPPP) Authorization to Discontinue the Master of Science in Biology, Secondary Education, NCCU
- yy. (EPPP) Authorization to Discontinue the Master of Science in Agricultural and Resource Economics, NCSU

zz.	(EPPP)	Authorization to Discontinue the Master of Science (MS) and Master of Education (M.Ed.) in Special Ed., Behavior Disorders, NCSU
aaa.	(EPPP)	Authorization to Discontinue the Master of Science and Master of Education in Special Ed., Mental Retardation, NCSU
bbb.	(EPPP)	Authorization to Discontinue the Master of Science and Master of Education in Special Ed., Mental Retardation, NCSU
ccc.	(EPPP)	Authorization to Discontinue the Master of Arts in Romance Languages and Literatures, Italian Literature, UNCCH
ddd.	(EPPP)	Authorization to Discontinue the Master of Arts in Romance Languages and Literatures, Spanish Literature, UNCCH
eee.	(EPPP)	Authorization to Discontinue the Master of Arts in Romance Languages and Literatures, Spanish American Literature, UNCCH
fff.	(EPPP)	Authorization to Discontinue the Master of Arts in Romance Languages and Literatures, French Literature, UNCCH
ggg.	(EPPP)	Authorization to Discontinue the Master of Education in Special Education, Cross-Categorical Disabilities, UNCC
hhh.	(EPPP)	Authorization to Discontinue the Master of Education in Special Education, Behavioral-Emotional Handicaps, UNCC
iii.	(EPPP)	Authorization to Discontinue the Master of Education in Special Education, Mental Handicaps, UNCC
jjj.	(EPPP)	Authorization to Discontinue the Master of Education in Special Education, Learning Disabilities, UNCC
kkk.	(EPPP)	Authorization to Discontinue the Master of Education in Special Education, Severe Handicaps, UNCC
lll.	(EPPP)	Authorization to Discontinue the Master of Arts in Art Administration, UNCC
mmm.	(EPPP)	Authorization to Discontinue the Master of Arts in Mathematics, UNCW
nnn.	(EPPP)	Authorization to Discontinue the Master of Education in English, 2-Yr College Teaching, WCU
ooo.	(EPPP)	Authorization to Discontinue the Master of Education in Mathematics, 2-Yr College Teaching, WCU
ppp.	(EPPP)	Authorization to Discontinue the Master of Education in Physical Education, 2-Yr College Teaching, WCU
qqq.	(EPPP)	Authorization to Discontinue the Master of Education in Biology, 2-Yr College Teaching, WCU
rrr.	(EPPP)	Authorization to Discontinue the Doctor of Philosophy in Romance Languages and Literatures, Spanish Language and Literature, UNCCH
sss.	(EPPP)	Authorization to Discontinue the Doctor of Philosophy in Romance Languages and Literatures, Spanish-American Literature, UNCCH
ttt.	(EPPP)	Authorization to Discontinue the Doctor of Philosophy in Romance Languages and Literatures, Italian Language and Literature, UNCCH

- uuu. (EPPP) Authorization to Discontinue the Doctor of Philosophy in Romance Languages and Literatures, French Language and Literature, UNCCH
- vvv. (EPPP) Authorization to Discontinue the Doctor of Philosophy in Romance Languages and Literatures, Roman Philology, UNCCH
- www. (EPPP) Approval of Licensure for Strayer University to offer the following degree programs at its sites in Garner, Greensboro, Huntersville, North Charlotte, North Raleigh, Research Triangle Park, and South Charlotte:
  - Associate of Arts in Criminal Justice
  - Bachelor of Science in Criminal Justice
- xxx. (P&T) Approval of the Proposed Policy, *Compensatory Time Off for Employees Subject to the Fair Labor Standards Act*
- yyy. (GOV) Approval of the Amendment to Section 400 A. (5) of *The Code*

### **REPORT OF THE AUDIT COMMITTEE**

Mr. Daniels, Chair of the Audit Committee, reported on three items. First, the Committee received an update on the UNC Finance Improvement and Transformation (UNC FIT) Project from Project Management Officer Gwen Canady. The UNC FIT team visited ten campuses in order to train personnel and implement prescribed standards in the financial aid and contract and grants areas. He said that planning for the migration of the nine central payroll campuses to the Banner Payroll System was expected to be implemented by July 2010. Next, the Committee received an update on the internal audit independence assessment. The assessment was expected to be completed in April 2009 and the Committee would report on it at the next meeting. Next, the Committee reviewed the audit report from the University of North Carolina at Charlotte. There was one audit finding and corrective action had been taken.

### **REPORT OF THE COMMITTEE ON BUDGET AND FINANCE**

Mr. Lail, Chair of the Committee on Budget and Finance, reported that the Committee considered adoption of a Value Statement. The statement outlined the University's strategies during the economic downturn. The statement also serves as a valuable tool for the President and the Board as they review budget reduction plans proposed by the Chancellors. He reported that the Value Statement had also been discussed by the Committee on Educational Planning,

Policies, and Programs. Mr. Barringer inquired about a modification to the language in section #5 of the document. Mr. Lail indicated that the language would be amended to include the recommended change. President Bowles commented that he would send a copy of the Value Statement to each of the Boards of Trustees' chairs.

On behalf of the Committee, Mr. Lail moved the adoption of the Value Statement with the recommended change to section #5. (See Appendix B). The motion carried.

Mr. Lail reminded the Board that it had approved the 2009-10 tuition and fees rates at its February meeting. Subsequently, Winston-Salem State University revised its request to recommend a 4% tuition rate increase for undergraduate non-resident students, graduate resident students, and graduate non-resident students. The rate increase would generate revenue to support financial aid and other critical student needs.

On behalf of the Committee, Mr. Lail moved the approval of the tuition rate increase at Winston-Salem State University. (See Appendix C). The motion carried.

Next, Mr. Lail reported on a six-year plan that the Board adopted biennially for capital improvement projects. The projects to be funded this year from the non-General Fund resources were evaluated by UNC General Administration on the basis of need and benefit to the University in alignment with recommendations made through UNC Tomorrow. A detailed financial plan for each project would be reviewed with financial advisors and bond counsel prior to the issuance of bonds and the award of construction contracts.

On behalf of the Committee, Mr. Lail moved the approval of 21 new or supplemental capital improvements projects at 11 institutions. The projects would be forwarded to the General Assembly for authorization during the 2009 session. It was further recommended that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness. (See Appendix D). The motion carried.

Finally, Mr. Lail reported that the Committee discussed recommendations to purchase land from funds made available by the 2008 General Assembly. The Committee was concerned that although the legislature authorized a total of \$25 million for land acquisition, the Council of State of North Carolina had authorized the issuance of only \$10 million.

On behalf of the Committee, Mr. Lail moved that a resolution requesting the release of all land funds be approved and forwarded to the appropriate State officials. (See Appendix E). Mr. Bowden reminded the Board members that the campuses have the responsibility to be fair and diligent in the award of contracts. The motion carried.

### **REPORT OF THE COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS**

Mr. Dixon, Chair of the Committee on Educational Planning, Policies, and Programs, reported that a large number of academic degree programs were discontinued as a result of the low-productivity study and the campuses' reviews of their programs falling below the Board's standards. Mr. Dixon said that discontinued programs in the area of teacher education would in no way diminish the Board's commitment to produce more teachers in our State. Other programs were discontinued as result of changes in the licensure standards, particularly in special education.

The Committee reviewed the documents related to the revised academic planning and program process from the already approved new Board policies through the regulations, guidelines and formats for campuses proposing new degree programs. The Committee agreed that it needed to review any site-based offsite programs that were offered outside of North Carolina. Mr. Dixon reported that a template was developed for providing information and recommendations regarding proposed degree programs to the Committee for its consideration. Some changes to the template were suggested. Lastly, Mr. Dixon reported that the Committee reviewed and approved the Value Statement as presented by the Chair of the Budget and Finance Committee. (See Appendix B).

### **REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE**

Mr. Mercer, Chair of the Committee on University Governance, reported on two items for action and several items for information. Mr. Mercer referred to the slate listing the nominees for the 2009 Boards of Trustees. The Committee had begun the trustee selection



process in October 2008 and concluded its deliberations at its most recent meeting. The terms for these trustees would begin July 1, 2009, and conclude June 30, 2013. Mr. Mercer thanked the members of the committee for their work throughout the selection process.

On behalf of the Committee, Mr. Mercer moved the election of the trustees eligible for reelection and the provisional election of those who will serve an initial term pending completion of required trustee orientation and successful submission of the Statement of Economic Interest form. (See Appendix F). The motion carried.

Next, Mr. Mercer announced that there was a partial term ending June 30, 2011, on the Board of Trustees of the University of North Carolina at Greensboro.

On behalf of the Committee, Mr. Mercer moved approval of the election of Mrs. Susan Safran of Raleigh to serve on the Board of Trustees of the University of North Carolina at Greensboro.

There was a partial term ending June 30, 2011, on the Board of Trustees at Winston-Salem State University. This vacancy results from the resignation of Mrs. Brooke Burr of Winston-Salem.

There were eight terms ending June 30, 2013, on the Board of Trustees at the North Carolina School of Science and Mathematics including Mr. William P.H. Cary, Mr. Robert E. Slade, Ms. Margaret Ellis, Mr. William M. Ives, Mr. A. Frederick Morton, Jr., Mr. J. Stedman Steven, and Mr. John D. Wink III. They represent two non-residency appointments and the appointments in Congressional Districts 1, 11, 3, 7, and 6 as well as in Congressional District 5. Mr. Ives, Morton, Mr. Slade, Mr. Stevens, and Mr. Wink were eligible for reappointment.

There was a partial term ending June 30, 2010, on the University of North Carolina Press Board of Governors. The vacancy resulted from the resignation of Mr. Haywood Davis of New York City.

Mr. Mercer announced that there were three terms ending June 30, 2013, on the Board of Directors of the North Carolina Arboretum. The seats were held by Ms. Anne P. Copenhaver of Winston-Salem, Mr. Robert Hayter of Pinehurst, and Mr. William C. Sword of Asheville. All were eligible for reappointment. There was a partial term ending June 30, 2011, on the Board of

Directors at the North Carolina Arboretum. The vacancy resulted from the death of Dr. James Morris of Durham.

### **CHAIRMAN'S REPORT**

Chairman Gage discussed that SAS Institute had announced a \$70 million expansion for the Cloud Computing Center. Chairman Gage thanked Mr. and Mrs. Goodnight for their leadership and commitment to North Carolina and thanked Mrs. Goodnight for her service on the Board of Governors. She then thanked Mr. Tony Caravano for his service to the University and wished him well in his future endeavors.

Next, Chairman Gage announced that the luncheon for the Awards for Excellence in Teaching was eliminated due to cost-cutting measures and believed that this action would actually elevate the Board's recognition of teaching excellence. The stipend and medallion would be presented to each award recipient at their individual campus spring commencement ceremony. (See Appendix G). She also announced that the Board will recognize the service of six retiring Board members, Mr. Adcock, Mr. Farris, Mr. Grainger, Mr. Phillips, Mr. Souza, and Mr. Wilson.

Chairman Gage said that the Chancellors exhibited great leadership roles in facing the current budgetary challenges. The individuals that had made presentations at the Thursday Board policy discussion had demonstrated thoughtfulness and creativity during difficult times. She said that history shows that the University has led the State out of economic slumps in the past and that the University must remain strong to refuel the State's resurgence by redefining our mission, doing more with less resources, and educating job creators not job seekers. Chairman Gage told the Board that she would keep them informed and that she would contact them as the legislative process unfolds.

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On motion by the Secretary Sanders and duly seconded, the Board voted to convene in closed session to prevent the premature disclosure of an honorary award or scholarship; to consult with its attorney to consider and give instructions concerning an administrative procedure; to consult with its attorney to consider and give instructions concerning a judicial action titled Crossley v. Appalachian State University; to establish or instruct the staff or agent considering the negotiations of the amount of compensation or other terms of employment contract; to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; and to hear or investigate a complaint, charge, or grievance by or against a public officer or employee, pursuant to North Carolina G.S. Sections 143-318.11 (a)(2), (a)(3), (a)(5), and (a)(6). The motion carried.

The Board of Governors went into closed session at 9:45 a.m. and returned to open session at 10:20 a.m.

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### **REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE**

Dr. Flood referred to the resolution that was presented and discussed in the closed session. (See Appendix H).

On behalf of the Committee, Dr. Flood moved approval of the resolution. The motion carried.

The Committee received a copy of the report on Personnel Actions Delegated to the President which listed all personnel actions approved by the President since its last meeting. (See Appendix I).

In other business, Mr. Pitts commented on the presentations that were made by campus administrators on the ways that they were facing their economic challenges. He suggested that representatives from campuses other than large institutions be invited to make presentations. The Chairman thanked Mr. Pitts for his comment and agreed it would be helpful.

Chairman Gage reminded the Board that the next meeting will be held on May 8, 2009, at the Spangler Center. The meeting adjourned at 10:25 a.m.

## APPENDICES

(All Appendices are a part of the official record of the meeting)

APPENDIX A	President Bowles' Report	Posted Online
APPENDIX B	Approval of the Value Statement of the University	Posted Online
APPENDIX C	Approval of Winston-Salem State University Graduate Tuition Rates for 2009-10	Posted Online
APPENDIX D	Approval of New or Supplemental Capital Improvement Projects	Posted Online
APPENDIX E	Approval of Resolution Requesting Release of Land Acquisition Funds	Posted Online
APPENDIX F	2009 Nominees for the Boards of Trustees Provisional List	Posted Online
APPENDIX G	2009 Board of Governors' Awards for Excellence in Teaching	Posted Online
APPENDIX H	Chancellor Battle Resolution	Posted Online
APPENDIX I	President's Summary Personnel Report	Posted Online