

BOARD OF GOVERNORS MEETING

The University of North Carolina

January 11, 2008

The Board of Governors met in regular session on January 11, 2008, in the Catawba Theatre, Performance Place, North Carolina School of the Arts, Winston-Salem. Mr. Phillips, the chairman, called the meeting to order at 9:30 a.m. He thanked Chancellor John Mauceri and Terrie and John Davis for hosting the previous wonderful evening events.

INVOCATION

Mr. Davis gave the invocation:

Dear Lord thank you for this assemblage of individuals that love this State and love this University. Thank you for the Chancellors and for their faculty and staff. Help us make the proper decisions to help the children that are attending all these Universities, who are the future leaders of this State and this Country. Amen

ROLL CALL

Secretary Sanders called the roll and the following members were present:

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

The following members were absent:

Frank Daniels, Jr.

Cody W. Grasty

Mr. Phillips announced that Mr. Grasty was not in attendance due to his obligation to attend a resident assistants (RA) training session at Appalachian State University, which is part of his graduate assistantship. Mr. Jake Parton, Vice President of UNCASG, attended the meeting and was available to answer any questions that the Board may have had for Mr. Grasty. Mr. Phillips thanked him for being present.

STATE ETHICS ACT

Chairman Phillips stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearance of conflicts. Looking at the agenda for today's meeting, Chairman Phillips asked if any members were aware of any conflict of interest or an interest that would give rise to the appearance of a conflict of interest. There were no conflicts.

MINUTES

The open session minutes of the meeting on November 9, 2007, were approved.

PRESIDENT'S REPORT

President Bowles acknowledged that the past two days had been full, productive and inspirational. He thanked Chancellor John Mauceri for coordinating these all-inspiring events and gave recognition of his gratitude to the students and staff, and marveled at all the talent on display at the School of the Arts. For President Bowles' transcribed remarks, see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Phillips called attention to the Administrative Action Items listed as item 6 on today's agenda. There were no items removed from the Agenda for discussions by the board members. The following Administrative Action Items were approved by consent:

- a. (B&F) Approval of the Development/Leasing Authority at Carolina North, UNCCH
- b. (B&F) Authorization of New Capital Improvements Projects, UNCC
- c. (B&F) Approval of Non-Appropriated Capital Improvements Project Budget Supplement, UNCP
- d. (B&F) Approval of Acquisition of Space by Lease, UNCCH
- e. (B&F) Approval of Acquisition of Property by Lease, UNC
- f. (EPPP) Authorization to Establish the Bachelor of Arts in English and Economics, UNCCH and the National University of Singapore
- g. (EPPP) Authorization to Establish the Bachelor of Science in Health Care Management, WSSU
- h. (EPPP) Authorization to Establish the Master of Arts in Environmental Studies, UNCW
- i. (EPPP) Authorization to Establish the Master of Arts in Spanish, UNCW
- j. (EPPP) Authorization to Establish the Master of Music in Jazz Studies, NCCU
- k. (EPPP) Authorization to Establish the Master of Global Innovation Management, NCSU
- l. (EPPP) Authorization to Plan the Doctor of Philosophy in Environmental Health Studies, UNCG
- m. (EPPP) Authorization to Establish the Doctor of Philosophy in Computational Mathematics, UNCG
- n. (EPPP) Authorization to Establish the Doctor of Philosophy in Medicinal Biochemistry, UNCG
- o. (EPPP) Approval of an interim permit for Carland College of Asheville to offer the following degree programs in Asheville:
 - BS in Entrepreneurship
 - MA in Entrepreneurship
- p. (EPPP) Approval of the Future Teachers of North Carolina Scholarship Fund
- q. (EPPP) Approval of the Report on the Teacher Assistant Scholarship Fund
- r. (EPPP) Approval of the Annual Report of the Committee on Educational Planning, Policies, and Programs.
- s. (PA) Approval of the FY 2009 Federal Agenda

The motion carried.

REPORT OF THE AUDIT COMMITTEE

Mr. Smith, Chairman of the Audit Committee, presented the committee's report. There were no action items for consideration; however, there were four items to bring to the attention of the Board. First, the internal auditor for UNC General Administration had made a presentation to the committee on the 2008 Audit Plan. A summary of the Audit Plan was in the notebook. The Committee received a report on the external audits from the last meeting.

The 2006 Financial Audit Report on Fayetteville State University was released with 17 audit findings. Corrective action has been implemented or is in the process of being implemented to address each of the internal control deficiencies or compliance issues identified in the report. The 2007 Financial Audit Report for Appalachian State University was released with no audit findings. Mr. Smith noted that this is a great start for 2008. The information was included in the notebooks. The Committee received the report on the Resolution of the 2006 Audit Findings at Elizabeth City State University. A copy of this report was also in the notebooks. The Committee received the report on the Resolution of the 2006 Audit Findings at North Carolina A&T State University. This report was included in the notebooks.

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

Mr. Farris, Chairman of the Committee on Educational Planning, Policies and Programs presented the committee's report. There were three items for consideration and one item of information in addition to those on the Consent Agenda previously acted upon. Based on the policy discussion earlier, Chairman Philips made a motion to recommend acceptance of the report of the UNC Tomorrow Commission and for the President and his staff, working with the campuses, to prepare responses to the recommendations of the report. The President will recommend to the Board its strategies for achieving and implementing the recommendations contained in the report.

The Committee enthusiastically approved the motion and looked forward to the task of reviewing the responses of General Administration and the recommendations. On behalf of the

Committee, Mr. Farris made a recommendation to accept the UNC Tomorrow Commission Report and asked the President and staff to prepare responses to the recommendations in the report. The motion carried.

The General Assembly required the Board of Governors to provide a written report on the North Carolina Center for Nursing (NCCN). The University provides administrative support to the Center; it does not have authority over the Center. A distinguished panel of health care professionals and nurses, chaired by Bob Morrison, President and CEO of Randolph Hospital were assembled to develop the report. The committee recommended that the mission of NCCN be continued, but also indicated that evaluations of NCCN's performance point out the need for substantial improvement. Recommendation was made to place the Center under the governance of the University with full authority to hire, assess, and remove the Executive Director of the Center for Nursing. Further, a recommendation was made the Center's Advisory Board focus more attention on major policy issues. The Center needs to increase collaboration with others and the policy and advocacy roles need to be strengthened and expanded. The full report was available in Tab 3 of the Planning section in the notebook.

On behalf of the Committee, Mr. Farris moved approval of the Report of the Review Committee on the North Carolina Center for Nursing. The motion carried.

At its November meeting, the Planning Committee considered the proposal to adopt Minimum Admission Standards for the constituent universities. A policy discussion was held in October 2007. The standards will be phased in over a period of years culminating in a 2.5 GPA and an 800 on the SAT and 17 on the ACT for Fall 2013 and beyond. For the Fall of 2009 and 2010, the minimum GPA will be 2.0 and 700 on the SAT and 15 on the ACT. For 2011 and 2012, the GPA will be 2.3 and 750 on the SAT with 16 on the ACT. Chancellors will have the opportunity to provide exceptions to these standards with each limited to 1% of the total number of applicants accepted as new freshmen each year. This has been widely discussed with the campuses and among the board members. Several campuses have adopted minimum standards or are in the process of doing so. The roll out period will provide the opportunity for high school students to understand what is needed for admission to a UNC campus. The summer BRIDGE programs have been developed and these provide another avenue for admission based on the student's performance in summer school.

In November 2007, the committee recommended that the Board approve the Minimum Admission Standards and provided notice that the Board would take action today.

On behalf of the Committee, Mr. Farris moved that the Board adopt the Minimum Admission Standards for the UNC constituent universities.

Mrs. Robinson stated that she supported the motion, but she wanted to ensure that anyone speaking to the media understand that very few students would be excluded under the newly adopted standards to avoid the perception that UNC was denying admission to a large number of students.

After no further discussion, the motion carried.

Mr. Farris discussed the 2007 Fall Enrollment Report which was located in Tab 4 of the Planning section of the notebook. Mr. Farris reported that the campus headcount enrollment had grown to 209,059 for the fall of '07 which was an increase of 6,678 students over the previous year.

He said that the report was interesting and very well done and noted that the report is a helpful frame of reference for all of the Board's work.

That concluded the Planning Committee's report.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Barringer, Chairman of the Committee on Public Affairs, reported that the committee approved the Fiscal Year 2009 Federal Agenda which had been previously approved by the Board on the consent agenda. It included the Federal Policy and Programmatic Funding Priorities for FY 2009 as well as a listing of Federal Project Priorities. Copies of both documents were in the folders and notebooks. The Agenda reflected the top priorities of all the Chancellors and would guide the President and his staff and the campuses in pursuing federal funding and policy changes to benefit each campus and the system.

There was a memo and a Statement of Intent Form in the notebooks that each Board member needed to complete if he/she planned to participate in the annual congressional trip to Washington, DC on Tuesday, February 26. This form was to be returned as soon as possible.

Mr. Barringer asked the board that if they had personal relationships with any of the elected officials in the North Carolina Congressional Delegation, to please let the Committee know so that individual or small group meetings can be arranged while in Washington.

The Committee's Economic Transformation Subcommittee also met, reviewed and discussed the Summary and Review of the Engaged University Carnegie designation that now exists. The University of North Carolina at Chapel Hill and North Carolina State University have the designation along with Elon University. It is being sought by Western Carolina University and other UNC campuses. It involves the economic development community outreach efforts of the campuses and is a prestigious designation.

Review of the Memorandum of Understanding between UNC and the North Carolina Department of Commerce was discussed with the possibility of similar arrangements with each of the Department of Commerce's regional economic partnerships.

The Committee also discussed the continuing work by Associate Vice President Boney and others on the University-wide electronic portal to facilitate and encourage business and entrepreneurs to seek the wisdom and experience of our faculty and other resources available on our campuses and to do that in a more systematic manner.

Finally, the Committee discussed the long term economic development and potential transformative aspects of a new policy structure in which our border campuses, Elizabeth City State University, the University of North Carolina at Asheville, the University of North Carolina at Pembroke, and Western Carolina University, can attract and retain out-of-state students particularly in the high need occupations of nursing, teaching, and pharmacy, etc.

Mr. Bowden inquired if the list of 2009 Multi-Institutional Project Priorities document was in order based on priority. Vice President Rhinehardt replied that the list was not itemized by priority. She also noted that a document was enclosed in the notebook that lists the name of each North Carolina Congressional Delegate and the Delegate's Appropriation Subcommittee.

That concluded Mr. Barringer's report.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Davis, Chairman of the Committee on University Governance, reported several items for action. There was a partial term ending June 30, 2009, on the Elizabeth City State University Board of Trustees. Mr. Davis recommended that the provisional election of Mr. Jacob Andrew Hartsfield IV, of Cary, to serve on Elizabeth City State University Board of Trustees be approved. The motion carried.

There was a term ending February 28, 2013, on the Pitt County Memorial Hospital Board of Trustees. On behalf of the Committee, Mr. Davis moved the reappointment of Dr. Allan B. Harvin of Goldsboro to continue his service. The motion carried.

The Committee received proposed amendments to Sections 103, 301, 602, 603, 604, 605, 606, 607, 609, 610 and 611 of *The Code*. Dr. Waldrup presented the basis for these proposed amendments resulting from extensive review of policies and procedures for faculty grievances. The changes were reviewed by the Committee on Personnel and Tenure and recommended for approval with the exception of Section 603. These amendments were presented in the January Board of Governors materials. The Committee agreed with the Personnel and Tenure recommendations and will bring these proposed changes to the Board for consideration in February.

CHAIRMAN'S REPORT

Chairman Phillips remarked about the outstanding musical performances that the Board of Governors attended at Chancellor Mauceri's residence the previous evening. Mr. Phillips stressed the importance of the amount of work yet to be done on the UNC Tomorrow project and the importance of the Board attending the Joint Board Meeting of the North Carolina Education Governing Boards in February.

He thanked Chancellor Mauceri for hosting the wonderful visit to the School of the Arts. He noted that on behalf of the entire Board, that NCSA had set a new standard for the Board's visits to campuses. The opportunity to see the education that we are providing, the training to get the feel and touch and have a real sense of what is happening on the campus was very much appreciated by the Board. It is what makes coming to the campus special. The Chairman

thanked Chancellor Mauceri, Jim DeCristo, Cheryl Rickard, Joan Rogancamp, the staff, faculty, students, and many, many others who made this visit so worthwhile.

Mr. Phillips recognized Mr. Sam Neill, a former chair of the Board of Governors, and former chair of the Board of Trustees of The North Carolina School of the Arts. He thanked Mr. Neill who was instrumental in setting up the visit.

He noted that Chancellor Mauceri had asked that Board members save the following dates: April 12 -13, 2008, when the Annual UNC Festival of the Arts will be hosted at the School of the Arts. Folks from all of the UNC campuses will come together and demonstrate the artistic skills in dance, theatre, film, and music.

Mr. Phillips recognized Ms. Laura B. Luger, the new Vice President for Legal Affairs and General Counsel. He also welcomed Ms. Sue Carpenter, the new assistant in the Office of the Secretary.

He recalled that the President previously recognized Appalachian State University for its third national championship and wished Chancellor Peacock good luck in trying to get #4. He congratulated Chancellor Ballard on East Carolina University's Sheraton Hawaii Bowl game win. The game was played in Hawaii and ECU had done something very extraordinary – the school bought 4,000 tickets and gave them to the Armed Services personnel stationed in Hawaii so that they could attend the bowl game. He congratulated the ECU family for doing this.

Mr. Phillips noted that there are three upcoming Chancellor installations. Chancellor Nelms' installation on February 22, 2008; Chancellor Reaves on April 11, 2008; and Chancellor Battle's on April 25, 2008. He asked Board members to place these dates on their calendars noting that installations are important, fun, and exciting dates in the life of the University.

Mr. Phillips thanked former Chairman Brad Wilson for his consistently good work and stellar leadership in connection with the review that the North Carolina Attorney General had requested on the safety on college campuses—not just UNC campuses but private schools as well as community colleges. The report was sent to Raleigh.

Dr. Harold Martin and Mr. Ray Farris were recognized by Mr. Phillips for their extraordinary work on the Minimum Admission Requirements. He thanked them on behalf of the Board for their usual outstanding job.

With regard to UNC Tomorrow, he noted that the printed report was very well done and thanked Norma Houston, Tony Caravano, and John Noor. He indicated that when you read the report you will realize that a lot of work has been done and a lot of work is yet to be done. Mr. Phillips strongly encouraged each Board member to communicate with him about setting priorities.

Mr. Phillips stated that several months ago, Vice President Mabe gave a presentation that showed that UNC was going to have 80,000 new students by 2017. The Board was amazed and surprised by the forecast. This supports the University's need to make some changes. In 2002, a forecast predicted that in 2007 we would have 208,831 students. In fact, we have 209,059. It is a reality that requires the Board to do a lot of work in 2008 to prepare for the projected increase.

Next month, Chairman Adcock and the Committee on Budget and Finance, will discuss tuition and fees. Mr. Phillips encouraged the Board to go to Washington, DC in February for the annual Congressional Delegation visit. It is important and the relationships that are created and nurtured through that interaction are of utmost importance to the future and to the life of the University.

On motion and duly seconded, the board voted to convene in closed session pursuant to North Carolina General Statutes 143318.11 (a)(3), (a)(5) and 143-318.11(a)(6). The motion carried.

The Board of Governors went into closed session at 10:40 a.m. and returned to open session at 10:50 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mrs. Gage, Chair of the Personnel and Tenure Committee, reported that the committee reviewed a request from East Carolina University to establish a Senior Academic Administrative Officer position for the Dean of Dentistry. The Committee recommended the item for approval. The motion carried.

The Committee reviewed proposed amendments to *The Code* sections: 103, 301, and Sections 602 through 611 regarding procedures for faculty grievances. In addition, the Committee reviewed proposed amendments to three policy changes: Policy 101.3.1: “*Appeals of Nonreappointment Decisions under Section 604 of The Code;*” Policy 300.1.1: “*Senior Academic and Administrative Officers;*” and Policy 300.2.1: *Employees exempt from the State Personnel Act.*” The Committee will recommend the amendments to these above policies for approval at the February 2008 Board meeting.

In addition, the Committee received the Human Resources Task Force Update which was included in the materials. Dr. Paul Hosier, Provost and Chief Academic Officer, University of North Carolina at Wilmington, discussed the work of the task force. He noted that President Bowles charged the task force to seek greater or substantially equivalent authority from the Office of State Personnel that leads to greater efficiencies in the area of Human Resources and to allow the University to be more competitive in the area of compensation and benefits for SPA employees.

President Bowles added that he would like to thank J.C. Boykin, chairman of the Staff Assembly, for his leadership in the University’s effort to look at the HR situation and the manner in which the Staff Assembly participated with the Task Force.

Finally, the Committee received a *Report on Personnel Actions delegated to the President Pursuant to Policy 200.6*, listing all personnel actions approved by the President from November 8, 2007, to January 9, 2008.

Mr. Phillips reported that the next Board of Governors meeting will be held on February 8, 2008, to include the Joint Board meeting on February 6, 2008, beginning at noon at the Friday Center. The Board meetings will be held at UNC General Administration, Chapel Hill.

At the invitation of the Chairman, Chancellor Mauceri thanked the Board for their visit to the campus and for their recognition of the School of Arts and reminded them that if they were interested in touring the campus after the meeting, students and staff were available and honored to give the Board a tour in any areas they may not have already seen.

A select group of students from the Film, Music, and Composition Program at NCSA gave a final performance of a piece written by graduate student Chris Heckman. The musical piece was performed by eight brass players. The piece was named the *Fanfare for The Board of Governors!* A standing ovation was received at the conclusion of the performance.

There being no further business, the meeting adjourned at 11:00 a.m.

Secretary_____

APPENDICES

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

Appendix A	President's Remarks	Posted Online
Appendix B	Approval of the Development/Leasing Authority at Carolina North, UNCCCH	Posted Online
Appendix C	Authorization of New Capital Improvements Projects, UNCC	Posted Online
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