

## **BOARD OF GOVERNORS MEETING**

The University of North Carolina

November 10, 2006

The Board of Governors met in regular session on November 10, 2006, in the Board Room of the General Administration Building, Chapel Hill. Mr. Phillips, the chairman, called the meeting to order at 9:30 a.m.

### **INVOCATION**

Mr. Davis gave the invocation:

Dear Lord, we thank You for those in attendance today who are interested in education and the University of North Carolina. We thank You for the leaders of the individual institutions and their faculty and staff. We ask that You guide them to success in their efforts, and to help us remember that our purpose is to educate young people to make them better citizens and future leaders.

During this thanksgiving season in the United States, help us to remember those here and in other parts of the world who are not as fortunate as ourselves. Today on Veterans' Day in 2006, at the beginning of the Thanksgiving and Christmas season, we pause here for a moment to try not to let it all become old hat, not to become complacent about it. For we do, indeed, have so much to be grateful for: family, friends, those around us in this room. Regardless of what we have, we know that it's our relationship with others that really counts. And we also know that there are uncounted others in the world, in this country, in North Carolina, and yes, even right here in Chapel Hill who don't have either the possessions or the relationships that we enjoy. May we remember these others and pledge to do whatever we are able to do to help them achieve the simple dignity that all human beings deserve.

In the words of Leo Rosten: "I cannot believe that the purpose of life is (merely) to be 'happy.' I think the purpose of life is to be useful, to be responsible, to be honorable, to be compassionate. It is above all, to matter: to count, to stand for something, to have it make some difference that you lived at all." Amen.

### **ROLL CALL**

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

Brent D. Barringer  
Peaches Gunter Blank

G. Leroy Lail  
Charles H. Mercer, Jr.

F. Edward Broadwell, Jr.  
 Laura W. Buffaloe  
 William L. Burns, Jr.  
 John W. Davis III  
 Phillip R. Dixon  
 Ray S. Farris  
 Dudley E. Flood  
 Hannah D. Gage  
 H. Frank Grainger  
 Peter D. Hans  
 Charles A. Hayes  
 Peter Keber

Charles S. Norwood  
 Cary C. Owen  
 Derek T. Pantiel (by telephone)  
 Patsy B. Perry  
 Jim W. Phillips, Jr.  
 Irvin A. Roseman  
 Estelle W. Sanders  
 William G. Smith  
 J. Craig Souza  
 Priscilla P. Taylor  
 J. Bradley Wilson  
 David W. Young

The following members were absent:

Bradley T. Adcock  
 R. Steve Bowden  
 James E. Holshouser, Jr.  
 Adelaide D. Key

Fred G. Mills  
 Gladys Ashe Robinson  
 Benjamin S. Ruffin

## **MINUTES**

Ms. Blank moved, seconded by Mr. Dixon, that the minutes of the meeting of October 13, 2006, be approved. The motion carried.

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On motion of Dr. Perry, and seconded by Mr. Young, the board voted to convene in closed session pursuant to North Carolina General Statutes 143-318.11(a)(5) and 143-318.11(a)(6). The motion carried.

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The Board of Governors went into closed session at 9:40 a.m. and returned to open session at 9:55 a.m.

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## **ADMINISTRATIVE ACTION ITEMS**

Chairman Phillips called attention to the Administrative Action Items listed on the agenda. Mr. Dixon moved, seconded by Ms. Blank, that the following Administrative Action Items be approved by consent:

- a. (B&F) Approval of the Declaration of Emergency Capital Improvements Project, ECSU
- b. (B&F) Approval of Out-Lease of Space, NCSU
- c. (B&F) Authorization of Disposition of Property by Lease, UNCCH
- d. (B&F) Approval of the Annual Report of the Committee on Budget and Finance
- e. (EPPP) Authorization to Establish the Bachelor of Science in Engineering Technology, ECSU
- f. (EPPP) Authorization to Establish the Bachelor of Arts in Dance Studies, ASU
- g. (EPPP) Approval of the Teaching Assistant Scholarship Fund Annual Report
- h. (EPPP) Approval of the Future Teachers of North Carolina Scholarship Report
- i. (EPPP) Approval of the Monitoring the Progress of Graduates Entering Primary Care Report
- j. (EPPP) Approval of the recommendation to add an additional peer, UNCC
- k. (EPPP) Approval of the proposed mission change and reorganization, WCU
- l. (GOV) Approval of Policy 200.6, *Delegation of Authority to the President*
- m. (GOV) Approval of changes to the resolution that established the North Carolina Center for the Advancement of Teaching and its by-laws
- n. (GOV) Approval of the Annual Report of the Committee on University Governance

The motion carried.

Chairman Phillips recognized and introduced several members of the North Carolina A&T State University Board of Trustees and the East Carolina University Board of Trustees who were present at the meeting.

## **REPORT OF THE AUDIT COMMITTEE**

Mr. Smith, chair of the Audit Committee, presented the committee's report. He stated that the committee reviewed a summary of internal audit plans from the constituent

institutions. He added that the audit plans had been thoroughly reviewed and approved by each campus audit committee before submission to the Board of Governors Audit Committee.

Mr. Smith reported that the committee reviewed a statewide performance audit issued by the State Auditor entitled *Internal Auditing in North Carolina Agencies and Institutions*. This report was a review of all internal audit functions within state government, including the University and the North Carolina Community College Systems.

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

Dr. Taylor, chair of the Committee on Educational Planning, Policies, and Programs, presented the committee's report.

### **Doctor of Dental Surgery Degree Program at East Carolina University**

Dr. Taylor stated that the board approved a Plan for Dentistry in North Carolina at its April 11, 2006, meeting. That plan had been jointly developed and approved by the University of North Carolina at Chapel Hill and East Carolina University. The committee approved the proposal to plan a Doctor of Dental Surgery (DDS) degree program at ECU at the May 11, 2006, meeting and all the subsequent steps for reviewing a proposal to establish the DDS have been met. A distinguished visiting review team was assembled composed of the Dean of the Dental School at the University of Colorado Health Science, the Executive Director of the American Dental Education Association, and the Associate Executive Director of the American Dental Association. The review team judged the Plan for Dentistry in North Carolina as feasible, realistic, and a potential national model. The Review Team also endorsed the proposal for a DDS degree at ECU and a class size of 50 in the new dental school.

Dr. Taylor called upon Vice Chairman Souza for this motion. On behalf of the Committee on Educational Planning, Policies, and Programs, Vice Chairman Souza moved approval, seconded by Mr. Hayes, of the Request to Establish the Doctor of Dental Surgery Degree Program at East Carolina University. The motion carried. (Appendix O)

Resolution Recognizing the Cooperation between the University of North Carolina at Chapel Hill and East Carolina University

Dr. Taylor stated that the committee passed the following resolution to recognize the cooperation between the University of North Carolina at Chapel Hill and East Carolina University in the preparation and development of the Plan for Dentistry in North Carolina.

Be it resolved that the Board of Governors wishes to commend the University of North Carolina at Chapel Hill and East Carolina University, their Chancellors, and the leadership of dentistry and oral health at the two universities for the cooperative way the Plan for Dentistry in North Carolina was prepared and subsequently developed, and be it further resolved that the Board of Governors urges the two universities, their Chancellors, and their leadership of dentistry and oral health to continue and enhance this cooperation in the implementation of the Plan for Dentistry to best serve the educational and oral health care needs of the citizens of the state.

On behalf of the Committee on Educational Planning, Policies, and Programs, Dr. Taylor moved approval of the resolution of commendation for the University of North Carolina at Chapel Hill and East Carolina University cooperatively creating and developing the Plan for Dentistry in North Carolina. The motion carried.

Resolution Recognizing Winston-Salem State University as a Master's Institution under the Carnegie Classification System

Dr. Taylor reported that Winston-Salem State University produced enough master's degrees in 2004-05 to qualify as a master's university under the new Carnegie Classification. The committee approved the following resolution:

Whereas, the most recent Carnegie Classification of Institutions of Higher Education was released in March 2006, and

Whereas, the classification in the new release was based on 2003-04 data, and

Whereas, Winston-Salem State University has added several master's degree programs in recent years, and

Whereas, the data for 2004-05 show that Winston-Salem State University awarded 73 master's degrees, and

Whereas, the threshold in the March 2006 release for the classification of an institution as a master's institution is the awarding of 50 or more master's degrees,

Be it resolved that the Board of Governors of the University of North Carolina recognize Winston-Salem State University as a Master's Institution under the Carnegie Classification System and express its congratulations to the institution and its leadership for this major achievement.

On behalf of the Committee on Educational Planning, Policies, and Programs,

Dr. Taylor recommended approval of the resolution recognizing Winston-Salem State University as a Master's institution under the Carnegie Classification System. The motion carried.

Dr. Taylor stated that the committee heard a report on athletics. This is a revised reporting format that includes a report on comparative graduation rates of athletes on our campuses and a new section on the NCAA's new performance measure, the Academic Progress Rate. She stated that the overall six-year graduation rate for athletics for the University is 64%, while the general student graduation rate is 59%. This report was included in the board notebooks.

Dr. Taylor reported that the University's fall enrollment is 202,381. This is the first time UNC has enrolled more than 200,000 students for a fall term. This is a growth of 6,133 students or 3.1% over fall 2005.

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

Mr. Broadwell, vice chair of the Committee on Budget and Finance, presented the committee's report.

### **2007-2009 Budget Priorities**

Mr. Broadwell reported that the budget priority setting process started in March and has been a collaborative process with President Bowles, his staff, and the chancellors working as a team. A draft of the budget was discussed at the committee meeting in October, and at its meeting on the previous day. The committee made a minor change to the recommendation for programs for student success and retention and graduation and refined a few totals. The final version of the budget was approved and is in the board folders. The 2007-2009 Budget Priorities identify the operating and capital funding needed to carry out the highest priorities of the Chancellors, the President, and the Board of Governors.

On behalf of the Committee on Budget and Finance, Mr. Broadwell moved approval of the 2007-2009 Budget Priorities of the Board of Governors of the University of North Carolina for presentation to the Governor and General Assembly for consideration during the 2007 legislative session. He also moved that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness. After discussion, the motion carried. (Appendix P)

### **2007-2013 Capital Improvements Plan**

Mr. Broadwell reported that each state agency is required by statute to submit a six-year capital improvement needs estimate to the Office of State Budget and Management and the General Assembly's Fiscal Research Division. These plans will be used as the beginning point for the future biennial budget for capital projects. The University's six-year plan was included in the board notebook.

On behalf of the Committee on Budget and Finance, Mr. Broadwell moved that the 2007-2013 Capital Improvements Plan be approved and forwarded to the Office of State Budget and Management and the legislative Fiscal Research Division. He also moved that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness. The motion carried. (Appendix Q)

#### Authorization of the Sale of Pooled Special Obligation Bonds

Mr. Broadwell reported that the committee reviewed and approved the sale of pooled special obligation bonds. Six constituent institutions (Appalachian State University, East Carolina University, North Carolina A&T State University, the University of North Carolina at Pembroke, the University of North Carolina at Wilmington, and Western Carolina University) have asked to be included in a pooled issue to provide bonds for new construction and to refund bonds previously approved and issued by the Board of Governors currently outstanding at higher interest rates.

On behalf of the Committee on Budget and Finance, Mr. Broadwell moved that the authorizing resolution be adopted and that the Vice President for Finance be authorized to issue and sell bonds between the November 2006 and January 2007 meetings of the Board of Governors, and for the refunding bonds, at such time as the net present value savings equal or exceed at least 2.0%. The motion carried. (Appendix R)

#### **REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS**

Mr. Lail, chair of the Committee on Public Affairs, presented the committee's report. He stated that the committee received an update of the federal agenda from Vice President Rhinehardt and that the committee will consider the federal agenda at its January meeting.



Mr. Lail reported that in the recent election, the General Assembly experienced a lower than usual turnover, approximately 10%. He added that the committee is looking forward to getting to know the new members of the General Assembly in the coming months.

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

Mr. Davis, chair of the Committee on University Governance, presented the committee's report.

#### **Petition to Serve in Public Office – Representative Rick Glazier**

Mr. Davis stated that the committee considered the political activity petition of Representative Rick Glazier, a Visiting Professor at Fayetteville State University.

On behalf of the committee, Mr. Davis moved approval of Representative Glazier's request to continue serving as a member of the NC General Assembly during the Spring Semester 2007 and to gain a partial leave of absence, with corresponding reduction in pay, during this period. The motion carried. Vice Chairman Souza and Mr. Wilson abstained.

Mr. Davis stated that the 2007 trustee selection process for each of the sixteen institutional Boards of Trustees is underway and correspondence was sent to the chancellor and board chair of each institution. He added that the published due date for nominations is December 1, 2006, and the committee seeks the members' nominations and recommendations for service on these boards.

Mr. Davis added that there is a matrix in the board folders which lists the date and time of upcoming winter commencements.

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

Mr. Mercer, chair of the Committee on Personnel and Tenure, presented the committee's report.

### **Summary Personnel Report**

On behalf of the committee, Mr. Mercer moved approval of the committee's summary personnel report and other items presented in closed session. The motion carried. See Appendix S for the Summary Personnel Report.

Mr. Mercer reported that the committee reviewed the 2005-2006 *Performance Review of Tenured Faculty* and discussed the seven-year summary of the policy to assess impact on improving faculty performance. The committee has agreed to extensively review the post-tenure review process at its January meeting to ensure that this process is both meaningful and useful.

Mr. Mercer stated that the committee discussed the need to establish a process for review of *The Code* with respect to sections 603, 604 & 609. He added that a subcommittee had been selected and was scheduled to meet to begin this process.

He added that the committee included the *Teaching Awards Assignment Review* and the *Allocation of Funds Report for the 2006 Board of Governors Awards for Excellence in Teaching* in the board notebook materials.

In addition, the committee had requested a status report on the *UNC School of Medicine: Basic Science Faculty Compensation Plan Proposal*, which was approved at the November 2005 meeting. This report, along with a copy of the plan approved last year, was included in the board folders. Also included in the folders is a copy of the *UNC School of Pharmacy Academic Excellence Award Program* presented to the committee by Dr. Robert

Blouin, Dean of the School of Pharmacy at UNC-Chapel Hill. Dean Blouin described the features of the award program and touted its success within the School of Pharmacy.

### **PRESIDENT'S REPORT**

President Bowles introduced several of the chancellors and representatives of affiliated organizations in attendance at the meeting. For President Bowles' transcribed remarks see Appendix T.

### **ELECTION OF A CHANCELLOR – NORTH CAROLINA A&T STATE UNIVERSITY**

President Bowles stated that it was his great pleasure to make a recommendation for the election of a chancellor at North Carolina Agricultural & Technical State University. He began by expressing his sincerest thanks to Dr. Hackley for the extraordinary job he has done as the interim chancellor and stated that the board and the University owed him a great debt of gratitude.

President Bowles introduced Dr. Velma Speight-Buford, chair of the North Carolina A & T State University Board of Trustees and chair of the Chancellor Search Committee.

Dr. Speight-Buford thanked President Bowles and the Board of Governors for the chance to report on behalf of the search committee. She stated that President Bowles came to Greensboro on March 29, 2006, and charged the search committee to find a candidate who:

- is a leader and will have the ability, desire, energy, and vision to take North Carolina A & T State University to the next level;
- will be an active participant in the community, as well as an asset to the community, state, and nation; and

- is a proven fundraiser who will work hand in glove with the President to raise the capital that North Carolina A & T needs to move to the next level and to expand on its strong tradition of alumni giving.

She stated that the search committee, along with Ms. Veronica Biggins from the Executive Search Consulting Firm of Heidrick and Struggles, did an outstanding job in bringing together a wonderful slate of candidates. The committee was made up of representatives from six constituent groups: the Board of Trustees, the students, the faculty, the staff, the alumni, and the community.

President Bowles stated that he was pleased to announce the recommendation of Dr. Stanley F. Battle as chancellor of North Carolina A & T State University, effective July 1, 2007, at an annual salary of \$255,000. He then reviewed the qualifications of Dr. Battle who currently serves as President of Coppin State University in Maryland.

Dr. Taylor moved approval of the recommendation, and Mr. Smith seconded it. The motion carried. At the request of Chairman Phillips, Dr. Flood, Dr. Taylor, and Vice Chairman Souza escorted Dr. Battle into the room.

See Appendix U for Dr. Battle's remarks.

### **CHAIRMAN'S REPORT**

Chairman Phillips stated that this is a very exciting day for North Carolina, this University, for Greensboro, and for himself as chairman of the board and as a citizen of Greensboro. He welcomed Dr. Battle to the University of North Carolina and thanked Chancellor Hackley for his hard work and dedication to North Carolina A&T State University.

The Chairman thanked members of the board, the President, and the President's staff for their participation in the policy discussions. He stated that he was pleased with the positive response to the discussions, and that he and President Bowles have discussed items that

are significant for the policy discussions in 2007. One of those items is the study of what the people of North Carolina need from the University in the coming years. He expects to present a framework, process, and timeline of this study to the board at the January meeting, and in early 2007 the board will convene the Conference on Trusteeship that will be particularly focused on this study.

Chairman Phillips appointed Dr. Buffaloe to represent the board on the North Carolina Principal Fellows Commission.

The Chair stated that he will try to alternate the schedule of committee meetings on Thursday afternoons, particularly if there are items of significant interest to all members of the board.

Chairman Phillips thanked Secretary Corgnati, his staff, and everyone who worked on the 2006 University Award Dinner for an outstanding and well-planned event.

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

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Secretary

## APPENDICES

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

Appendix A	Approval of the Declaration of Emergency Capital Improvements Project, ECSU	Posted Online
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Appendix Q	2007-13 Capital Improvements Plan	Posted Online
Appendix R	Authorization of the Sale of Pooled Special Obligation Bonds	Posted Online
Appendix S	Summary Personnel Report	Posted Online
Appendix T	President Bowles' Report	Posted Online
Appendix U	Remarks of Dr. Stanley F. Battle	Posted Online