

BOARD OF GOVERNORS MEETING

The University of North Carolina

October 19, 2005

The Board of Governors met in regular session on October 19, 2005, in Helen Powers Grand Hall South, The Broyhill Inn and Conference Center, on the campus of Appalachian State University, Boone. Mr. Wilson, the chairman, called the meeting to order at 10:30 a.m.

INVOCATION

Mr. Burns gave the invocation:

Our Heavenly Father, please be with the men and women of our Armed Forces who are serving overseas and risking their lives to preserve the freedoms that we take for granted everyday. Help them to accomplish their mission and to return home safely and be with their families in this country, comfort and watch over them. Please help and support the disaster victims, give them the strength and faith to overcome this misfortune and the vision and courage to rebuild their futures, to be stronger and better than ever. We pray for the University of North Carolina, the Board of Governors, and our chairman. Please make all the members of this body aware of the responsibility of this position and to assure that the policies that are approved and put into place are carefully thought through with objective opinions and with the prospective that they will enhance the University in not only the short term, but also in the long term. We ask that your blessing be with our General Administration, whose duty it is to take these policies and interpret them to the best of their ability in administering the overall operations of the system. Please give our president, and all in authority, the ability to procure and place into positions of responsibility the best possible people that understand the mission and dedication that is needed to make these policies workable and easily understood. We ask that your blessing be with our chancellors who have the responsibility of delivering the final product to our state and to our nation. It is through this important group that the reputation and character of this institution is developed, and it is through them and their boards of trustees that the success of the university is determined. If done well, our students will receive with their education, the opportunity for leadership and advancement in the various fields they choose. Please give all these constituencies, Father, the grace to be always and ever mindful of the needs of others. Amen.

ROLL CALL

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

Bradley T. Adcock	Charles H. Mercer, Jr.
Brent D. Barringer	Fred G. Mills
Peaches Gunter Blank	Charles S. Norwood
R. Steve Bowden	Cary C. Owen
F. Edward Broadwell, Jr. (by telephone)	Patsy B. Perry
William L. Burns, Jr.	Jim W. Phillips, Jr.
John W. Davis III	Gladys Ashe Robinson
Phillip R. Dixon	Irvin A. Roseman
Ray S. Farris	Benjamin S. Ruffin
Hannah D. Gage	Estelle W. Sanders
H. Frank Grainger	William G. Smith
Peter D. Hans	Priscilla P. Taylor
James E. Holshouser, Jr.	J. Bradley Wilson
Peter Keber	Zachary A. Wynne
Adelaide D. Key	David W. Young
G. Leroy Lail	

The following members were absent:

Dudley E. Flood	Charles A. Hayes
Willie J. Gilchrist	J. Craig Souza

MINUTES

Mrs. Blank moved, duly seconded, that the minutes of the meetings of September 8, 2005, and October 3, 2005, be approved. The motion carried.

PRESIDENT'S REPORT

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting and gave the board an update of the good news and accolades afforded many of the campuses.

In her report, the president presented updates on the enrollment of students displaced by hurricane Katrina, the UNC Bond Program, and the North Carolina Research Campus in Kannapolis. For President Broad's full report, see Appendix A.

ADMINISTRATIVE ACTION ITEMS

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

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| a. (B&F) | Authorization to Waive Tuition for High School Students at the North Carolina School of the Arts | Appendix B |
| b. (B&F) | Authorization of Projects Funded With Special Obligation Bonds, NCSU and UNCCH | Appendix C |
| c. (B&F) | Approval of Disposition of Property by Demolition, UNCCH | Appendix D |
| d. (B&F) | Approval of Disposition of Property by Lease, UNCP | Appendix E |
| e. (B&F) | Approval of Allocation of Reserve for Repairs and Renovations and Cost Overruns | Appendix F |
| f. (EPPP) | Authorization to Establish the Bachelor of Science in Nursing, ASU | Appendix G |
| g. (EPPP) | Authorization to Establish the Bachelor of Arts in Communication, FSU | Appendix H |
| h. (GOV) | Approval of the Resolution Excluding BOG Members from Access to Classified Information | Appendix I |

The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Mrs. Gage, chair of the Committee on Budget and Finance, presented the committee's report. She stated that all of the committee's items were approved in the consent agenda; however she wanted to report on an item that did not require action. Mrs. Gage discussed the issue considered at the committee's meeting with proposed guidelines for campus based tuition requests. She stated that this year's proposal deals with one year only and is separate from the work

of the Tuition Policy Task Force. Also, the proposal is different in that tuition and fees will be combined, and that the committee is using a national average based on like public institutions to determine the rate of increase. She reported that the committee is proposing a very streamlined and abbreviated approval process to be used by the campuses when they come before the committee in February. Mrs. Gage stated that the committee plans to take action on this proposal in November.

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.

She stated that the committee's attention was focused on components of the next Long-Range Plan and that the committee reviewed data on demographic, economic, health and well-being, and educational trends in North Carolina and considered the responses needed to be made. Dr. Taylor reviewed some of the clear themes that emerged:

- demand for access to the University will continue to increase;
- North Carolina and the University will become more diverse;
- educational needs will be driven more directly by state economic needs;
- student success must be increased overall and by diverse groups;
- there must be a greater focus on the educational and economic development needs of different regions of the state;
- educational opportunities will need to be available to people of all ages and distance learning and online access will grow in importance;

- research, development, and support of business and industry will need to be expanded and will need to address the economic needs of the regions of the state;
- economic development requires good schools, good health care, efficient and effective public sector, and cultural institutions.

Dr. Taylor stated that the University has a large role in each of these and that the committee saw a very valuable power point presentation documenting this data. She added that this presentation is available online at the University website and recommended that the members review it.

Dr. Taylor reported that after hearing a report from Mr. Lail, chair of the Committee on Economic Development and the University, the committee voted to add a seventh strategic direction: *Economic Transformation*. She stated that many of our campuses have been involved in economic development activities, but the committee believes, and will recommend to the board at a later date, that economic transformation be a fundamental mission of the University. She added that the committee conceives economic transformation as embracing basic and applied research, innovation and creativity, transfer of new knowledge, application of best practices, and high quality degree programs.

She stated that the committee is in the process of reviewing and revising the set of Strategic Directions for the next Long-Range Plan and invite participation and comment by all board members. The proposed changes are in the board notebook and online, and will be available for the November meeting where the Strategic Directions will be the focus of the committee's work. She added that the committee believes shaping the Strategic Directions is its most important responsibility in recommending the Long-Range Plan 2006-2011.

In conclusion, Dr. Taylor reported that the committee also reviewed the report on diversity and recommendations for addressing diversity issues and that they plan to return to this issue in the spring.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Hans, chair of the Committee on Public Affairs, presented the committee's report. He stated that the committee heard a federal update from Senior Vice President McDevitt who spoke about the possibility of federal budget cuts to higher education programs, largely due to strains on the budget resulting from the disaster in the Gulf Coast. He stated that the committee is currently voicing their concerns with the congressional delegation and will keep the members informed on the subject. Next month the committee will begin preparing the Federal Legislative Agenda for next year.

Mr. Hans reported that the committee also received the 2005 State Legislative Report chronicling the successes of this past session and the committee will have a copy of that report before the board for approval at next month's meeting.

Mr. Hans stated that the committee held an interactive discussion about its goals and outlooks for the coming year and they have a number of ideas about the University's communications and advocacy strategies. He stated that success towards those goals will entail a commitment from every member of the board and the committee will be presenting more information about that subject in the near future.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

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

Appointments to the Board of Trustees – The North Carolina School of Science and Mathematics

Mr. Grainger reported that there are four terms ending June 30, 2009, on the North Carolina School of Science and Mathematics Board of Trustees. On behalf of the committee, he moved appointment of Dr. Larry Monteith, former chancellor of NCSU to a non resident seat, the appointment of John Wink of Greensboro to represent Congressional District 6 and the appointment of Harold Troy of Whiteville to represent Congressional District 7. The vacancy for Congressional District 3 was deferred. The motion carried.

Action Deferred - UNC Center for Public Television

Mr. Grainger stated that there are two partial terms ending June 30, 2006, on the UNC Center for Public Television Board of Trustees. Action was deferred.

Appointments to the Board of Trustees – The North Carolina Center for the Advancement of Teaching

Mr. Grainger reported that there are four terms ending October 31, 2009, on the North Carolina Center for the Advancement of Teaching Board of Trustees, representing Education Districts 1, 5, 6 and 8. On behalf of the committee, he moved the reappointment of Richard Scott Griffin of Mount Holly to represent Education District 6 and Guy Smith of Lexington to represent District 5; and the appointment of Lee Leidy of Elizabeth City to represent District 1 and Dr. John Highsmith of Clyde to represent District 8. The motion carried.

Petition Regarding Political Activity – University of North Carolina at Greensboro

On behalf of the committee, Mr. Grainger moved approval of the political activity petition of Dr. Paul Luebke, Associate Professor of Sociology at the University of North Carolina at

Greensboro. Dr. Luebke requests to maintain his full-time University employment while campaigning for reelection and continuing to serve as a member of the NC House of Representatives during the Spring 2006 semester. The motion carried. Mr. Adcock, Mr. Grainger, Mr. Hans, and Mr. Phillips abstained.

Mr. Grainger reported that the 2005 campus winter commencement schedule is in the board folders. He stated that it has been the long-standing tradition of the Board of Governors to be represented at these most important events. He asked the members to see Bart Corgnati if they are interested in attending any of these commencements.

REPORT OF THE COMMITTEE ON ECONOMIC DEVELOPMENT AND THE UNIVERSITY

Mr. Lail, chair of the Committee on Economic Development and the University, presented the committee's report. He stated that the committee is working on its final report to the board and expects to present that report at a meeting early next year. He stated that the report, entitled, *The University and Community and Economic Development*, will be coordinated with House Bill 1264.

REPORT OF THE TUITION POLICY TASK FORCE

Mr. Mercer, co-chair of the Tuition Policy Task Force, presented the task force's report. He stated that the task force reviewed the action taken by the Committee on Budget and Finance with respect to proposed guidelines for campus based tuition requests; discussed the peer review process; received remarks from the *ex-officio* members of the committee, Mr. Schwab and Mr. Murphy; and discussed the types of parameters that can promote the goals of affordability,

flexibility, and predictability in the tuition process. He stated that the next meeting of the committee will be November 10, 2005.

OTHER BUSINESS

Mrs. Owen stated that she, Mr. Bowden, Mr. Lail, Mr. Mercer, and Mrs. Robinson are heading up the planning for a gala to honor the retirement and many contributions of President Broad. She stated that the black tie event will take place at the Carolina Inn on December 7, 2005, at 6:30 p.m. and that the invitations for the event will be mailed within the week.

Chairman Wilson introduced and recognized Mr. Jerry Baker, of Baker Parker, Inc., the consultant that assisted the Presidential Search Committee. Chairman Wilson thanked him for the quality work and service he provided to the committee over the last several months.

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On motion of Dr. Perry, seconded by Mr. Grainger, the board voted to convene in closed session pursuant to North Carolina General Statutes 143-318.11(a)(3), 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 11:30 a.m. and returned to open session at 12:50 p.m.

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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 as presented in closed session. The motion carried. (Appendix J)

Mr. Mercer reported that during its meeting yesterday, the committee reviewed its Annual Plan for 2005-2006, the Annual Report for 2004-2005, and the 2004-2005 Annual Report on the Distinguished Professors Endowment Trust Fund, copies of which were sent to members with their notebook materials.

He stated that the committee also reviewed the proposed amendments to Policy 600.2.3 *Distinguished Professors Endowment Trust Fund*, which are being recommended to comply with the General Assembly's recent legislative amendments to this Fund. Mr. Mercer stated that copies of the proposed amendments to this policy were sent to members with their notebook materials and that the committee will ask for the board's approval of the amended policy at the November meeting.

Mr. Mercer reported that the committee received *Annual Summary Reports* from campuses with management flexibility: Appalachian State University, East Carolina University, North Carolina State University, the University of North Carolina at Asheville, the University of North Carolina at Chapel Hill, the University of North Carolina at Charlotte, the University of North Carolina at Greensboro, the University of North Carolina at Wilmington, Winston-Salem State University, and Western Carolina University. He stated that the University of North Carolina at Pembroke was not required to report for 2004-2005, since it was granted management flexibility in August of 2005. He added that copies of these reports were included in the notebook materials.

CHAIRMAN'S REMARKS

Chairman Wilson thanked Chancellor Peacock and his staff for hosting this month's meetings of the Board of Governors and made the following announcements:

- The next meeting of the board will be November 11, 2005, in Chapel Hill. The preceding evening, the board will host the 2005 University Award Dinner at the George Watts Hill Alumni Center.
- Chairman Wilson stated that the board meeting dates for the next year are in the board folders. He announced that the inauguration of President-elect Bowles will be at UNC Greensboro on April 12, 2005, and the board will meet on the preceding day, April 11. Also, because 2006 is officer election year, the board will meet on June 9, 2005.
- Chairman Wilson stated that the Joint Meeting of the North Carolina Education Governing Boards will be held February 16, 2006, and there will be more information forthcoming.
- He reminded the recently elected members of the board that their ASU campus tour will take place immediately following this meeting.
- Chairman Wilson stated that he has asked Mrs. Robinson and Dr. Taylor to serve as co-chairs the 2006 Inaugural Committee, along with Mr. Bowden, Dr. Key, Mr. Mills and Mr. Norwood, as well as Mr. John Sanders as an ex-officio member.

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There being no further business, the meeting adjourned at 1:00 p.m.

Secretary

APPENDICES

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

Appendix A	President's Report	Attached
Appendix B	Authorization to Waive Tuition for High School Students at the North Carolina School of the Arts	Attached
Appendix C	Authorization of Projects Funded With Special Obligation Bonds, NCSU and UNCCH	Attached
Appendix D	Approval of Disposition of Property by Demolition, UNCCH	Attached
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Appendix I	Approval of the Resolution Excluding BOG Members from Access to Classified Information	Attached
Appendix J	Summary Personnel Report	Attached