

## **BOARD OF GOVERNORS MEETING**

The University of North Carolina

October 8, 2004

The Board of Governors met in regular session on October 8, 2004, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 10:30 a.m.

### **INVOCATION**

Mr. Warwick gave the invocation:

Father, we thank you for the beauty of this season of the year, for the leaves changing colors, and for the blessings that you have given to us and to this great nation of ours. We thank you for the freedoms we enjoy and the privileges we have. We pray that you will bless those in places of leadership in our cities, our towns, our state, and our nation. Grant them wisdom, knowledge, and understanding in the decisions they make that affect us all. We thank you for this great University, for those who have served this University through the years, and those who serve us now. We thank you for the faculty, staff, and students of this University. We pray that you would bless their efforts, and that the students will get the education that they deserve. We thank you for those who have provided the resources for this University and we pray that we will continue to have the resources that we need to provide for the young people in our state. We thank you for every blessing that is ours. In thy name we pray. Amen.

### **ROLL CALL**

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

J. Bradley Wilson  
Bradley T. Adcock  
G. Irvin Aldridge  
James G. Babb  
Brent D. Barringer  
R. Steve Bowden  
F. Edward Broadwell, Jr.  
William L. Burns, Jr.  
C. C. Cameron  
Anne W. Cates

Willie J. Gilchrist  
H. Frank Grainger  
Peter D. Hans  
James E. Holshouser, Jr.  
Peter Keber  
Adelaide D. Key  
G. Leroy Lail  
Charles H. Mercer, Jr.  
Charles S. Norwood  
Cary C. Owen

John F.A.V. Cecil  
 Bert Collins  
 John W. Davis III  
 Amanda M. Devore  
 Ray S. Farris  
 Dudley E. Flood  
 Hannah D. Gage

Patsy B. Perry  
 Jim W. Phillips, Jr.  
 Gladys Ashe Robinson  
 Benjamin S. Ruffin  
 J. Craig Souza  
 Priscilla P. Taylor  
 Robert F. Warwick

The following members were absent:

J. Addison Bell

Estelle W. Sanders

### **MINUTES**

Vice Chairman Souza moved, seconded by Dr. Gilchrist, that the minutes of the meeting of September 10, 2004, be approved. The motion carried.

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On motion of Dr. Perry, seconded by Mr. Adcock, 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 10:45 a.m. and returned to open session at 11:40 a.m.

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### **ADMINISTRATIVE ACTION ITEMS**

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

- |           |   |            |
|-----------|---|------------|
| a. (B&F)  | Approval of the 2004-05 Budget Reductions Report  | Appendix A |
| b. (B&F)  | Approval to Dispose Two Properties, ASU   | Appendix B |
| c. (EPPP) | Authorization to Discontinue the Associate of Applied Science in Food Processing and Distribution, NCSU | Appendix C |
| d. (EPPP) | Authorization to Discontinue the Bachelor of Science in   |            |

	Textile Materials Science, NCSU	Appendix C
e. (EPPP)	Authorization to Discontinue the Bachelor of Arts in Creative Writing, NCSU	Appendix C
f. (EPPP)	Authorization to Discontinue the Bachelor of Science in Creative Writing, NCSU	Appendix C
g. (EPPP)	Authorization to Discontinue the Bachelor of Science in Medical Technology, NCSU	Appendix C
h. (EPPP)	Authorization to Establish the Master of Construction Management, WCU	Appendix D
i. (EPPP)	Approval of Licensure for Strayer University to offer Degree Programs in Cary, Raleigh, and two locations in Charlotte, North Carolina for the following programs:	
	- Master of Education	
	- Master of Health Services Administration	
	- Master of Public Administration	Appendix E

The motion carried.

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

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

### **Bachelor of Science in Health and Wellness Promotion at the University of North Carolina at Asheville**

Dr. Taylor reported that UNC Asheville initially received the board's approval in 2000 to plan a new bachelor's degree program in Health and Wellness Promotion. Due to the lack of resources to support the program, the proposal was not brought back for approval to be established. It is now before the board to be approved for establishment. It has gone through the standard review process, as well as having had a positive outside review. The board is being asked to vote on this proposal apart from the consent agenda because it did not have a copy of the proposal prior to 48 hours before the committee meeting. The proposal was emailed to board members Wednesday night and a copy is in the board folders.

On behalf of the committee, Dr. Taylor moved approval of the Bachelor of Science in Health and Wellness Promotion at the University of North Carolina at Asheville. The motion carried. (Appendix F)

#### Recommendations of the Task Force on the UNC – Community College System

##### Partnerships

Dr. Taylor reported that the Task Force on the UNC – Community College System Partnerships has completed its work and agreed on a number of recommendations to be considered by both boards. The recommendations fall into the following categories:

- Annual report and ongoing communications
- Joint legislative action
- Partnership efforts for academic programs
- Transfer advisory committee

She stated that this joint task force has brought a new level of cooperation between the two systems and she urged members to review the recommendations from the joint committee and be prepared to act on them at the November meeting.

#### Resolution Recognizing North Carolina Agricultural and Technical State University

Dr. Taylor reported that North Carolina A&T State University has averaged over ten doctoral graduates per year over the past three years in electrical, mechanical, and industrial engineering. This meets the Carnegie Classification of Institutions of Higher Education's 2000 requirements for Doctoral/Research Universities-Intensive status. She noted that this is a marvelous achievement for North Carolina A&T State University and for the University. She called the board's attention to a summary in the board folders listing many of A&T's other research and educational distinctions.

On behalf of the committee, Dr. Taylor moved approval of the following resolution:

Therefore be it resolved that:

The Board of Governors hereby recognizes and congratulates North Carolina Agricultural and Technical State University on this outstanding achievement of Doctoral/Research Universities-Intensive status. It further recognizes and applauds the inspired leadership of Chancellor James C. Renick and members of his administration, as well as the outstanding work by faculty and students to make this achievement possible.

The motion carried.

#### Report on Turfgrass Environmental Research and Education

Dr. Taylor reported that based on an appropriation to North Carolina State University for environmental research and educational activities related to turfgrass, the board is required to provide an annual report on the use of the funds. The projects are described in the report in the board notebook.

On behalf of the committee, Dr. Taylor moved approval of the Report on Turfgrass Environmental Research and Education. The motion carried. (Appendix G)

#### Revised Rules and Standards for Licensure

Dr. Taylor stated that, by statute, the Board of Governors is responsible for licensing non-public post-secondary degree education in North Carolina. The board last revised the rules and standards that institutions must meet to receive licensure in 1998. Over the past year, Academic Affairs has done a thorough review of the rules and standards and has proposed revisions. These revisions were approved by the committee in its meeting yesterday, and are in the board notebooks. These revised rules and standards clarify or update the requirements, and generally focus on the requirement of an “education of good quality” rather than meeting

minimum standards. Dr. Taylor encouraged members to review the proposed revisions in preparation for consideration at the November meeting.

Dr. Taylor called the members' attention to the agenda for the Education Research Summit in their folders. She stated that the members are invited to the summit, which will be held on November 18-19, 2004, at the Marriott Durham. She added that President Broad, Dr. Flood, Senior Vice President Bataille, and Gaston Caperton, brother of Mrs. Owen and President of the College Board, are among the featured speakers. She encouraged the members to attend this important summit.

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

Mr. Phillips, chair of the Committee on Budget and Finance, presented the committee's report. He stated that during the past legislative session, the General Assembly provided funding for several capital improvement projects. The NC Cancer Clinical Center in Chapel Hill and the Eastern Carolina Cardiovascular Institute in Greenville are two of the projects that have previously been approved by the board. The committee recommends authorizing other campuses to proceed with some of the funded projects. He stated that in all cases, the recommendations cover only facilities that will house academic programs that have already been approved by the board. The committee recommends:

1. That Fayetteville State University be authorized to buy land and begin to design the Centers of Excellence in Teaching and Nursing.
2. That North Carolina A&T State University and the University of North Carolina at Greensboro be authorized to plan projects on the Joint Millennial Campus.
3. That the University of North Carolina at Asheville be authorized to plan and construct a Center for Health Promotions and Partnerships.

4. That the University of North Carolina at Charlotte be authorized to plan and construct a Bioinformatics Center.
5. That the University of North Carolina at Charlotte also be authorized to lead the planning on the NC Motorsports Testing and Research Complex.
6. That the University of North Carolina at Wilmington be authorized to design a new facility for the School of Nursing.
7. That Western Carolina University be authorized to plan a new Health and Gerontological Sciences facility.
8. That Winston-Salem State University be authorized to acquire land and space in the Piedmont Triad Research Park.

Mr. Phillips added that these recommendations were discussed at length by the Committee on Budget and Finance and the Committee on Educational Planning, Policies, and Programs. On behalf of the committee, Mr. Phillips moved approval of these recommendations. The motion carried. (Appendix H)

### **REPORT OF SPECIAL COMMITTEE REVIEWING THE FUNDING MODEL FOR ENROLLMENT GROWTH**

Mr. Phillips, chair of the Special Committee Reviewing the Funding Model for Enrollment Growth, presented the committee's report. He stated that the committee plans to review its recommendations and present them to the board for action at the November meeting. He stated that at its meeting yesterday, the committee focused on possible ways to provide funds for institutions that are funded below a minimally acceptable level on an appropriations per full time equivalent (FTE) student basis. Its recommendations in November will ask the board to authorize supplemental budget requests for Appalachian State University and UNC Wilmington. He added that UNC Charlotte would have its needs met through a supplemental budget request for its transition to doctoral status. Mr. Phillips thanked the members of the committee, and

other board members who attended the committee meeting, for a thoughtful and active discussion.

#### **UPDATE ON HOUSE BILL 1264**

Mr. Cecil presented to the board an update on House Bill 1264. He stated that this bill requires the University, along with the North Carolina Community College System, to hire a consultant to conduct a comprehensive study of educational and program needs for both systems. For further information, please see Appendix I.

#### **REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY**

Mr. Cecil, chair of the Committee on the Future of Information Technology, presented the committee's report. He stated that the final report of the committee is in the board members' notebooks. Mr. Cecil stated that for 26 months the committee held multiple meetings, conference calls, videoconferences, and workshops and have now come to the completion of its work. On behalf of the committee, Mr. Cecil moved approval of the final report of the Committee on the Future of Information Technology. The motion carried. (Appendix J)

For all of their hard work and dedication to the committee, Mr. Cecil thanked Chairman Wilson, the committee members, and members of the Information Resources Division of the Office of the President, namely, Will Adkins, Paul Hudy, Alfred Mays, Jo Anne Pearson, Frank Prochaska, Robyn Render, Vijay Verma, Tom Warner, and Laura Young.



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

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

### **Election to Board of Trustees – Fayetteville State University**

On behalf of the committee, Mr. Adcock moved that Dr. John R. Griffin, Jr., of Fayetteville be elected to the Board of Trustees of Fayetteville State University, for a partial term ending June 30, 2007. The motion carried.

### **Election to Board of Trustees – East Carolina University**

On behalf of the committee, Mr. Adcock moved that Mr. Joel K. Butler of Greenville be elected to the Board of Trustees of East Carolina University, for a partial term ending June 30, 2005. The motion carried.

### **Appointments to the Liability Insurance Trust Fund Council of the University of North Carolina Hospitals and Physicians & Associates**

On behalf of the committee, Mr. Adcock moved that Dr. Marschall Runge, Mr. Gary Park, and Mr. W. Alan Stewart be appointed to serve on the Liability Insurance Trust Fund Council of the University of North Carolina Hospitals and Physicians & Associates. The motion carried.

Mr. Adcock reported that the 2004 campus winter commencement schedule was included in the board folders. He stated that any member interested in representing the board at these commencements should contact Mr. Corgnati.

## **REPORT OF COMMITTEE ON THE FUTURE OF NURSING**

Mr. Sousa, chair of the Committee on the Future of Nursing, presented the committee's report. He thanked Mr. Phillips and members of the Committee on Budget and

Finance for recognizing the importance of funding which will be associated with the recommendations of this committee. He stated that the final report would be presented to the board at the November meeting.

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

Mr. Babb, chair of the Committee on Public Affairs, presented the committee's report.

Mr. Babb reported that the committee met this morning and heard several informative presentations. He began by thanking the members of the board for their attendance at last month's committee meeting when the Honorable James B. Black, Democratic Speaker of the House, spoke. He stated that at the next meeting of the committee, on November 11, 2004, the Honorable Richard Morgan, Republican Speaker of the House, would be the featured guest. This meeting will precede the University Award Dinner and all board members are encouraged to attend.

Mr. Babb reported that the committee also heard the state and federal legislative summary from Vice President Fleming at its meeting this morning and the committee is well into the process for developing the 2005 Non-Budget Legislative Initiatives for the state legislative session next year. So far, the committee has received 67 proposals from the campuses and the University divisions and these proposals will be presented to the full board for approval at the January meeting.

Mr. Babb reported that Mr. Scott Daugherty presented a good economic development update to the committee and gave an example of what the Small Business and Technology Development Center is doing to help North Carolina companies get state and federal

contracts. One such example is a company in Spruce Pine that has recently been awarded a \$461 million contract.

Mr. Babb stated that Associate Vice President Foxx presented a very encouraging advancement update to the committee. The update included schools that have established new benchmarks for more than \$10 million a year in annual giving and one single \$10 million gift. He added that Associate Vice President Foxx has recently held meetings for all the campuses to help them with fundraising, and additionally she will have the Advancement Council Fall meeting here on October 14-15, 2004.

In closing, Mr. Babb called the board members' attention to the 2004 Legislative Report at their places. He then encouraged the members to contact all newly elected officials after the November 2<sup>nd</sup> election, so that the board may start partnership discussions with the legislators regarding how the work of the University can be advanced.

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

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

#### **Summary Personnel Report**

On behalf of the committee, Mr. Keber moved approval of the committee's summary personnel report as presented in closed session. The motion carried. (Appendix K)

Mr. Keber reported that the committee received "Annual Summary Reports" from campuses with management flexibility. These campuses are 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, Western Carolina

University, and Winston-Salem State University. He stated that copies of these reports were included in the members' notebook materials, and the reports contain the 2004-2005 salaries for Senior Academic and Administrative Officers at the aforementioned institutions.

Mr. Keber stated that proposed amendments to Policy 300.1.1, *Senior Academic and Administrative Officers*, were also included in the board notebooks. Such amendments address the issue of supplementing salaries of Senior Academic and Administrative Officers from foundation funds. An article on this subject, from the most recent issue of *Trusteeship*, the AGB periodical, has been included in the board folders. The proposed amendments also address the issue of discharge for cause of *at will* employees. The committee will ask for the board's approval of these amendments at the November meeting.

Mr. Keber stated that he was pleased to present the committee's Annual Report, along with the Annual Report on the Distinguished Professors Endowment Trust Fund. He stated that due to an increase in funds granted by the General Assembly, the committee has funded all remaining unfunded Endowed Professorships and that next year, the Distinguished Professors Endowment Trust Fund would receive an additional \$8 million from the General Assembly to fund new Endowed Professorships.

### **PRESIDENT'S REPORT**

President Broad began by stating that she agreed with the assessment of the potential importance of the House Bill 1264 study. She said it is tantamount to the invitation and request of the General Assembly for this University, in collaboration with the Community College System, to undertake the development of a truly strategic plan for how higher education can address the needs of each region in North Carolina.

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, President Broad discussed the success of the bond program as evident in the Thursday tour of the University of North Carolina at Chapel Hill. For the President's full report, see Appendix L.

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

President Broad stated that it is her sincere pleasure to make a recommendation for the appointment of a chancellor at North Carolina State University and that this is indeed a *red letter* day for the University. This has been a day eagerly awaited by the students, faculty, staff, the Board of Trustees of NCSU, and citizens from across North Carolina who truly consider North Carolina State to be the "Peoples University". She began by introducing Ms. Peaches Blank, chair of the NCSU Board of Trustees. Chair Blank thanked President Broad and the Board of Governors for the chance to report on behalf of the Board of Trustees. She stated that this search was conducted with a strong commitment to teaching, to research, and to extension, for that is the very heart of the mission at NC State. Chair Blank introduced and congratulated Interim Chancellor Robert A. Barnhart for the great job he is doing in leading the University. She then introduced members of the search committee and members of the NC State administrative staff who were at the meeting. Chair Blank called upon Robert B. Jordan III, chair of the NC State Chancellor Search Committee, to address the board.

Mr. Jordan thanked President Broad and members of the board for the chance to report on behalf of the search committee. He stated there are several important things that the chancellor's search revealed about NC State. First, that this chancellorship is one of the most

coveted in the country. Second, that people know and respect the university and its mission, and third, the NC State community expects greatness from all levels of its leaders. Mr. Jordan thanked the members of the search committee for a job well done. He stated that their job was no small task. The search committee had 96 qualified applicants to consider. From those 96, the committee reviewed 40 resumes. The committee held three public forums giving anyone in the community who was interested in this process a chance to tell the committee what they wanted and expected from their leader. As the committee worked through the search process, it became clear that one candidate was the best of the best. Mr. Jordan stated that the committee is proud of its recommendation to President Broad, and is excited about the future.

President Broad stated that she was pleased to announce the recommendation of Dr. James L. Oblinger as chancellor of North Carolina State University, effective January 1, 2005, at an annual salary of \$274,797. She then reviewed the qualifications of Dr. Oblinger, who currently serves as provost and executive vice chancellor at NC State.

Mr. Burns moved approval of the recommendation, and Mr. Grainger seconded it. The chair put forth the motion and it carried unanimously. At the request of Chairman Wilson, Mr. Barringer, Mr. Bowden, Mr. Burns, and Mr. Grainger escorted Dr. Oblinger into the room. For Dr. Oblinger's remarks, see Appendix M.

#### **CHAIRMAN'S REMARKS**

- Chairman Wilson congratulated Chancellor-elect Oblinger and his family. He also thanked Mr. Jordan, members of the chancellor search committee, and members of the North Carolina State University Board of Trustees for a job well done.

- The Chairman thanked Chancellor Moeser and members of his staff for the outstanding tour of the Carolina campus to see the results of the bond program funds that the citizens of North Carolina have provided this University.
- Chairman Wilson stated that he has asked Mrs. Robinson to serve as chair of the 2005 O. Max Gardner Award Committee and has asked Mr. Farris, Dr. Flood, Mr. Keber and Mrs. Owen to serve with her.
- Chairman Wilson reminded the members of the importance of the 2004 Campus Winter Commencements and asked that members consider volunteering to participate.
- He also reminded the board members that on Thursday, November 11, the board would present the 2004 University Award to Governor Jim Holshouser. He stated that this award is the highlight of the University year and it is imperative that the members honor one of their own with their presence.
- The next meeting of the board will be in Chapel Hill on November 12, 2004.

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There being no further business, the meeting adjourned at 12:45 p.m.

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Secretary

## APPENDICES

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

Appendix A	Approval of the 2004-05 Budget Reductions Report	Attached
Appendix B	Approval to Dispose of Two Properties, ASU	Attached
Appendix C	Authorization to Discontinue Five Degree Programs at NCSU: <ul style="list-style-type: none"> <li>- Associate of Applied Science in Food Processing and Distribution</li> <li>- Bachelor of Science in Textile Materials Science</li> <li>- Bachelor of Arts in Creative Writing</li> <li>- Bachelor of Science in Creative Writing</li> <li>- Bachelor of Science in Medical Technology</li> </ul>	Attached
Appendix D	Authorization to Establish the Master of Construction Management, WCU	Attached
Appendix E	Approval of Licensure for Strayer University to offer Degree Programs in Cary, Raleigh, and two locations in Charlotte, North Carolina for the following programs: <ul style="list-style-type: none"> <li>- Master of Education</li> <li>- Master of Health Services Administration</li> <li>- Master of Public Administration</li> </ul>	Attached
Appendix F	Approval of the Bachelor of Science in Health and Wellness Promotion at the University of North Carolina at Asheville	Attached
Appendix G	Report on Turfgrass Environmental Research and Education	Attached
Appendix H	Capital Improvements Projects in House Bill 1414 and House Bill 1264	Attached
Appendix I	Update on House Bill 1264	Attached
Appendix J	Final Report of the Committee on the Future of Information Technology	Attached
Appendix K	Summary Personnel Report	Attached
Appendix L	President's Report	Attached
Appendix M	Remarks of Dr. James L. Oblinger	Attached