

BOARD OF GOVERNORS MEETING

The University of North Carolina

March 21, 2003

The Board of Governors met in regular session on March 21, 2003, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 10:15 a.m.

INVOCATION

Dr. Perry gave the invocation:

Oh God, "We are tossed and driven on the restless sea of time."* Please help us in this time of war and strife. Protect our servicemen and women and grant their safe return following a speedy end to battle. We pray that Thou will guide our nations' leaders toward peace. Empower them to work for justice and harmony and grant them wisdom and strength to build a peaceful world community.

Oh God, even in the midst of war, we are grateful for the opportunity to join hearts and hands in earnest efforts to assure excellence at each of the campuses of The University of North Carolina. Help us, Dear God, to be filled with eagerness to serve the University. Help us in character and conduct to reflect the best of its traditions. In our deliberations, help us to be thoughtful and exact. In our judgment, keep us strong and pure. In our decisions, make us just and wise. In all our thoughts, words, and deeds, lead us in the way of human kindness and concern.

Grant to our board and to all educators, the vision, knowledge, and tolerance to govern wisely and to build educational opportunities in a world community of peace and harmony. Amen.

*AME Hymnal, 1954, p.542. Words and music by C.A. Tindley.

ROLL CALL

Mr. Aldridge called the roll and the following members were present:

J. Bradley Wilson
Bradley T. Adcock
G. Irvin Aldridge
James G. Babb
William T. Brown
Angela R. Bryant
William L. Burns, Jr.
C. C. Cameron

Willie J. Gilchrist
H. Frank Grainger
James E. Holshouser, Jr.
Peter Keber
Teena S. Little
Charles H. Mercer, Jr.
Barbara S. Perry
Patsy B. Perry

Anne W. Cates
Bert Collins
John W. Davis III
Jonathan L. Ducoté
Ray S. Farris
Dudley E. Flood

H. D. Reaves, Jr.
Gladys Ashe Robinson
Benjamin S. Ruffin
J. Craig Souza
Priscilla P. Taylor
Robert F. Warwick

The following members were absent:

J. Addison Bell
F. Edward Broadwell, Jr.
John F.A.V. Cecil

Hannah D. Gage
Jim W. Phillips, Jr.
Ruth Dial Woods

The chair stated that Mrs. Gage and Dr. Woods had excused absences under the provisions of the statute.

MINUTES

Dr. Brown moved, seconded by Mr. Aldridge, that the minutes of the meeting of February 14, 2003, be approved. The motion carried.

* * *

Chairman Wilson informed the members that the order of the agenda had been modified due to the election of a chancellor later in the meeting.

Mr. Aldridge moved that the board go into closed session to prevent the premature disclosure of an honorary award or scholarship; to establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property; to establish or instruct the staff or agent concerning the negotiation 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 N.C.G.S. Sections 143-318.11(a)(2), 143-318.11(a)(5), and 143-318.11(a)(6). Mr. Collins seconded the motion.

CLOSED SESSION

APPROVAL OF MINUTES OF CLOSED SESSION

In accordance with procedures established to comply with the Open Meetings Law, Mr. Aldridge moved, seconded by Mr. Babb, that the closed session minutes for February 14, 2003, be approved. The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

Lease of Space – East Carolina University

Mr. Collins presented a request from East Carolina University for authority to lease space for the ECU School of Medicine Women's Physicians OB/GYN and Reproductive Endocrinology and Infertility Clinic. On behalf of the committee, he moved that the request be approved and transmitted to the Council of State for final action. The motion carried.

Acquisition of Property – East Carolina University

Mr. Collins presented a request from East Carolina University to acquire a property comprising a two-story office building for use by the University's Human Resources Department. Mr. Collins moved that the request be approved and transmitted to the Council of State for final action. The motion carried.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Summary Personnel Report

Mr. Souza, chair of the Committee on Personnel and Tenure, presented the committee's report, subject to approval in open session. He said the report included one campus administrative appointment, five administrative appointments in UNC General Administration

and the UNC Office of the President. In addition, the report included recommendations for appointments, promotions, and conferrals of tenure at UNC Wilmington and Western Carolina University.

Appeal of Faculty Member – Winston-Salem State University

At the request of Mr. Souza, Mr. Davis presented and moved approval of the committee's report in the appeal of a faculty member at Winston-Salem State University. The motion carried.

Appeal of Faculty Member – Winston-Salem State University

Mr. Davis also presented and moved approval of the committee's report in the appeal of a second faculty member at Winston-Salem State University. The motion carried.

Chancellor Search – The University of North Carolina at Wilmington

Mr. Souza reported that at its meeting on the preceding day, President Broad gave an update on the search for a new chancellor at the University of North Carolina at Wilmington and discussed her recommendation with the members of the committee. At Mr. Souza's request, a memorandum from the president was distributed and President Broad discussed her recommendation for a new chancellor at UNC Wilmington.

On behalf of the committee, Mr. Souza moved that the board adopt the terms specified in the letter of appointment for the chancellor-elect at UNC Wilmington. The motion carried. Mr. Souza said he would ask for approval of all personnel actions in open session.

REPORT OF 2003 O. MAX GARDNER AWARD COMMITTEE

Dr. Gilchrist, chair of the 2003 O. Max Gardner Award Committee, thanked the members of his committee (Dr. Taylor, Mr. Broadwell, Mr. Cameron, and Mr. Grainger) for their dedication and hard work in support of the committee's task. On behalf of the committee, he moved that the committee's report be approved. The motion carried. Dr. Gilchrist reminded

the members that the Gardner Award would be presented at the May meeting of the Board of Governors.

REPORT OF COMMITTEE ON BOARD OF GOVERNORS' AWARDS FOR EXCELLENCE IN TEACHING

Mr. Farris, chair of the Board of Governors' Awards for Excellence in Teaching, thanked the members of his committee (Ms. Bryant, Mrs. Perry, Dr. Brown, and Mr. Grainger). On behalf of the committee, he presented and moved approval of the committee's report. The motion carried. Mr. Farris reminded the members that the ceremony honoring the recipients of the teaching awards would be held May 9, 2003.

* * *

On motion of Mr. Grainger, seconded by Mr. Davis, the board voted to reconvene in open session.

RESUMPTION OF OPEN SESSION

ADMINISTRATIVE ACTION ITEMS

Chairman Wilson called attention to the Administrative Action Items listed on the agenda and inquired if any member wished to have items removed for further discussion. Dr. Gilchrist moved, seconded by Mr. Collins, that the following Administrative Action Items be approved by consent:

- | | | |
|----------|--|------------|
| a. (B&F) | Authorization of New Capital Improvements Project, ASU | Appendix A |
| b. (B&F) | Authorization of New Capital Improvements Projects, ECU | Appendix B |
| c. (B&F) | Authorization of New Capital Improvements Projects, NCSU | Appendix C |
| d. (B&F) | Authorization of New Capital Improvements Project, UNCG | Appendix D |
| e. (B&F) | Approval of Bond Program Modifications, ECSU and NCCU | Appendix E |
| f. (B&F) | Authorization of the Sale of Bonds, ASU | Appendix F |
| g. (B&F) | Authorization of the Sale of Bonds, UNCW | Appendix G |

h. (B&F)	Approval of the Selection of a Project Designer, UNC Center for Public Television	Appendix H
i. (B&F)	Approval of the Disposition of Property, UNCG	Appendix I
j. (EPPP)	Authorization to Establish the Joint Master of Science in Biomedical Engineering, NCSU and UNCCH	Appendix J
k. (EPPP)	Approval of Licensure for the University of Phoenix to Conduct Degree Activity in Charlotte for the following programs: -Bachelor of Science in Business, with majors in Administration; e-Business; Management; and Marketing -Bachelor of Science in Information Technology -Bachelor of Science in Management -Master of Business Administration with specializations in Accounting; e-Business; Global Management; Health Care Management; and Technology Management	Appendix K
l. (EPPP)	Approval of the Recommendation to Change the Name of the School of Education to the College of Education and the Name of the School of Business to the College of Business, ECU	Appendix L
m.(P&T)	Approval of Policy 300.1.6 and Regulation 300.1.6 – Administrative Separation and/or Retreat to Faculty Position	Appendix M
n. (P&T)	Approval of Revisions to Policy 300.1.1 – Senior Academic and Administrative Officers	Appendix N
o. (P&T)	Approval of Revisions to Policy 300.2.1 – Employees Exempt from the State Personnel Act	Appendix O
p. (P&T)	Approval of the Revised Institutional Plan of Management Flexibility to Appoint and Fix Compensation for Western Carolina University	Appendix P
q. (PA)	Approval of the Federal Agenda	Appendix Q

The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

Authorization of Non-Appropriated Capital Improvements Projects

On behalf of the committee, Mr. Collins moved approval of 35 capital improvements projects (or project supplements) at nine institutions. The projects total \$427,757,100 in new authorization for construction and indebtedness and \$62,955,360 to issue indebtedness for previously approved projects. The motion carried. (Appendix R)

REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

Mr. Keber, chair of the Committee on Educational Planning, Policies, and Programs, gave the committee's report.

Proposed Revision of Policy on Minimum Requirements for Undergraduate Admission

Mr. Keber called attention to the information provided in each member's notebook explaining the College Board's writing requirement for the new SAT to be implemented for the class of 2006. He said the Planning Committee approved a revision to the board's policy that would require, for students for whom standardized test scores are required, the new SAT I (which includes the writing component) or the ACT, with the writing component, for fall 2006. A draft of the Policy on Minimum Requirements for Undergraduate Admission (700.1.1) was included in each member's folder and the board will be asked to consider this matter at the next meeting.

Proposed Revision to Intercollegiate Athletic Policy (1100.1)

Mr. Keber called attention to the proposed revision to the Intercollegiate Athletic Policy (1100.1) approved by the Planning Committee. He said the Regulations on Minimum Undergraduate Course Requirements (700.1.1.1[R]) would help members understand the proposed changes being recommended. Mr. Keber said the new policy statement on Intercollegiate Athletics would combine and replace existing policies 1100.1 and 1100.2, both of which were attached to the new proposed policy. Under the new policy, exceptions to Board requirements will be reported to the Board and exceptions to campus requirements will be reported to the local boards of trustees. The proposed policy requires faculty involvement in the process and streamlines the requirements and directives for the campuses in the area of athletics. Mr. Keber gave notice the board will be asked to consider this policy change at the next meeting.

Proposed New Policy and Regulations for Awarding Joint Degrees

As a matter of information, Mr. Keber called attention to a new proposed policy and regulations approved by the Planning Committee that would enable campuses to offer joint degrees. The joint degree would be based on a joint program for which a student would receive a diploma that would be inscribed with the names of two or more participating institutions. The board will be asked to consider this proposed new policy and regulations at the next meeting.

Engineering Feasibility Study

Mr. Keber reminded the members that in accordance with Senate Bill 1005, the board was asked to do a feasibility study for schools of engineering at East Carolina University, the University of North Carolina at Asheville, and Western Carolina University. He called attention to the complete report at each member's place and the three-page summary of the recommendations by the Office of the President. In his comments, Mr. Keber said,

This was a very thorough study that included a needs assessment by an outside consultant and a report by a team of engineering deans who visited each campus and consulted with the deans of existing engineering schools. The conclusion of the needs assessment is that North Carolina does not need any additional engineering schools. The visiting team reached the same conclusion, and in fact the schools involved made it clear before the visits that they were not seeking stand-alone engineering schools, but specific programs tailored to their special needs. The visiting team recommended that cooperative programs between the campuses and the existing engineering programs would be the best direction for meeting these needs.

The Office of the President, based on the study results, recommended that UNC Asheville and North Carolina State University transform the current baccalaureate Mechatronics program into a joint degree program between the two universities and explore what the needs are in computer applications and computer engineering; that Western Carolina and UNC Charlotte begin discussions to explore the extension of UNCC's baccalaureate programs in electrical and computer engineering to the WCU campus, with the goal of establishing a joint degree between the two campuses in one or both of these areas; and that ECU initiate planning activities for their proposed new program in general engineering, and prepare a more detailed account of the features of the program for further review by the Office of the President.

The Office of the President also recommends that no new engineering schools be established at this time, and it recommends further investigation to determine whether degree producing capacity in computer applications needs to be increased, and if master's

degrees and continuing education in engineering can be extended to more areas of the State. The full set of recommendations is on the three-page document at your place.

The Planning Committee believes this is a balanced set of recommendations that responds to the needs articulated by these campuses, but recognizes that UNC does not need nor can the State afford new engineering schools at this time. The chancellors of all campuses involved concur in these recommendations.

On behalf of the committee, Mr. Keber moved that the recommendations by the Office of the President, as amended by the committee and summarized on the three-page document, "OP Recommendations Approved by the Planning Committee and Recommended to the BOG," and the full report on engineering, be approved by the board and transmitted to the Joint Legislative Education Oversight Committee as the board's response to the required feasibility study. The motion carried. (Appendix S)

Request for Management Flexibility in Information Technology – North Carolina A & T State University

On behalf of the committee, Mr. Keber moved that the request for Management Flexibility in Information Technology by North Carolina A&T State University be approved. The motion carried. (Appendix T)

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Dr. Brown, chair of the Committee on University Governance, presented the committee's report.

Proposed Changes to The Code – Faculty Dispute Resolution

Dr. Brown reminded the members that in February the committee gave notice of changes to The Code and policies that would be required to implement the Faculty Dispute Resolution Report. On behalf of the committee, Dr. Brown moved that the board adopt the proposed changes to The Code and new policies 101.3.1 (Appeals of Non-reappointment Decisions Under Section 604 of The Code) and 101.3.2 (Grievances Filed Pursuant to Section 607 of The Code). These changes and new policies dictated the repeal of Policy 100.3.1,

100.3.1.1[G], 100.3.2, 100.3.2.1[R], 100. 3.3, 100. 3.4, 100. 3.5. and 100. 3.6[G], for cases that arise on or after July 1, 2003. The motion carried. (For the changes to The Code, see Appendix U; for new Policy 101.3.1, see Appendix V; and for new Policy 101, see Appendix W.)

Request to Campaign for Public Office –Arthur S. Johnston III

Dr. Brown presented and moved approval of a request from Arthur S. Johnston III, a senior political analyst for the State of Mississippi and an employee of the University of North Carolina at Greensboro, to maintain full-time employment through August 20, 2003, while campaigning for political office. The motion carried. (Appendix X)

Election to Board of Trustees – The University of North Carolina at Chapel Hill

On behalf of the committee, Dr. Brown moved that Roger L. Perry of Chapel Hill be elected to the Board of Trustees of the University of North Carolina at Chapel Hill, for a partial term ending June 30, 2003. The motion carried.

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

Dr. Brown moved that Guy Patrick Smith of Lexington, be appointed to the Board of Trustees of the North Carolina Center for the Advancement of Teaching (Education Region 5), for a partial term ending October 31, 2005. The motion carried.

Reappointments to Board of Directors – North Carolina Arboretum

Dr. Brown moved that Mary Johnson of Gray, Tennessee, and Henry M. Lancaster II of Raleigh be appointed to the Board of Directors of the North Carolina Arboretum, each for a term ending June 30, 2007. HThe motion carried.

Reappointments to Board of Trustees – North Carolina School of Science and Mathematics

On behalf of the committee, Dr. Brown moved that the following persons be reappointed to the Board of Trustees of the North Carolina School of Science and Mathematics, each for a term ending June 30, 2007:

- | | | |
|----------------------|-----------------|---------------------------|
| ▪ Larry D. Brock | (Durham) | Non-resident appointment |
| ▪ Van D. Durrett | (Shelby) | Non-resident appointment |
| ▪ Al W. Huffman | (Granite Falls) | Congressional District 10 |
| ▪ Bradley Ives | (Charlotte) | Congressional District 9 |
| ▪ Carolyn D. Johnson | (Durham) | Congressional District 4 |
| ▪ William McEwen | (Concord) | Congressional District 8 |

The motion carried. Dr. Brown encouraged members to submit nominations for the two remaining vacancies.

Reappointments to Educational Advisory Council – North Carolina School of Science and Mathematics

On behalf of the committee, Dr. Brown moved that Gerry M. Madrazo, Jr., of Chapel Hill and Thomas R. Miller of Durham be reappointed to the Educational Advisory Council of the North Carolina School of Science and Mathematics, each for a term ending June 30, 2007. The motion carried.

Reelection and Provisional Election of Members of the Boards of Trustees

Dr. Brown reported the committee had completed its review of nominations for the reelection and provisional election of trustees for terms beginning July 1, 2003, and concluding June 30, 2007. He thanked the members of the Governance Committee for their hard work in the selection process of trustees. He also thanked the members of the Board of Governors, the Chancellors, and many others for their input into the selection process. He particularly thanked Mr. Corgnati and the members of his staff for their valuable assistance throughout the process.

In accordance with the board's policy, newly elected members are provisionally elected and must complete a one-day mandatory orientation to perfect their election. Dr. Brown

said Dr. Patsy Perry would represent the committee in the orientation planning process and that the scheduled dates for orientation are April 15, May 1, and May 5.

On behalf of the committee, Dr. Brown moved that the board elect those members eligible for reelection and provisionally elect those who will serve an initial term on a board of trustees, pending their completion of the orientation process, as presented, with confirmations to occur at the May meeting. The motion carried. (Appendix Y)

* * *

As a matter of information, Dr. Brown announced the following vacancies on boards:

- UNC Press Board of Governors - Three terms ending June 30, 2008
- North Carolina Center for Nursing Board of Directors – One term ending June 30, 2006

Dr. Brown also announced the appointment of Congressman Michael N. "Mike" Castle of Delaware to serve on the James B. Hunt, Jr., Institute for Educational Leadership and Policy Board of Directors.

Dr. Brown called attention to the 2003 Spring Commencement List included in the folders and asked the board members to coordinate with Bart Corgnati or Frances Hope their availability to represent the Board of Governors at the upcoming spring commencements.

REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY

Mr. Davis, the vice chair of the committee, gave the committee's report. He said the committee (Mr. Babb, Mr. Cecil, Mr. Ducote, Mrs. Gage, Dr. Gilchrist, Dr. Perry, Mr. Reaves, Dr. Woods, and himself, began its work in August of 2002.

Mr. Davis reported that throughout the visits to the Supercomputing Center, at MCNC, and while working using videoconferencing, etc., the committee realized the enormity of the project and the time it would take to bring about the desired changes. In December 2002, the

tax credit to encourage research, technology transfer, and innovations that will benefit North Carolina.

The motion carried.

In other business, the committee discussed a draft bill on military tuition designed to make it easier for active duty military in North Carolina to take courses from the University and noted the adoption of the federal agenda on the consent agenda, and gave the board an update on recent meetings in Washington, D.C. with members of North Carolina's Congressional Delegation to discuss issues impacting North Carolina. Mr. Babb commended President Broad, Vice President Milliken, Vice President Lea, and Associate Vice President Samors for the impressive program put together for these meetings.

Chairman Wilson also thanked the members of the staff for all they did to make the meetings in Washington more meaningful and encouraged all members to take advantage of this opportunity when it is scheduled again.

* * *

Mrs. Robinson asked for a moment of personal privilege to thank Chancellor Willis McLeod and Fayetteville State University for their leadership over the years to make certain that the University brought forth a change to ensure that there is 100 percent credit in tuition for the military.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Summary Personnel Report

Mr. Souza, chair of the Committee on Personnel and Tenure, presented the committee's report. He said the report included one campus administrative appointment, five administrative appointments in UNC General Administration and the UNC Office of the President:

Governor's Efficiency Commission focused on how North Carolina could become more efficient including the University system. The committee presented a list of questions to Vice President Render and her staff to work on with the chief information officers on the campuses. The committee specifically requested a review of how the University can operate more efficiently and more cost effectively among the constituent institutions utilizing standards-based, compatible systems. The committee also intends to look at policies the Board of Governors can develop to support these goals throughout the system, develop methods to measure the desired goals, and then develop incentives that will effect these changes.

Vice Chair Little, on behalf of the board, thanked Vice President Render and her staff for the instructional, hands-on, information technology class on the preceding day.

REPORT OF COMMITTEE ON PUBLIC AFFAIRS

Mr. Babb, chair of the Committee on Public Affairs, reported that at its meeting earlier in the day the committee reviewed the Governor's budget recommendations and the issues regarding the Joint Appropriations Committee's work on the budget. If the Governor's tax freeze is not adopted, there will be sizeable cuts imposed on the University (on top of the almost \$100M in cuts in the Governor's budget) which would be an additional \$56M. Mr. Babb reported NCCBI recently endorsed the Governor's budget and tax freeze proposal, and said this is good news for the University.

Mr. Babb said the committee discussed the Research & Development tax credit from NCEITA and agreed to support efforts led by the Governors and the Economic Development Board to improve the state's R & D tax credit that would foster technology transfer and innovation throughout the state, including the University. On behalf of the committee, Mr. Babb moved that the following statement of general support be adopted:

The University of North Carolina supports efforts by the Governor, the State Economic Development Board and others to improve North Carolina's Research and Development

- Noelle L. Kehrberg, Dean of the College of Applied Sciences
Western Carolina University
- Robin Tilley, Assistant Director of the National Paideia Center
UNC General Administration
- Andrea R. Eastman-Mullins, Information and Technology Coordinator at the
Teaching and Learning with Technology Collaborative in Information Technology
Division, ("at will" basis) UNC Office of the President
- Karen Gerringer, Professional Development Coordinator, Center for School
Leadership, UNC Office of the President
- Michelle R. Howard-Vital, Associate Vice President in the Academic Affairs
Division, UNC Office of the President
- Laura R. Foxx, Director of Advancement in the Public Affairs and University
Advancement Division, UNC Office of the President

In addition, the report included recommendations for appointments, promotions, and conferrals of tenure at UNC Wilmington and Western Carolina University. On behalf of the committee, Mr. Souza moved that the committee's report be approved. The motion carried.
(Appendix Z)

At the request of Mr. Souza, Dr. Alan Mabe introduced Dr. Michelle R. Howard-Vital, the new Associate Vice President in the Academic Affairs Division, who was in attendance at the meeting.

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Mr. Souza reported that the committee reviewed, at its meeting on the preceding day, a report and proposed Policy 300.2.11 on Serious Illness and Disability Leave and gave notice the committee will present the matter for consideration at the May meeting.

Mr. Souza pointed out that due to a change in state policies and the effect of the war in Iraq, the committee felt it was necessary to suspend the rules in order to consider the proposed policy 300.2.10 on Faculty Community Service Leave and the replacement Policy 300.2.8 on Faculty Military Leave. The policies were included in each member's folder. He

moved that the rules be suspended in order to consider the proposed policies. The motion carried by the necessary two-thirds vote. Mr. Souza then moved that Policy 300.2.10 (Appendix AA) and the replacement Policy 300.2.8 (Appendix BB) be approved. The motion carried.

Resolution Honoring President Molly Corbett Broad

At Mr. Souza's request, Dr. Richard Veit was invited to the podium to make a special presentation honoring President Molly Corbett Broad.

On behalf of the Faculty Assembly of The University of North Carolina, Dr. Veit presented a resolution adopted November 20, 2002, honoring Molly Corbett Broad on the completion of her first five-year term as President of the University of North Carolina. (Appendix CC)

President Broad thanked Dr. Veit and the members of the Faculty Assembly for the resolution and said she was most appreciative of the honor.

PRESIDENT'S REPORT

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting.

The president commented on several matters, including University preparedness in a time of global uncertainty, an update on legislative and budget developments, upward trajectory of UNC sponsored program awards and the policy on the awarding of joint degrees.

President Broad said she had asked J. B. Milliken, Vice President for Public Affairs and University Advancement, to assume expanded responsibilities aligned with his position and ongoing efforts in state and federal government relations and in communications and advancement. His new title will be Senior Vice President for University Affairs.

President Broad expressed appreciation to Dr. Walter Harris who will leave the Office of the President to become Provost and Chief Academic Officer at Loyola University in

New Orleans, effective July 1, 2003. The president also expressed appreciation to Kevin MacNaughton who will assume construction management responsibilities at UNC Chapel Hill, effective April 1, 2003. (For the President's full report, see Appendix DD.)

ELECTION OF CHANCELLOR – THE UNIVERSITY OF NORTH CAROLINA AT WILMINGTON

President Broad reminded the members that following an announcement almost a year ago by Chancellor James Leutze that he planned to retire effective June 30, 2003, the search for a new chancellor got underway. The president reported that Franklin Block, chair of the Board of Trustees, was unable to attend the board meeting due to a family illness. The president called on Charles D. Evans, a former member of the Board of Governors and a member of the Board of Trustees at UNC Wilmington, to introduce the delegation from the campus and to report on the chancellor search process.

Mr. Evans introduced the members of the UNC Wilmington delegation who were present. He reported that following Chancellor Leutze's announcement to retire, the Search Committee was organized in August of 2002 and consisted of trustees, faculty members, and student representatives. The committee was assisted by Ms. Shelly Storbeck of the A.T. Kearney Executive Search firm. Mr. Evans also expressed special appreciation to Dr. Cynthia Bonner for her assistance to the committee. He reported that over 3000 solicitation letters were distributed and the committee received 135 nominations from 36 states and two foreign countries. The committee chose 15 individuals in the quarterfinals and later narrowed the field to five finalists for interviews. Mr. Evans reported that on recommendation of the tenured faculty and with a unanimous endorsement from the Board of Trustees, the committee forwarded three names to President Broad for her consideration. He thanked President Broad for her leadership and counsel throughout the process.

President Broad thanked the members of the Search Committee for their due diligence and the manner in which they carried out their responsibilities. She reviewed the qualifications of the chancellor-elect and said she was pleased to recommend the appointment of Dr. Rosemary DePaolo as chancellor of the University of North Carolina at Wilmington, effective July 1 or July 15, 2003, at an annual salary of \$205,000.

Mr. Souza moved that the board accept President Broad's recommendation of Dr. DePaolo as the next chancellor of UNC Wilmington. The motion carried unanimously. At the request of Chairman Wilson, Mr. Warwick, Mrs. Little, Dr. Brown, and Mr. Ruffin escorted Chancellor-elect DePaolo into the room.

Following President Broad's introduction, Dr. DePaolo thanked the president, the Board of Governors, Mr. Evans and the members of the Search Committee, the Board of Trustees, and others for the confidence they placed in her. In her comments Dr. DePaolo said,

President Broad, Chairman Wilson, Members of the Board of Governors, Trustees of UNC Wilmington, the entire wonderful UNCW Delegation that is here today, Chancellors, and Friends.

I left North Carolina in 1997 to enter into an exciting phase in my professional life. But knowing it meant closing a chapter on a place and a state where I had been happy and fulfilled, little did I know then that six years later I would be back, opening a brand new chapter, but also returning to a place I loved well and back among friends. I see several of them here today, I think, including my old boss, John Bardo. Whatever the extent of my career in other ways, its geographical expanse has been very limited—a combination between two states, first Georgia, then North Carolina, then back to Georgia, and now finally, back to North Carolina.

I am very honored to have been chosen as the next chancellor of the University of North Carolina at Wilmington, a university of the highest academic rank and reputation, a reputation that I was very well aware of during my tenure here and one that has only increased since then. And I am also delighted to be returning back to a state that is second to none in the region for excellence in higher learning.

Throughout this extraordinarily well-run search, I have been so impressed by the professionalism that has marked the process, by the charm of Wilmington, as well as by the extraordinarily thoughtfully well-planned beauty of the campus, by the strong leadership of President Broad, and her colleagues, and above all, by the people I met who were associated with UNCW—the trustees, the staff, administrators, the students, and the faculty. Their commitment and love of this University are absolutely unparalleled. They are all ready, willing, and able to promote UNCW's continued momentum, and I am

looking forward to working with them all, to help realize what I see as this university's clearly unlimited potential.

I am well aware that you are entrusting to me a very fine institution, that you have great expectations of me, and that those in Wilmington also share that sense of anticipation. There is so much that I want to preserve. If the campus I inherit is truly so highly regarded and so rich in resources, that wealth of resources is the legacy of those whose vision built the university—a Jim Leutze and his predecessors. Chancellor Leutze, especially, has made a major contribution and enjoys a lasting legacy. Everyone there knows it. No one I spoke to there failed to applaud his chancellorship—a somewhat daunting position for his successor.

But let me acknowledge also the legacy bestowed by the University's well-wishers on the Board of Governors and the Board of Trustees, and the legislature, past and present, and of course by no means least, of the friends of the wider community who have given UNCW their support and their love.

I want to assure you that as I am entrusted with this precious asset, my work will be done with passion since I am truly committed to the excellence of public higher education and what that can do for our state. And since it is one of my core convictions, that if there were ever a time when higher education, particularly, public higher education seems more than ever worth striving for to create the kinds of citizens and leaders we so desperately need—then surely this is the time.

And if I know that much is expected of me, that's a challenge I embrace wholeheartedly with confidence, with energy, and with my habitual optimism. I am so excited to be coming back. I will give it my all and whatever I've learned will be at UNCW's service.

Fred and I look forward with such excitement to returning to North Carolina. We thank you all so very much and we hope that you will join us at 10 p.m. tonight saying, "Go Seahawks."

On behalf of the Board of Governors, Chairman Wilson congratulated

Dr. DePaolo and welcomed her into the UNC family.

CHAIRMAN'S REPORT

Appointment of 2003 University Award Committee

Without objection, Chairman Wilson appointed the following persons to serve on the 2003 University Award Committee:

Mr. Adcock, chair
Mr. Davis
Dr. Flood
Mrs. Gage
Mrs. Little

Chairman Wilson commented on his recent visits to UNC Charlotte and Winston-Salem State University, and encouraged other members to visit whenever there was an opportunity to do so.

The chairman reminded the members the next regularly scheduled meeting will occur on May 9, 2003, at which time the O. Max Gardner Award will be presented, followed by the Teaching Awards Luncheon. Chairman Wilson said that due to a prior engagement, he would be unable to attend; however, Vice Chair Little would chair the meeting. Members were asked to hold the Friday, April 11 date on their calendar in case there was a special call meeting of the board.

* * *

There being no other business, the meeting adjourned at 12:40 p.m.

Secretary

APPENDICES

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

Appendix A	Authorization of New Capital Improvements Project, ASU	Attached
Appendix B	Authorization of New Capital Improvements Projects, ECU	Attached
Appendix C	Authorization of New Capital Improvements Projects, NCSU	Attached
Appendix D	Authorization of New Capital Improvements Project, UNCG	Attached
Appendix E	Approval of Bond Program Modifications, ECSU and NCCU	Attached
Appendix F	Authorization of the Sale of Bonds, ASU	Attached
Appendix G	Authorization of the Sale of Bonds, UNCW	Attached
Appendix H	Approval of the Selection of a Project Designer, UNC Center for Public Television	Attached
Appendix I	Approval of the Disposition of Property, UNCG	Attached
Appendix J	Authorization to Establish the Joint Master of Science in Biomedical Engineering, NCSU and UNCCH	Attached
Appendix K	Approval of Licensure for the University of Phoenix to Conduct Degree Activity in Charlotte for the following programs: -Bachelor of Science in Business, with majors in Administration; e-Business; Management; and Marketing -Bachelor of Science in Information Technology -Bachelor of Science in Management -Master of Business Administration with specializations in Accounting; e-Business; Global Management; Health Care Management; and Technology Management	Attached
Appendix L	Approval of the Recommendation to Change the Name of the School of Education to the College of Education and the Name of the School of Business to the College of Business, ECU	Attached
Appendix M	Approval of Policy 300.1.6 and Regulation 300.1.6 – Administrative Separation and/or Retreat to Faculty Position	Attached
Appendix N	Approval of Revisions to Policy 300.1.1 – Senior Academic and Administrative Officers	Attached
Appendix O	Approval of Revisions to Policy 300.2.1 – Employees Exempt from the State Personnel Act	Attached
Appendix P	Approval of the Revised Institutional Plan of Management Flexibility to Appoint and Fix Compensation for Western Carolina University	Attached

Appendix Q	Approval of the Federal Agenda	Attached
Appendix R	Authorization of Non-Appropriated Capital Improvements Projects	Attached
Appendix S	Engineering Feasibility Study	Attached
Appendix T	Request for Management Flexibility in Information Technology – North Carolina A&T State University	Attached
Appendix U	Changes to <u>The Code</u> – Faculty Dispute Resolution	Attached
Appendix V	Policy 101.3.1 – Appeals of Non-Reappointment Decisions Under Section 604 of <u>The Code</u>	Attached
Appendix W	Policy 101.3.2 – Grievances Filed Pursuant to Section 607 of <u>The Code</u>	Attached
Appendix X	Request to Campaign for Public Office – Arthur S. Johnston III	Attached
Appendix Y	Reelection and Provisional Election of Members of the Boards of Trustees	Attached
Appendix Z	Summary Personnel Report	Attached
Appendix AA	Policy 300.2.10 – Faculty Community Service Leave	Attached
Appendix BB	Policy 300.2.8 – Faculty Military Leave	Attached
Appendix CC	Resolution Honoring President Molly Corbett Broad	Attached
Appendix DD	President's Report	Attached