

Board of Governors Meeting

February 12, 2010

Chapel Hill, North Carolina

The Board of Governors met in regular session on February 12, 2010, at the Spangler Center, Chapel Hill, North Carolina. Chairman Gage called the meeting to order at 9:00 a.m.

INVOCATION

Chairman Gage called on Mr. Daughtridge to give the invocation.

ROLL CALL

Secretary Sanders called the roll. The following members were present:

Brent D. Barringer	Peter D. Hans
John M. Blackburn	Charles A. Hayes
Peaches G. Blank	James E. Holshouser, Jr.
R. Steve Bowden	Adelaide D. Key
Laura W. Buffaloe	G. Leroy Lail
Frank Daniels, Jr.	Ronald C. Leatherwood
Bill Daughtridge, Jr.	Cheryl M. Locklear
Walter C. Davenport	Franklin E. McCain
John W. Davis III	Charles H. Mercer, Jr.
James M. Deal, Jr.	Fred G. Mills
Phillip R. Dixon	Burley B. Mitchell, Jr.
T. Greg Doucette	Marshall B. Pitts, Jr.
Dudley E. Flood	Gladys Ashe Robinson
Paul Fulton	Irvin A. Roseman
Hannah D. Gage	Estelle 'Bunny' Sanders
Ann B. Goodnight	Priscilla P. Taylor
Clarice Cato Goodyear	David W. Young

The following member was absent:

J. Bradley Wilson

STATE ETHICS ACT

Chairman Gage stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for the meeting, Chairman Gage asked if any member had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. Mr. Mitchell stated that he would abstain from items 6a., 6b., and 6c. listed per the Administrative Action Items on the agenda.

MINUTES

Mr. Doucette moved, seconded by Mr. Mitchell, that the minutes from the open session of January 8, 2010, meeting be approved. The motion carried.

PRESIDENT BOWLES' REPORT

President Bowles referred to the previous day's policy discussion session where members of the staff had offered a status report on the core elements of the President's Action Plan. He said that the University was serious in executing the commitments of UNC Tomorrow in the coming months. For President Bowles' report, please refer to Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Mitchell abstained from items a., b., and c. below. Dr. McCain moved, seconded by Mr. Bowden, that the following Administrative Action Items be approved by consent.

- a. (B&F) Authorization of New Capital Improvements Project, NCSU
- b. (B&F) Authorization of New Capital Improvements Projects, ECU, NCSU, UNCG, WCU
- c. (B&F) Authorization of the Sale of Pooled Special Obligation Bonds
- d. (B&F) Authorization to Establish an Associated Entity, UNC-CH
- e. (B&F) Approval to Dispose of Property by Ground Lease and Demolition, UNC-CH
- f. (B&F) Approval to Dispose of Property and Lease of Housing, UNCG
- g. (EPPP) Approval of Licensure for the Master of Entrepreneurship (M.E.) at Carland College
- h. (EPPP) Approval to Continue the Interim Permit for Two Additional Years for the Bachelor of Science in Entrepreneurship (B.S.E.) at Carland College
- i. (EPPP) Approval of Licensure for the Associate of Applied Science in

- j. (EPPP) Photography at the Art Institute of Raleigh-Durham
Approval of Licensure for the Bachelor of Arts in Digital Filmmaking & Video Production at the Art Institute of Raleigh-Durham
- k. (EPPP) Approval of Licensure for the Bachelor of Arts in Game Art and Design at the Art Institute of Raleigh-Durham
- l. (EPPP) Approval of Licensure for the Bachelor of Arts in Photography at the Art Institute of Raleigh-Durham
- m. (EPPP) Authorization to Discontinue the Master of Education, UNCW
- n. (EPPP) Approval of Policy 700.4.2, *Policy on Student Conduct*
- o. (P&T) Approval of Amendments to Policy 1000.2.1, *Tuition Waiver for Persons at Least 65 Years Old and Certain Family of Deceased or Disabled Emergency Workers*
- p. (P&T) Approval of Amendments to Policy 1000.2.2, *Waiver of Tuition and Fees for Faculty and Staff*

REPORT OF THE AUDIT COMMITTEE

Mr. Young, Chair of the Audit Committee, reported on two items. The Committee received a report on the UNC FIT Project from Project Management Officer Canady. Mr. Young reported that the campus monitoring visits were in progress. The visits were scheduled to be completed by March 22, 2010. Last month, the University of North Carolina at Pembroke successfully went live with their payroll solution for monthly employees. At the University of North Carolina at Asheville and at Western Carolina University, both campuses successfully went live with their biweekly payrolls.

Next, Chairman Young reported that the Committee reviewed the external audit reports from North Carolina State University and East Carolina University since its last meeting. Both financial audit reports were released with no audit findings.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Davis, Chair of the Committee on Budget and Finance, reported that the Committee acted on the tuition and fee proposals. Last month, Vice President Nelson gave the Committee a thorough review of the 2010-11 tuition and fee process and the request for increases that were submitted by the Chancellors. The Board was forwarded detailed information regarding the Review of Tuition and Fees in preparation for this month's meeting. Mr. Davis reminded the Board that in 2009, the General Assembly established tuition rates for the 2010-11 academic year and imposed an increase in tuition of 8% or \$200, whichever was less, on all UNC students. The revenues from these legislatively-mandated tuition increases would be deposited directly into North Carolina's

General Fund. President Bowles recommended that the Board ask the General Assembly to accept an alternative plan that was consistent with the Board of Governors' Four-Year Plan.

On behalf of the Committee, Mr. Davis moved approval of the Authorization of Tuition for 2010-11 (see Appendix R) and the Authorization of Fees for 2010-11 (see Appendix S). The motion carried.

Mr. Davis gave Vice President Nelson a heartfelt thank you for all his hard work and service to the University. It had been a great pleasure working with him and he wished him much success in his retirement.

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

Mr. Pitts, Chair of the Committee on Educational Planning, Policies, and Programs reported on the following items. First, the Committee reviewed campus requests for approval of the following baccalaureate degree programs: Bachelor of Science in Applied Atmospheric Science at East Carolina University (see Appendix T) and a Bachelor of Science in Oceanography at the University of North Carolina at Wilmington (see Appendix U). These programs were in alignment with the UNC Tomorrow initiative.

On behalf of the Committee, Mr. Pitts, moved the approval of the above baccalaureate degree programs. The motion carried.

Next, the Committee reviewed campus requests for two master's degree programs: Master of Science in Geospatial Information Science and Technology at North Carolina State University (see Appendix V) and the Master of Science in Environmental Assessment at North Carolina State University (see Appendix W). These programs were in alignment with the UNC Tomorrow initiative.

On behalf of the Committee, Mr. Pitts moved the approval of the above master's degree programs. The motion carried.

The Committee heard a report from Vice President Leath on Research and Sponsored Programs for FY 2009. It was a banner year for the UNC campuses. The University had received research grant awards totaling nearly \$1.2 billion that underscore its outstanding work in research and teaching. Mr. Pitts said this was a testament to the hard work of our faculty. The funding was separate from the Stimulus Bill.

Next, Mr. Pitts congratulated Fayetteville State University and UNC Pembroke on their joint collaboration with the Southeastern North Carolina Regional Microanalytical and Imaging Center on the installation of the microprobe. The microprobe is a highly powerful electron microscope housed in the Lyons Science Building at Fayetteville State University. The installation of this instrument would greatly advance research and expand educational opportunities for students, faculty, and industry in southeastern North Carolina.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Ms. Blank, Chair of the Committee on University Governance, reported on several items. The Committee continued its discussion on the draft version of the Trustee Nomination Form. The Committee would finalize this initiative at its next meeting.

Next, Chairman Blank reported on two vacancies. There was a term ending on June 30, 2013, on the Board of Trustees at the North Carolina School of Science and Mathematics, representing Congressional District 2. There was a partial term ending on June 30, 2011, on the Board of Trustees at the University of North Carolina at Greensboro. The Committee would be seeking nominations for these vacancies and present the nominations at the next meeting.

Chairman Blank reported that Vice President and General Council Luger updated the Committee on Governor Perdue's Executive Order No. 34: Ethics and Attendance Standards for Gubernatorial Appointees to Boards. The important clarification was that in regard to Boards of Trustees' attendance, the language contained in *The Code* Section 400A. takes precedence over the Executive Order.

Lastly, Chairman Blank asked the members of the Board to review the dates of the 2010 Spring Commencements and to consider representing the Board of Governors at the spring commencements to bring greetings on behalf of the Board and to present the Board of Governors' Awards for Excellence in Teaching to this year's recipients.

REPORT OF THE COMMITTEE ON THE UNIVERSITY AWARD

Ms. Blank, Chair of the Committee on the University Award, reported that the Committee met last month. The award ceremony was scheduled for November 4, 2010.

Ms. Blank said the Committee would provide an update on the planning for the award ceremony at the next meeting.

CHAIRMAN'S REPORT

Chairman Gage gave a brief report. She acknowledged a letter that the members of the Board recently received from former Chairman Phillips announcing his resignation from the Board due to his demanding job responsibilities. Chairman Gage said that undoubtedly he will be missed and that he had served the Board with great distinction over the past thirteen years. She said that former Chairman Phillips had helped shape every significant initiative that the University had recently undertaken and that the University of North Carolina is a better place because of him. Next, she thanked Vice President Nelson for his commitment and service to the University. The Board was especially grateful for all he has done.

Next, Chairman Gage reminded the members of the Board to complete and submit their Statement of Economic Interest forms as soon as possible.

Chairman Gage remarked that although the University would soon undergo change in leadership, the University has survived and thrived for over 200 years and it will continue to do so. President Bowles will leave a lasting legacy for generations to come.

On motion by Secretary Sanders and duly seconded, the Board voted to convene in closed session to prevent the premature disclosure of an honorary award or a scholarship; to consult with its attorney to consider and give instructions concerning an administrative procedure; to consult with its attorney to consider and give instructions concerning a judicial action titled Bryan v. UNC; to establish or instruct the staff or agent considering the negotiations 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, pursuant to North Carolina G.S. Sections 143-318.11 (a)(2), (a)(3), (a)(5) and (a)(6).

The Board went into closed session at 9:55 a.m. and returned to open session at 10:10 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Dr. Robinson, Chair of the Committee on Personnel and Tenure, reported that the Committee discussed a proposed University Executive Retention Plan. The plan was designed to provide retention incentives for the President and Chancellors through deferred compensation based on their length of service. The plan was presented for discussion and further development of the plan would be required. Dr. Robinson acknowledged that the Chancellors and members of the Board participated in the discussion and she thanked them for their input and insightful suggestions. If the Board had further questions or suggestions, she asked them to contact Vice President Mabe or Vice President Charest prior to the next meeting.

The Committee reviewed a draft proposed amendment to Regulation 300.1.6[R], Administrative Separation and/or Retreat to a Faculty Position. Dr. Robinson asked the members of the Board to review the regulation prior to the next meeting. The proposed amendment to the regulation would be distributed to the Chancellors and other key groups for their feedback.

Next, Dr. Robinson reported that the Committee discussed and approved the new Policy on the Tuition Waiver Program for UNC General Administration staff. The policy would be brought to the Board for its action at the April meeting.

Next, the Committee approved the request by North Carolina A&T State University for the Granting of Management Flexibility to Appoint and Fix Compensation. Lastly, Dr. Robinson said that the Committee reviewed the Report on Personnel Actions Delegated to the President listing all personnel actions approved by the President since its last meeting.

In other business, Mr. Davis congratulated Mrs. Goodnight for SAS Institute being ranked the #1 Best Company to Work in America. The ranking was featured in the February 2010 edition of *Fortune* magazine.

Mr. Bowden said that he appreciated President Bowles comments about Dr. McCain and announced that the grand opening of the International Civil Rights Center & Museum in Greensboro at the site of the F.W. Woolworth store was held on February 4, 2010, in honor of

the civil rights movement and the Greensboro Four. He said that the history preserved in the museum is phenomenal and he encouraged everybody to visit.

Mr. Doucette thanked the members of the Board for the smooth process that transpired with the tuition and fees discussion. Regarding future discussion on faculty leave rights, Mr. Daniels suggested that the Board eliminate using the phraseology *retreat rights*. Chairman Gage said that the Committee on Personnel and Tenure should consider the suggestion.

The next meeting of the Board of Governors was scheduled for Friday, April 9, 2010, at North Carolina Central University in conjunction with their Centennial Celebration.

The meeting adjourned at 10:20 a.m.

APPENDICES

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

APPENDIX A	President Bowles' Report	Posted Online
APPENDIX B	Authorization of New Capital Improvements Project, NCSU	Posted Online
APPENDIX C	Authorization of New Capital Improvements Projects, ECU NCSU, UNCG, WCU	Posted Online
APPENDIX D	Authorization of the Sale of Pooled Special Obligation Bonds	Posted Online
APPENDIX E	Authorization to Establish an Associated Entity, UNCCH	
APPENDIX F	Approval to Dispose of Property by Ground Lease and Demolition, UNCCH	Posted Online
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APPENDIX U	Approval of the Bachelor of Science in Oceanography, UNCW	Posted Online
APPENDIX V	Approval of Master of Science in Geospatial Information Science and Technology, NCSU	Posted Online
APPENDIX W	Approval of Master of Science in Environmental Assessment, NCSU	Posted Online