

## **Board of Governors Meeting**

**April 8, 2011**

**Chapel Hill, North Carolina**

The Board of Governors met in regular session on April 8, 2011, at the Spangler Center in Chapel Hill. Chairman Gage welcomed everyone and mentioned that a large group of guests were present from the University of North Carolina at Charlotte and Western Carolina University as this was a special day in the lives of both campuses.

### **INVOCATION**

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

### **ROLL CALL**

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

Brent D. Barringer	Peter D. Hans
Atul C. Bhula	Charles A. Hayes
John M. Blackburn	James E. Holshouser, Jr.
Laura W. Buffaloe	Adelaide D. Key
Frank Daniels, Jr.	G. Leroy Lail
Bill Daughtridge, Jr.	Ronald C. Leatherwood
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.
Dudley E. Flood	Marshall B. Pitts, Jr.
Paul Fulton	Irvin A. Roseman
Hannah D. Gage	Estelle 'Bunny' Sanders
Ann B. Goodnight	Priscilla P. Taylor
Clarice Cato Goodyear	J. Bradley Wilson

The following members were absent:

Peaches G. Blank (excused)	David W. Young
R. Steve Bowden	

## **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. There were none.

## **MINUTES**

Dr. McCain moved, seconded by Dr. Buffaloe, that the minutes from the open session of the February 11, 2011, meeting be approved. The motion carried.

## **PRESENTATION OF THE OLIVER MAX GARDNER AWARD**

Chairman Gage announced that the Oliver Max Gardner Award was one of the highlights of the University's calendar. Each year, the Board of Governors has the honor of selecting a recipient for the Oliver Max Gardner Award established by the will of the late Governor O. Max Gardner. This prestigious award recognizes a faculty member whose work has greatly contributed to the welfare of the human race. This marked the 63<sup>rd</sup> year in the history of the award. Chairman Gage called on President Ross for his remarks.

President Ross reiterated that this was indeed one of the highlights of the University's calendar. He recognized Mr. Ralph Webb Gardner II, the great grandson of Governor Gardner. President Ross stated that he was delighted and honored to have Mr. Gardner with us today. Mr. Gardner was accompanied by his guest, Ms. Courtney O'Keefe. He thanked Mr. Gardner and the entire Gardner family for joining the Board of Governors in recognition of this year's award recipient. President Ross called on Mr. Blackburn, Chair of the 2011 O. Max Gardner Award Committee, to present the award.

Mr. Blackburn recognized the members of the 2011 Oliver Max Gardner Award Committee – Mr. Daughtridge, Dr. Flood, Dr. Roseman, and Secretary Sanders. Mr. Blackburn reported that after careful consideration of many qualified nominees, the Board of Governors selected Dr. Diane M. Browder, the Lake and Edwards J. Snyder, Jr. Distinguished Professor of Special Education at the University of North Carolina at Charlotte as this year's recipient. Dr. Browder's many distinguished guests were recognized from UNC Charlotte – Dr. Joan

Lorden, Provost and Vice Chancellor for Academic Affairs; Dr. Mary Lynne Calhoun, Dean of the College of Education; Dr. Lee Sherry and Dr. Fred Spooner, Department of Special Education & Child Development; Dr. Michael Green, Department of Reading & Elementary Education; Dr. Lynn Ahlgrim-Delzell, Department of Educational Leadership; and Chancellor Dubois. Other distinguished guests included Dr. Jane Rhyne, Assistant Superintendent for Exceptional Children in the Charlotte-Mecklenburg Schools, and Wallace Boswell, Dr. Browder's husband.

Next, Mr. Blackburn read a citation profiling Dr. Browder's extraordinary contributions. Following a short video highlighting her many outstanding achievements, Chairman Gage presented Dr. Browder with a stipend and a framed copy of the citation. For Dr. Browder's citation and response, please see Appendix A. The video was produced by the UNC Center for Public Television and the music was created by Dr. Bruce Frazier, Professor, School of Music at Western Carolina University, and his students. Chairman Gage thanked the Gardner family for providing us the opportunity to recognize talented, extraordinary faculty members across the University.

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On motion by Secretary Sanders and duly seconded, the Board voted to convene in closed session 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 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; and to hear or investigate a complaint, charge, or grievance by or against a public officer or employee, pursuant to North Carolina G.S. Sections 143-318.11 (a)(5) and (a)(6).

The Board went into closed session at 9:50 a.m. and returned to open session at 10:05 a.m.

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## **ADMINISTRATIVE ACTION ITEMS**

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Mercer abstained from Administrative Action Item 9b. At the request made by Mr. Mills, Administrative Action Item 9g. was removed from the consent agenda. Mr. Fulton moved, seconded by Mr. Barringer, that the Administrative Action Items be approved by consent. The motion carried.

- a. (B&F) Authorization of New Capital Improvements Project, WSSU
- b. (B&F) Approval of the Establishment of an Associated Entity, UNC-CH
- c. (B&F) Authorization to Sell Special Obligation Bonds, ASU
- d. (B&F) Authorization of the Delegation of Authority to Prepare, Execute, and Submit Documents Related to Build America Bonds, UNC Hospitals
- e. (B&F) Authorization of New Capital Improvements Projects, ECU and UNC-CH
- f. (B&F) Authorization of Leases for Student Housing, FSU
- g. (B&F) Authorization of Lease for Housing Facility, UNCG
- h. (B&F) Approval of Amendments to Policy 200.6, *Delegation of Authority to the President*
- i. (EPPP) Approval of Licensure for South University to offer the following degree programs in High Point:
  - Associate of Science (A.S.) in Paralegal Studies
  - Associate of Science (A.S.) in Physical Therapist Assisting
  - Bachelor of Business Administration (B.B.A.)
  - Bachelor of Science (B.S.) in Criminal Justice
  - Bachelor of Science (B.S.) in Health Science
  - Bachelor of Science (B.S.) in Healthcare Management
  - Bachelor of Science (B.S.) in Nursing (B.S.N.)
  - Bachelor of Science (B.S.) in Nursing Completion Program
  - Bachelor of Arts (B.A.) in Psychology
  - Master of Business Administration (M.B.A.)
  - Master of Arts (B.A.) in Professional Counseling
- j. (EPPP) Approval of Licensure for the Art Institute of Charlotte to offer the following degree programs in Charlotte:
  - Bachelor of Arts (B.A.) in Industrial Design
  - Bachelor of Arts (B.A.) in Advertising
- k. (EPPP) Approval of the Request to Merge the Art Institute of Charlotte and the Art Institute of Raleigh-Durham with South University

**REPORT OF THE AUDIT COMMITTEE**

Dr. Roseman, Chair of the Audit Committee, reported that the Committee received an update on the UNC Finance Improvement and Transformation Project (UNC FIT). Elizabeth City State University was scheduled to go live with monthly payroll later this month. The University of North Carolina School of the Arts was on schedule to go live with bi-weekly and monthly payrolls this month. The advisory teams had finalized standards in the two new business subprocesses – Capital Assets and Student Accounts. Final standards would be delivered to the campuses before the end of the month. Campuses would submit monthly compliance checklists starting in May. In addition, an advisory team was formed to review finance-related areas for accreditation by the Southern Association of Colleges and Schools (SACS). The advisory team would examine how UNC FIT standards could be used to create efficiencies and consistencies in systemwide reporting.

Next, Dr. Roseman reported that the Committee reviewed five external audit reports since its last meeting. The 2010 financial audit report from Western Carolina University was released with no audit findings. At Elizabeth City State University and North Carolina A&T State University, the 2010 financial audit reports were released with one finding each. At Winston-Salem State University, the 2010 financial audit report was released with two findings. At the University of North Carolina School of the Arts, the 2010 information systems report was released with three findings. Corrective action had been taken at each of these campuses.

Lastly, Dr. Roseman stated that the annual 2010-11 Report of the Audit Committee would be presented at its next meeting. At General Administration, a financial audit report for fiscal year ending June 2010 would be conducted.

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

Mr. Deal, Chair of the Committee on Educational Planning, Policies, and Programs, reported that the Committee considered the request for authorization to discontinue the Bachelor of Arts in Exercise and Sport Science degree program at East Carolina University (see Appendix L).

On behalf of the Committee, Mr. Deal moved that the request for authorization to discontinue the Bachelor of Arts in Exercise and Sport Science at East Carolina University be approved. The motion carried.

Next, the Committee discussed the status of the study on unnecessary duplication of academic programs. Chancellor *Emeritus* Woodward was leading the study to identify unnecessary duplication of degree programs offered across the University. Chancellor Woodward was scheduled to meet next week with the provosts to discuss this matter. He also planned to visit each campus to meet with senior administrative teams and the faculty. Preliminary findings from the study would be made available by the fall 2011.

Mr. Deal reported that the Committee had heard a report from the University of North Carolina at Greensboro regarding a proposal for academic restructuring of two schools. The proposal consisted of the request to establish the School of Health and Human Sciences effective July 1, 2011 (see Appendix M). This move would combine two existing schools – the School of Health and Human Performance and the School of Human Environmental Sciences. Degree programs would not be eliminated and the history of the two schools would be honored.

Next, the Committee had received the FY2010 UNC Research and Sponsored Programs Report to the President (see Appendix N). Mr. Deal noted that in fiscal year 2010, UNC institutions received a record-high \$1.4 billion worth of grants for research and sponsored programs. Mr. Deal commented that this illustrated the dedicated work being conducted by faculty across the University.

Lastly, Mr. Deal stated that the Committee would continue to discuss our current system for approving new academic degree programs. Chairman Gage commented that the Committee received recommendations and positive feedback from the Chancellors in regards to the academic degree program approval process.

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

Mrs. Goodnight, Chair of the Committee on Public Affairs, reported that the Committee considered the University of North Carolina 112<sup>th</sup> Congress: Federal Policy Agenda (see Appendix O). The Committee heard an update from Vice President Rhinehardt on federal related developments. Both Congress and The Administration were focused on making cuts to

federal programs in an effort to reduce annual deficits. The Committee discussed the importance of reducing entitlement spending in order to protect financial aid and research funding in the budget. The Committee crafted a statement of priorities (see Appendix P). This statement of priorities would accompany the University of North Carolina 112<sup>th</sup> Congress: Federal Policy Agenda.

On behalf of the Committee, Mrs. Goodnight moved the approval of the statement of priorities accompanied by The University of North Carolina 112<sup>th</sup> Congress: Federal Policy Agenda. The motion carried. Mrs. Goodnight remarked that this statement of priorities and the federal agenda would be shared with the North Carolina Congressional Delegation.

Next, Mrs. Goodnight reported that Vice President Watkins provided an overview of the ongoing work of the General Assembly. The legislature continued to move quickly on both budget and policy issues. The budget development process included several weeks of presentations to the Joint House and Senate Subcommittees on Education. The budget priorities of the University included maximum flexibility to manage budget cuts, retaining tuition on campuses, and minimizing the cuts to avoid permanent damage to the University. President Ross and his team continued to communicate the University's priorities with key legislators.

In addition to the budget, Mrs. Goodnight reported that the University was tracking over 125 bills that could impact the University. The House and Senate leadership requested that the General Administration staff bring ideas to them that would identify additional efficiencies within the University and that would improve our Chancellors' abilities to manage through the budget crisis. The campuses responded with more than 20 proposals that identified human resources, construction, purchasing, investment and contracts.

Lastly, Mrs. Goodnight announced that all the members of the Board would need to communicate the University's top priorities to our elected leaders in both Raleigh and Washington, D.C.

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

Mrs. Goodyear, Vice Chair of the Committee on University Governance, announced that the Committee considered the provisional slate of Nominees for the Board of Trustees 2011 for the 16 constituent universities. The trustee selection process began in October 2010 and

concluded yesterday. These terms would begin July 1, 2011, and conclude June 30, 2015. In the absence of Chairman Bowden, Mrs. Goodyear thanked the members of the Committee for their diligent work. Mrs. Goodyear credited the work of Ms. Blank – Chair of last year’s Committee – with creating the Nomination Form that has proven extraordinarily helpful as well as the work of the campuses liaisons.

Next, Mrs. Goodyear recommended that the Board reelect the eligible nominated trustees and the provisional slate of those who would serve an initial term on the Board of Trustees pending submission of their Statement of Economic Interest form and completion of trustee orientation. On behalf of the Committee, Mrs. Goodyear moved the approval of the slate of nominees for the Boards of Trustees 2011 (see Appendix Q). The motion carried. Chairman Gage commented that the Committee has done an outstanding job.

There was a partial term ending June 30, 2013, on the Board of Trustees at the University of North Carolina at Asheville. On behalf of the Committee, Mrs. Goodyear moved the election of Mrs. Cissie Stevens of Asheville to fill this vacancy. The motion carried.

There was a partial term ending June 30, 2013, on the Board of Trustees of the North Carolina School of Science and Mathematics, representing a non-residency vacancy. On behalf of the Committee, Mrs. Goodyear moved the appointment of Mr. Michael Dougherty of Greensboro to serve. The motion carried.

There were eight terms ending June 30, 2015, on the Board of Trustees of the North Carolina School of Science and Mathematics. The incumbents were Mr. Henry Kuo, Ms. D. Carr Thompson, Dr. Lavonia I. Allison, Mr. Brian D. Bailey, Ms. Marjorie Benbow, Mrs. Shirley T. Frye, Mr. Alan Scott Hicks and Ms. Sallie Johnson. They represent two non-residency appointments and Congressional Districts 4, 9, 8, 12, 13 and 10, respectively. All were eligible for reappointment with exception of Mr. Hicks. On behalf of the Committee, Mrs. Goodyear moved the reappointment of Mr. Kuo, Ms. Thompson, Dr. Allison, Mr. Bailey, Ms. Benbow, Mrs. Frye, and Ms. Johnson to serve. Action on the vacancy in Congressional District 13 was deferred. The motion carried.

Next, there were three terms ending June 30, 2016, on the University of North Carolina Press Board of Governors. The incumbents were Nina S. Allen, Gillian Cell, and Eric Muller. Dr. Allen was not eligible for reappointment. On behalf of the Committee, Mrs. Goodyear

moved the reappointment of Dr. Cell and Dr. Muller and the appointment of Dr. Linda Hanley-Bowdoin from North Carolina State University to serve. The motion carried.

Next, there were three terms ending June 30, 2015, on the North Carolina Arboretum Board of Directors. The seats were currently held by John F.A.V. Cecil, Jonathan Glover, and Charles E. Hamner, Jr. All were eligible for reappointment.

Lastly, Mrs. Goodyear referred to the Spring Commencements matrix. She noted that the Award for Excellence in Teaching would be presented at the spring commencements. She asked members of the Board to attend one or more of these special events.

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

Mr. Mercer, Chair of the Committee on Budget and Finance, explained that Administrative Action Item 9g. – *Authorization of Lease for Housing Facility – UNCG*, was removed from the consent agenda. Mr. Mercer provided an update on the item. The Capital Facilities Foundation, Inc. – a component unit of UNC Greensboro – acquired a 70-bed apartment complex for use as student housing. Mr. Mercer recalled that at a Committee meeting last fall, the Board approved the purchase of the complex. At its meeting yesterday, the Committee discussed the Capital Facilities Foundation's intent to construct an additional 800-bed student housing complex on land near the apartment complex (see Appendix R). The new facility was consistent with UNCG's master plan. UNC Greensboro requested approval by the Board to enter into a long-term lease agreement for these projects. The cost of the lease was consistent with similar housing on campus and lease payments would be made from housing receipts. The new housing projects were expected to be available by fall 2012. The lease was approved by the University of North Carolina at Greensboro Board of Trustees and would be constructed in accordance with the guidelines, procedures and policies of the North Carolina Department of Administration and the Council of State. Following a thorough discussion, the Committee recommended bringing this item to the Board. Mr. Mills suggested that the procedures and policies needed to be reexamined relative to the University's construction projects.

On behalf of the Committee, Mr. Mercer moved that the student housing complex at the University of North Carolina at Greensboro be approved. The motion carried. Mr. Mills and Mr. Hayes voted against the motion.

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

Mr. Mills, Chair of the Committee on Personnel and Tenure, reported that the Committee had received a revised version of the President's Summary Personnel Report, listing all personnel actions delegated to the President and approved by the President since the last meeting.

## **PRESIDENT'S REPORT**

President Ross commented that he was extremely impressed with the recipient of the 2011 Oliver Max Gardner Award – Dr. Dianne Browder. Anyone watching the video honoring Dr. Browder could only feel good about the future of our University. He noted that we were truly blessed to have some of the best faculty in the world teaching and conducting research right here in North Carolina. For President Ross' report, please see Appendix S.

## **ELECTION OF A CHANCELLOR**

It was with great enthusiasm that President Ross recommended a strong, energetic new leader for Western Carolina University. President Ross expressed his sincere gratitude to Chancellor Bardo for the remarkable leadership he has provided at Western Carolina University over the past 16 years. During his tenure, Chancellor Bardo has dramatically changed the institution. Today, the institution and the surrounding community are better and stronger because of his leadership.

Next, President Ross called on Mr. Steve Warren, Chair of the Board of Trustees at Western Carolina University and Chair of the Search Committee. Mr. Warren provided a brief summary of the search process. He acknowledged the large delegation from Western Carolina University who were present and those watching the election of the chancellor via webcast. Mr. Warren noted that the journey to find the next leader of the University began 144 days ago when the Search Committee was formed with the charge by President Ross to find a leader who has the experience, skills and passion needed to build on the achievements of Chancellor Bardo and who would articulate a vision for taking the campus to an even higher level.

The 16 members of the Search Committee received numerous and important comments, ideas and suggestions throughout the process, including input gathered during the constituent

forums which were held last fall. This input not only helped shape the development of the position statement, but it also constituted the waypoint for the assessment of each of the candidates' qualifications. Baker and Associates, LLC, an executive search firm, was retained to recruit and evaluate candidates. Three finalists were identified. Each of the three finalists visited the campus and interacted with students, faculty, staff and members of the community. The finalists' names were forwarded to President Ross. Mr. Warren thanked the members of the Search Committee for the amount of time each devoted to the process.

President Ross recommended the election of Dr. David O. Belcher, provost and vice chancellor for academic affairs at the University of Arkansas at Little Rock, to be the next chancellor at Western Carolina University. President Ross recapped the charge he delivered last November to the 16-member search committee tasked with finding Western Carolina University's next chancellor. He commended the Search Committee for its work in narrowing the national search by identifying three highly qualified candidates for the position.

Lastly, President Ross provided a summary of Dr. Belcher's numerous academic experiences and achievements. A native of Barnwell, S.C., he graduated from Furman University with a degree in piano performance; he earned his master's degree in piano performance from the University of Michigan and studied in Vienna, Austria on a Rotary Foundation Graduate Fellowship before earning his doctorate degree from the University of Rochester's Eastman School of Music. He began his academic career in 1988 as an assistant professor of music at Missouri State University where he steadily rose through the academic and administrative ranks. He served as Dean of the College of Arts and Letters from 1994 – 2003. Since 2003, Dr. Belcher has served as Provost and Vice Chancellor for Academic Affairs at the University of Arkansas at Little Rock (UALR), where he was credited with leading strategic planning and helping the campus to become more responsive to regional and state priorities. Under his direction, the campus had launched seven new doctoral degree programs, created an Office of Innovation and Commercialization to capitalize on faculty research and promote economic development, implemented initiatives to improve student retention and graduation rates, was recognized as a Carnegie Community Engaged Institution, and had begun a thorough review of the undergraduate curriculum. Dr. Belcher is also a member of the leadership team for UALR's first-ever comprehensive fundraising campaign, which reached its \$75 million goal 18 months ahead of schedule.

Mr. Lail moved, seconded by Dr. Taylor, that President Ross' recommendation of Dr. David O. Belcher to serve as the next chancellor of Western Carolina University be approved. The motion carried. For Dr. Belcher's remarks, please see Appendix T.

### **CHAIRMAN'S REPORT**

Chairman Gage thanked Mr. Warren and the entire Search Committee for their outstanding work and she was thrilled to have Dr. Belcher and his wife, Susan, join the University.

Next, she reminded the members of the Board to submit their Statement of Economic Interest Forms by April 15, 2011. Dr. Carter's installation would be held on Friday, April 15, 2011. An ethics training workshop was scheduled for Wednesday, June 8, 2011.

Chairman Gage announced an important date change. The Board meeting scheduled for October 14, 2011, was moved to October 7, 2011. President Ross' installation will be held on Thursday, October 6, 2011, on the campus of North Carolina A&T State University. The Board will meet the following day, October 7, 2011, in Greensboro. Full details of these events would follow.

In regards to the previous day's policy discussion, Chairman Gage stated that Vice President Perusse presented a clear and concise look at the University's and the State's budgets. Significant budget cuts would seriously harm the University. President Ross and Vice President Watkins would call on the members of Board to communicate the priorities of the University with our legislators.

In closing, Chairman Gage announced that the next meeting was scheduled for June 10, 2011, at the Spangler Center. Mr. Barringer mentioned that Dr. Franklin McCain was the guest speaker at the Cary Academy on January 14, 2011, in conjunction with the school's Martin Luther King Jr. Day celebration.

The meeting adjourned at 11:15 a.m.

Appendix A	2011 O. Max Gardner Award Citation and Response	Posted Online
Appendix B	Authorization of New Capital Improvements Project – WSSU	Posted Online
Appendix C	Approval of the Establishment of an Associated Entity – UNC-CH	Posted Online
Appendix D	Authorization to Sell Special Obligation Bonds – ASU	Posted Online
Appendix E	Authorization of the Delegation of Authority to Prepare, Execute, and Submit Documents Related to Build America Bonds – UNC Hospitals	Posted Online
Appendix F	Authorization of New Capital Improvements Projects – ECU and UNC-CH	Posted Online
Appendix G	Authorization of Leases for Student Housing – FSU	Posted Online
Appendix H	Approval of Amendments to Policy 200.6, <i>Delegation of Authority to the President</i>	Posted Online
Appendix I	Approval of Licensure for South University to offer the following degree programs in Highpoint: (For the list of 11 degree programs, please open this Appendix)	Posted Online
Appendix J	Approval of Licensure for the Art Institute of Charlotte to offer the following degree programs in Charlotte: <ul style="list-style-type: none"> <li>• Bachelor of Arts (B.A.) in Industrial Design</li> <li>• Bachelor of Arts (B.A.) in Advertising</li> </ul>	Posted Online
Appendix K	Approval of the Request to Merge the Art Institute of Charlotte and the Art Institute of Raleigh-Durham with South University	Posted Online
Appendix L	Authorization to Discontinue the Bachelor of Arts in Exercise and Sport Science – ECU	Posted Online
Appendix M	Request to Establish the School of Health and Human Sciences and Discontinue the School of Health and Human Performance and the School of Human Environmental Sciences – UNCG	Posted Online
Appendix N	FY 2010 UNC Research and Sponsored Programs Report	Posted Online
Appendix O	The University of North Carolina 112 <sup>th</sup> Congress: Federal Policy Agenda	Posted Online
Appendix P	Board of Governors Statement of Priorities to accompany the Federal Policy Agenda	Posted Online
Appendix Q	Nominees for Board of Trustees -2011 – Provisional List	Posted Online
Appendix R	Authorization of Lease for Housing Facility – UNCG	Posted Online
Appendix S	President Ross' Report	Posted Online
Appendix T	Chancellor-Elect David O. Belcher's Remarks	Posted Online