

BOARD OF GOVERNORS MEETING

The University of North Carolina

July 12, 2002

The Board of Governors met in regular session on July 12, 2002, in the Board Room of the General Administration Building, Chapel Hill. Mr. Ruffin, the chairman, called the meeting to order at 8:30 a.m.

INVOCATION

Dr. Gilchrist gave the invocation:

Almighty God. You have been mighty, mighty good and gracious to us. We humbly submit ourselves to you. We thank you for allowing us to represent you as members of the Board of Governors of The University of North Carolina. We are reminded that it is our responsibility to do what is best in the interest of the students, faculty, and staff. We will also be reminded and mindful that we must continue to support the leadership of this great institution. Bless our President and her staff, the Chancellors and their staff as they deliberate in critical decisions that they must make. Continue to let finances flow so that our great institution can continue to provide high quality service to our state. We ask that you will please remember Mayor Lightner of Raleigh and his family. Carry them through. Hear these prayers. We ask that you would help us to know of your guidance, your grace, and your wisdom. Amen.

ROLL CALL

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

Benjamin S. Ruffin
Bradley T. Adcock
G. Irvin Aldridge
James G. Babb
J. Addison Bell
F. Edward Broadwell, Jr.
William T. Brown
William L. Burns, Jr.
C. C. Cameron
Anne W. Cates
John F.A.V. Cecil
Bert Collins
John W. Davis III
Ray S. Farris
Dudley E. Flood

Hannah D. Gage
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
Jim W. Phillips, Jr.
H. D. Reaves, Jr.
Gladys Ashe Robinson
J. Craig Souza
Priscilla P. Taylor
J. Bradley Wilson

The following members were absent:

Angela R. Bryant
Robert F. Warwick
Ruth Dial Woods

Chairman Ruffin stated that Dr. Woods, who was away on state business, had an excused absence under the provisions of the statute.

ADMINISTRATIVE ACTION ITEMS

Chairman Ruffin called attention to the Administrative Action Items listed on the agenda and inquired if any member wished to have items removed for further discussion.

Mr. Phillips asked that items j and k be removed from the list for discussion later. Mr. Souza asked that item l (due to an amendment) also be removed from the list for discussion later.

Without objection, items j, k, and l were removed from the list. Mr. Aldridge moved, seconded by Mr. Davis, that the following Administrative Action Items be approved by consent:

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|-----------|--|------------|
| a. (B/F) | Approval of an Increase of Student Dining Debt Service Fee, UNCCH | Appendix A |
| b. (B/F) | Authorization of New Capital Improvements Projects, ECU | Appendix B |
| c. (B/F) | Authorization of New Capital Improvements Project, NCSU | Appendix C |
| d. (B/F) | Approval of Disposition of Property, NCSA | Appendix D |
| e. (EPPP) | Authorization to Establish the Bachelor of Science Degree in Environmental Science, WCU | Appendix E |
| f. (EPPP) | Authorization to Establish the Master of Social Work, FSU | Appendix F |
| g. (EPPP) | Authorization to Establish the Bachelor of Science in Business Administration in International Business, ASU | Appendix G |
| h. (EPPP) | Authorization to Establish the Master of Conflict Resolution, UNCG | Appendix H |
| i. (EPPP) | Authorization to Establish the Master of School Administration, UNCP | Appendix I |
| m. (P&T) | Adoption of the Proposed Amendment to Policy 600.2.3, Distinguished Professors Endowment Trust Fund | Appendix J |

The motion carried.

ADMINISTRATION OF OATH OF OFFICE

Chairman Ruffin said the University was privileged to have outstanding student representation on the Board of Governors and he welcomed Jonathan Ducoté. The chair introduced the members of Mr. Ducoté's family who were present and asked his mother, father, and sisters, along with Ms. Dottie Fuller, to join him at the podium for the swearing in.

Ms. Fuller, a notary public, administered the oath of office and asked the newly sworn member to sign two copies of the prepared oath. Chairman Ruffin congratulated Mr. Ducoté and presented him with a certificate of membership.

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On motion of Mr. Aldridge, seconded by Mr. Phillips, the board voted to convene in closed session pursuant to North Carolina General Statutes Sections 143-318.11(a)(3) to consult with our attorney to consider and give instructions concerning a judicial action titled Shaw Food Services v. Fayetteville State University; 143-318.11(a)(5); and 143-318.11(a)(6). The motion carried.

CLOSED SESSION

APPROVAL OF MINUTES OF CLOSED SESSION

In accordance with procedures established to comply with the Open Meetings Law, the closed session minutes for May 10, 2002, were presented for review and approval. Mr. Cecil noted that the reference to "154 acres" for the acquisition of property at Appalachian State University should be "15.4 acres." On motion of Mr. Cecil, seconded by Dr. Gilchrist, the minutes were approved as corrected.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Acquisition of Property – East Carolina University

Mr. Bell, chair of the Committee on Budget and Finance presented a request from East Carolina University to acquire two parcels of property located in Greenville. Mr. Bell

moved that the request be approved and transmitted to the Council of State for final action, and further moved that the final purchase price for the properties be consistent with the property appraisals to be conducted. Mr. Collins seconded the motion and it carried.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mr. Souza, chair of the Committee on Personnel and Tenure, presented the committee's report, subject to approval in open session.

Summary Personnel Report

Mr. Souza said the committee's report included four campus administrative appointments and one administrative appointment in the UNC Office of the President. Mr. Souza pointed out that all recommendations were made in accordance with the directives issued by the Budget Office regarding hiring and salary increases and in compliance with the Board of Governors resolution passed in May 2002.

In addition, the report included recommendations for appointments, promotions, conferrals of tenure, and appointments at the following institutions: East Carolina University, Elizabeth City State University (two distinguished professorships), UNC Chapel Hill, UNC Charlotte, and UNC Pembroke.

Mr. Souza also recommended the approval for promotions with conferral of tenure and conferrals of tenure from UNC Asheville, reviewed by the committee at its special meeting on June 19, 2002, and listed separately on the Summary Personnel Report.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Appeal of Faculty Member – North Carolina Central University

Dr. Brown, chair of the Committee on University Governance, presented and moved approval of the committee's report in the appeal of a faculty member at North Carolina Central University. Mr. Adcock seconded the motion and it carried.

LEGAL MATTERS

At the request of Chairman Ruffin, Vice President Winner commented briefly on one legal matter: Shaw Food Services v. Fayetteville State University.

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On motion of Dr. Gilchrist, seconded by Mr. Phillips, the board voted to reconvene in open session.

RESUMPTION OF OPEN SESSION**MINUTES**

Mr. Cecil moved, seconded by Mr. Aldridge, that the minutes of the meeting of May 10, 2002, be approved. Mr. Farris asked that the minutes show that he abstained from the vote on the Administration Action Items. With that change, the motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

As a matter of information, Mr. Bell reported the committee, at its meeting on the preceding day, reviewed the current budget situation and the Governor's recommended budget as well as the budget passed by the Senate. He said the committee discussed the progress made in the development of the expansion budget requests for the next biennium and will continue to monitor budget developments and provide the board with periodic updates.

Mr. Bell also reported that, as an experiment, the committee received its agenda items by email and said all the committee members liked the procedure and would encourage all board members to receive their agenda and other materials by email.

Amendment to Tuition Rates for 2002-2003

Mr. Bell reported that at the June 20 meeting of the Committee on Tuition Policy, the committee received information from Dean Sullivan of the Kenan-Flagler School of Business

concerning funding from tuition increases and the need to maintain competitiveness with respect to its peers. As a result of this report, Chancellor Moeser requested that a portion of the campus-initiated tuition increase of \$2000 for Master's in Business Administration nonresident students and \$1300 for Master's in Accounting nonresident students be delayed until market conditions improve, as determined by the dean.

On behalf of the committee, Mr. Bell moved that the board allow UNC Chapel Hill to delay the campus-initiated tuition increase for nonresident students in the MBA and MAC programs, as requested by the chancellor. He added that for the 2002-2003 year, the MBA nonresident tuition rate will increase by \$500 (rather than \$2000) and the MAC nonresident tuition rate will increase by \$100 (rather than \$1,300). The nonresident tuition rates for the programs would be \$26,749 and \$19,466, respectively. Mr. Cecil seconded the motion. In further discussion, it was recommended that the campus-initiated tuition increase for residents also be delayed. For the 2002-03 year, the MBA resident tuition rate would increase by \$1,000 (rather than \$2,000) and the MAC resident tuition rate would increase by \$500 (rather than \$1,300). The resident tuition rates for the programs would be \$11,794 and \$8,041, respectively. The motion carried.

University of North Carolina Association of Student Governments

Mr. Bell reminded the members that at the May meeting the committee gave notice of a proposed policy identifying the University of North Carolina Association of Student Governments as the organization recognized by the board to represent the interests of students. The proposed policy was amended by the committee by adding the statement, "Employees shall be administrative in nature only." On behalf of the committee, Mr. Bell moved that the policy be adopted. Mrs. Perry seconded the motion and it carried. (Appendix K)

Higher Education Bonds

Mr. Bell reminded the members that the legislation that provided for the 2000 Higher Education Bonds required that an oversight committee be created and report to the Board

of Governors periodically on the progress being made in carrying out the bond program. With the chair's permission, Mr. Bell called on Mr. Charles T. Davidson, co-chair of the Higher Education Bond Oversight Committee. Chairman Ruffin, on behalf of the Board of Governors, expressed appreciation to Mr. Davidson and Mr. Paul Fulton for taking on this assignment

Mr. Davidson thanked the board for the opportunity to share remarks with them regarding the functions of his committee. He said this was the committee's first semi-annual report and the committee would provide reports twice a year as mandated by the legislature. Mr. Davidson reported on the work of the committee and responded to questions. (For the Higher Education Bond Oversight Committee Semi-Annual Report: July 2002, see Appendix L.)

REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

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

Feasibility Study Regarding Dentistry

Mr. Reaves reminded the members that the Office of the President secured three consultants to study issues related to dentistry. The consultants recommended an expansion of the number of dental students at UNC Chapel Hill by 25 per class over the next five years and a significant expansion of the dental residency program at East Carolina University. The consultants also recommended the establishment of an academic dental department at East Carolina University to support the expanded residency program and the establishment at East Carolina University of a residency program in pediatric dentistry. Mr. Reaves said the consultant identified several issues, including cost, which made the building of a new dentistry school prohibitive at this time. On behalf of the committee, Mr. Reaves moved that the report on

dentistry be approved and transmitted to the Joint Legislative Education Oversight Committee.

Mr. Keber seconded the motion and it carried. (Appendix M)

Request for Information Technology Management Flexibility – The University of North Carolina at Chapel Hill

Mr. Reaves presented and moved approval of a request from the University of North Carolina at Chapel Hill for information technology management flexibility as presented in their plan. Mrs. Little seconded the motion and it carried. (Appendix N)

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Summary Personnel Report

Mr. Souza said the committee's report included four campus administrative appointments and one administrative appointment in the UNC Office of the President:

- Michael J. Lewis, Vice Chancellor for Health Sciences, East Carolina University
- William A. Forsythe, Chair and Professor, Nutrition and Hospitality Management, School of Human Environmental Sciences, East Carolina University
- William Swart, Provost and Vice Chancellor for Academic Affairs, East Carolina University
- Larry F. Hodges, Chair and Professor, Computer Science, College of Information Technology, UNC Charlotte
- Mary D. McDuffie, Director, North Carolina Center for the Advancement of Teaching, UNC – Office of the President

In addition, the report included recommendations for appointments, promotions, conferrals of tenure, and appointments at the following institutions: East Carolina University, Elizabeth City State University (two distinguished professorships), UNC Chapel Hill, UNC Charlotte, and UNC Pembroke. (For the July 12, 2002, Summary Personnel Report, see Appendix O.)

Mr. Souza also recommended the approval for promotions with conferral of tenure and conferrals of tenure from UNC Asheville, reviewed by the committee at its special

meeting on June 19, 2002, as listed separately on the Summary Personnel Report. (For the June 19, 2002, Summary Personnel Report, see Appendix P.)

On behalf of the committee, Mr. Souza moved, seconded by Mr. Grainger, that the committee's report be approved. The motion carried.

Adoption of the Proposed Amendment to Policy 600.3.4, Management Flexibility to Appoint and Fix Compensation

Mr. Souza called attention to Policy 600.3.4, Management Flexibility to Appoint and Fix Compensation, and said the committee amended the policy at its special meeting on June 19, 2002. The amendments are found under Section D.3 on page 5 of the policy. He reported the amended policy was mailed to the board members on June 20, 2002, however, since the amendment was not provided in time to meet the notice requirements (within the 28 days prescribed by Policy 100.2 in the Policy Manual), he moved that the rules be suspended in order to consider the matter. Mr. Burns seconded the motion and it carried by the necessary two-thirds vote of the members present. On behalf of the committee, Mr. Souza moved that the amendment be approved. Mr. Grainger and Mr. Burns seconded the motion and it carried. Appendix Q)

Salary Ranges for Administrative Officers 2002-2003

Mr. Souza presented and moved approval of the Salary Ranges for Administrative Officers for 2002-2003. Mr. Grainger seconded the motion and it carried. (Appendix R)

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

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

Petition to Campaign for Public Office – Dr. Christine Fitch

Dr. Brown presented and moved approval of a petition from Dr. Christine Fitch, a faculty member at East Carolina University. Dr. Fitch requested that she be granted a full leave of absence, without pay, while campaigning for election to the U.S. Congress during the Fall

Appointments to Liability Insurance Trust Fund Council

Dr. Brown reported there were two vacancies on the Liability Insurance Trust Fund Council of the University of North Carolina Hospitals and Physicians & Associates. On behalf of the committee, he moved the appointment of the two individuals listed below:

- Dr. Brian P. Goldstein, Executive Associate Dean for Clinical Affairs and Chief of Staff, UNC Hospitals
- Dr. Thomas E. Sibert, Executive Vice President for Clinical Services, UNC Health Care System and Chief Operating Officer, UNC Physicians & Associates

Dr. Gilchrist seconded the motion and it carried.

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Dr. Brown announced a vacancy on the Board of Trustees of the University of North Carolina at Chapel Hill, for a partial term ending June 30, 2005.

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Approval of Licensure for Central Michigan University to Conduct Degree Activity at Fort Bragg, NC in Master of Arts in Education with Concentrations in Adult Education and Instruction

Approval of Licensure for Central Michigan University to Conduct Degree Activity at Fort Bragg, NC in Master of Science in Administration with Concentrations in Information Resource Management and Leadership

Chairman Ruffin reminded the members that items j and k from the Administrative Action Items list had been deferred for later discussion and he asked Mr. Phillips, who had made the request, to address that matter at this time. Mr. Phillips said he was unable to attend the Planning Committee Meeting but questioned the rationale of an out-of-state program coming in to teach master's education programs with Fayetteville State University in the community and other universities in the state available to provide that kind of education at Fort Bragg. In the discussion that followed, Dr. Mabe and Dr. Antonelli responded that "by North Carolina Statute and by the board's policy," out-of-state schools who meet the University's licensure standards and wish to deliver degree programs in North Carolina are within their legal rights to do so. Dr. Mabe said a general meeting has been scheduled for later this month with

representatives from all of the military bases in North Carolina to address their educational needs so that the University can better organize our campuses' participation. Dr. Antonelli said the University's licensure is an opportunity to control the type of delivery and ensures a quality standard. Mr. Phillips noted that with the emphasis on distance learning, the University should be taking a leadership role in this area. At the chair's request, Chancellor McLeod spoke to the matter and said Fayetteville State University has a 25-year relationship with Fort Bragg and is currently meeting with the officers there to determine what their four-year curriculum needs are. He reminded the members that the university is unable to compete financially with the private institutions in the courses offered.

On behalf of the Committee on Educational Planning, Policies, and Programs, Mr. Reaves moved that the board approved the following requests from Central Michigan University:

- Approval of Licensure for Central Michigan University to Conduct Degree Activity at Fort Bragg, NC in Master of Arts in Education with Concentrations in Adult Education and Instruction
- Approval of Licensure for Central Michigan University to Conduct Degree Activity at Fort Bragg, NC in Master of Science in Administration with Concentrations in Information Resource Management and Leadership

Mr. Keber seconded the motion and it carried. (Appendix V)

REPORT OF COMMITTEE ON PUBLIC AFFAIRS

Mr. Phillips, chair of the Committee on Public Affairs, gave a brief overview of the University's budget in the General Assembly and encouraged the members to continue to make calls and have conversations with their legislators.

PRESIDENT'S REPORT

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting. The President called attention to a number of

personnel changes: the appointment of Dr. Richard Thompson as Vice President for University-School Programs, the promotion of Bart Corgnati to Secretary of the University, the appointment of Dr. Donna Benson as Dean of the School of Education at Winston-Salem State University, and two campus administrators who will spend a year in the Office of the President: Dr. Walter Harris as the first UNC Senior Executive Fellow; and Dr. Ken Swartzel, an accomplished researcher and inventor who will coordinate efforts to build greater capacity across our campuses to transfer faculty research and innovations to the marketplace.

The president also commented on several other matters, including the status of the University budget, the growing linkage between economic growth, University research, and education, and managerial flexibility for human resources.

President Broad publicly thanked and expressed appreciation to the officers of the board, Chairman Benjamin S. Ruffin, Vice Chairman John F.A.V. Cecil, and Secretary G. Irvin Aldridge for their dedication and leadership. (For the President's full report, see Appendix W.)

CHAIRMAN'S REPORT

Chairman Ruffin introduced the members of his family who were present: his wife Avon Long Ruffin; daughters April and Benita Ruffin; and his brother, Fred Ruffin.

The chair congratulated Jonathan Ducoté on his election to the Board of Governors and appointed him to the Committee on Educational Planning, Policies, and Programs.

Chairman Ruffin expressed appreciation to Mr. Charles Davidson for the report he gave earlier in the meeting and said the economic impact of the bond program has opened a number of job opportunities across the state.

ELECTION OF OFFICERS

Chairman Ruffin reviewed the election procedures in each member's folder. He said Vice President Winner had agreed to serve as parliamentarian and Chancellors Ammons, Borkowski, and Fox had agreed to serve as tellers, in the event of multiple nominations for one or more offices.

The chair declared the floor open for nominations for the office of chairman. Mr. Davis nominated Mr. Wilson as chairman. Mr. Collins seconded the nomination. On motion of Mr. Souza, seconded by Mr. Grainger, the nominations were closed and Mr. Wilson was elected chairman by acclamation. The motion carried and the board honored Chairman Wilson with a standing ovation.

Chairman Ruffin then declared the floor open for nominations for the office of vice chairman. Mr. Keber nominated Mrs. Little as vice chair. Dr. Perry seconded the nomination. On motion of Mr. Souza, seconded by Mr. Grainger, the nominations were closed and Mrs. Little was elected vice chair by acclamation. The motion carried.

Chairman Ruffin then declared the floor open for nominations for the office of secretary. Mr. Babb nominated Mr. Aldridge as secretary. Dr. Flood seconded the nomination. On motion of Dr. Brown, seconded by Mr. Grainger, the nominations were closed and Mr. Aldridge was elected secretary by acclamation. The motion carried.

Outgoing Chairman Ruffin congratulated the new officers on their election and then relinquished the chair and gavel to the incoming Chairman of the Board of Governors, J. Bradley Wilson.

Chairman Wilson said it was appropriate at this time to pause and pay tribute to two people who had admirably led the Board of Governors during the past four years. On behalf of the Board of Governors, he presented a resolution honoring John F.A.V. Cecil. On motion of Mr. Bell, seconded by the board with a standing ovation, the resolution was adopted.

(Appendix X) In his remarks to the members, Mr. Cecil said,

Thank you Mr. Chairman. I would like to sincerely thank all of you who afforded me the opportunity to be here for four years as your vice chairman. I'd like to also thank all of you who supported me during that tenure. I hoped that I served you well. I hope that I served all of the constituent institutions fairly and equitably. It has been my honor and distinct pleasure to serve as vice chairman these past four years. I now look forward to joining you on that side of the table and turning this position over to Teena Little. Teena I know that all of the board will support you and Brad Wilson. Thank you very much.

Before presenting a resolution honoring outgoing Chairman Benjamin S. Ruffin, Chairman Wilson offered the following observations:

Ben Ruffin has served as our chair for the past four years during some of the most challenging circumstances to ever confront this University. A few are campus-based tuition requests, financial aid for our students, tight budgets, and the passage of the largest bond referendum in the history of the United States for higher education—a bond that would not have passed without his tireless leadership.

The forthcoming resolution will recount his record as chair; however, I want us to pause a moment and reflect on the Ben Ruffin, who as a young man, with \$100 in his pocket and a dream in his heart, arrived on the North Carolina Central University campus, not knowing what the next day might bring or how long he may be able to stay, or how long they would let him stay.

Let us recognize the Ben Ruffin who, at a less progressive time in our state's history, used the tools this University provided him to become a leader—a leader who, despite the odds, despite the criticism, despite the risks—became a nationally recognized leader in civil rights, in government, in business, in public service, in his church, and in higher education. Let us pay tribute to the Ben Ruffin who has inspired us with his wit, his wisdom, his frequent inspirational scriptural references, or rhyme. We will never know the hours and miles he has given to the University and for us. What we do know is that if we ever need tangible evidence of the value of a great public university, all we need to do is look at the life of our chair—Ben Ruffin—and then rest our case.

Mr. Chairman, we thank you for your leadership, but most of all we thank you for what you have done with your life, and the example you have given us and the students of this University.

On behalf of the Board of Governors, Chairman Wilson presented a resolution honoring the service of outgoing Chairman Benjamin S. Ruffin. On motion of Mr. Cecil, seconded by the board with a standing ovation, the resolution was adopted.

(Appendix Y)

At Chairman Wilson's request, Mr. Ruffin made the following remarks:

Thank you very much Brad for the resolution and the comments you made. I want to say just a couple of things and I'll be brief. This is not my day; this is Brad's day.

First, I want to express my gratitude to Jack Cecil for his support in my tenure as chair. He was always there and always had a strong ear to listen and he was a friend. I want to also express to Irving Aldridge my deep appreciation to you for your wise counsel and friendship.

I want to thank President Broad for allowing me to work with her and for the guidance and the involvement that she gave and the friendship that she lent. I shall never forget the 48 months of struggling with these members of this Board of Governors. And I shall never forget the joy and the friendships that we developed. And I shall never forget the good that we have done—not only for this University, but for the State of North Carolina and I am deeply indebted to you and I shall always remember it. Thank you very much.

I also want to acknowledge our Chancellors—the folk who are on the front line each and every day—carrying the torch for the University and carrying it so well, not only on our campuses, but throughout our communities. You do it do well, you give so much, for so long, to so many, and I am appreciative for your friendship and for your hard work.

Now I want to thank all of the members of the President's staff who give each and every day to us. Joe Crocker—it is good that you are here today to represent the Boards of Trustees, because no one can really imagine the time and effort that you all give out there each and every day working with those local boards to make sure that we don't have problems at this level. We are grateful to you, thank you so much for that.

All of us are important—I want to thank the press for the good work that you have done. I know I said it is some degree of comic—but we never could have gotten those bonds passed if you had not made all those long meetings with us and covered and told the stories the way that you did, as well as other things about this University.

But just let me pause and tell you that all of us are very important—but I want to tell you the folk who I think really carry the torch for us. It was John Neville picking us up and carrying us from place to place, riding us all around and picking us up at the airport. It was Frances Hope making sure that we had a room and that we had everything that we needed, even when we asked her to do stuff that we couldn't do for ourselves, and she did. It was Michelle putting out these name cards and then we would come back and move them around—but doing the little things behind the scenes. It was Sandra who even had to put a Diet Coke on ice for one of the board members so he could have a Diet Coke, cold Diet Coke at our board meetings. I won't call your name Frank Grainger. These are the great people. Angelisa—who took the calls when I called for members of the staff and she refused to put me on hold or allow me to get a voice mail—she got up from her desk and went back to make sure I spoke with the person I needed on the phone. I want to thank the “behind the scenes” people whose names never appear on a piece of paper, pictures never appear in the newspaper, never seen on the television—but they help to run this University. Let's give them a round of applause.

Just two more things. This University is in good shape and I am proud of it. I am proud of the work we have done. I will never forget the long hours we spent at Salem College in Winston-Salem for six hours—working on one of the toughest issues we had—tuition. Our meeting was all day long literally because of the Joint Meeting of the Education Governing Boards, but it showed the magnitude of the attention to the problem, that we were not going to just come in here and sweep it under the rug. But our emotions and our

sensitivity went into even discussing an issue like that. I am proud of Andy Payne and Jonathan Ducoté, that students have been recognized at this Board of Governors like they have never been represented before. Two hundred, almost three hundred thousand dollars to run student activities—the basis of our University system, and I am proud Andy of your leadership to make sure that happened.

We gave the University to the people in our University Report to the People when we went out and had those meetings across this state and left with three and four hundred people in each and every one of our communities and let them tell us about their University and how they saw their University and the love for their University. It was a real connection that we had and a real commitment that we had with the people of this state.

I can visualize now the former Board of Governors members coming to a luncheon at the George Watts Hill Alumni Center and they were so excited that we could not even get them in the room to sit down and eat, because they had not seen each other for a long time. It was a first attempt to get all former Board of Governors members together and extend our appreciation—a highlight and a high point.

The newsletter that we do is sent to the General Assembly so they can never say again that they don't hear from the Board of Governors members because if they look on their desk, they have a little newsletter from the Board of Governors.

To go out on everyone of our campuses and hold an official board meeting on each and every campus in this system was really a highlight of the tenure that I had as chair. And I can't tell you how welcome we were on those campuses and how each chancellor and every member in that community felt the impact of us coming. And I want to thank you all again for allowing us to come.

To pass a \$3.1 billion package is significant in itself, but it never would have happened if we had not built the kind of infrastructure that we built across this state and the kind of connection we built across this state by doing the work that we did to go out and really address and meet the people and let them meet us. It shall always be a highlight and I know that each and every board member not only worked their fingers to the bone but they helped to raise the money so that we could get it done. It was an effort on behalf of all of us, it was a partnership for the State of North Carolina and it is something that is now the envy of the whole nation. I congratulate you and I thank you for it.

Before I sit down, I must tell you that we still have one or two challenges or one or two opportunities. We must, as a Board of Governors, as the State of North Carolina, as the General Assembly, we must find a better way to fund our universities rather than funding our universities on the backs of the students. Continuing to increase tuition will deny those young people who are stuck at the bottom, with little resources, an opportunity to matriculate and get an education. We must find another way to fund our schools.

Second, we must be unrelenting in the maintenance of our universities and never allow our universities to approach the position that we found ourselves in three or four years ago before we passed the bond package.

Third, enrollment growth, monies from the General Assembly in the continuation budget is absolutely imperative and essential for good planning and for us to maintain our position in the University system.

Fourth, the General Assembly must do everything in its power with our prodding and with our support and with our encouragement, to find money to help us run our university system. We cannot afford the kind of cuts that they are imposing upon us and expect us to be the economic engine for the State of North Carolina. Without a good education, we are going to have bad economics in North Carolina. We need to continue funding and have a good budget for our University system.

And fifth, the governance system in our University System has not been all bad—in fact it's been a lot good. Tampering with the governance system in our University System is a threat, I think, to the under pinning, under girding, and foundation of our University System. In fact it tampers with the greatness of our University System.

So I have offered us the highlights of our University System to say to you that our University is in good shape, but while we look at our University in good shape, we must be reminded that we still have some undone work and some unfinished work to do as a challenge.

Finally I want to thank you for allowing me to live out the true dream of Langston Hughes. Langston Hughes said, "And I'm tired of sailing my little ship deep inside the harbor, I want to go out in the deep where the great ships are." And in allowing me to serve as chair of this Board of Governors you pushed me out from the harbor, out into the deep where the great ships are.

Thank you very much.

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Chairman Wilson congratulated Vice Chair Little and Secretary Aldridge and said he looked forward to their friendship and to working with them. In his first address to the members, he said:

Let me begin by thanking you for the confidence you have placed in me by electing me your Chairman. I am honored to serve and humbled to join a long list of distinguished leaders of this Board. It is my hope that I will be able to live up to their legacy, and I pledge to you my best efforts as together we work to advance the cause of the University.

I want to recognize my wife, who is here with me today. I have received many great opportunities because of this University, and there was none greater than meeting Carole in '71 at Appalachian. We have been together since, and almost everything that I have ever achieved is because of her love and support, and I want to thank her for that.

I would also like to recognize my friend Linda Barrow, who is also my administrative assistant. If you do not know her, you will. I appreciate her

being here and helping to keep me pointed in the right direction.

As I was thinking about my next two years as your Chairman, I was taken back to 1971 when I entered Appalachian- the first person in my family who was able to go to college. Virtually everything good that has happened to me in my life has in some way been connected to my experience there.

The education I received from a dedicated faculty has enabled me to pursue the professional career of my choice and instilled in me an appetite for learning that continues today. The friendships that were formed and the experiences that were shared were as an important a part of the educational experience as the academics. The opportunities that the university created were more than I could ever have expected or deserved.

Providing access to education, friendships, and opportunity is the primary mission of this Board. Making sure that the door to the University is always open-and that resources are available to help those who need it to pass through that door-is our duty. Ensuring quality in the entire educational experience is our responsibility. Graduating every student who enters is our goal. The byproduct of that goal is building a North Carolina that is the best place to live and work in America.

During the past year, I have had the opportunity to speak with each of you about your hopes and dreams for this Board and for the University. I have learned a lot, and I thank you sharing your thoughts with me. I know you will continue to do so.

Today we find the University in the classic Dickens' paradox. We are in the best of times...and the worst of times. This University is the fortunate beneficiary of the support of the people of North Carolina, and we are busily constructing critically needed laboratories and classrooms with the bond dollars they approved for our use.

Enrollment is up, and the students arriving on our campuses are the best and the brightest in the history of the University. We are now at the national average for the college-going rate. Our graduates are prepared for whatever career paths they choose.

There are so many other positive things going on in this University. We need to constantly remind ourselves of that as we also experience the worst of times.

We all know of the budget challenges facing our state, and the University is not exempt from their impact. The General Assembly is facing many tough choices. I read this quote the other day from a university leader: "We are in bad shape, the Appropriations Committee went against us last night. We are unnerved. Don't see many prospects. Some members said it was agreed that we shouldn't ask for much...Everything is blue and I did not sleep any last night." These words by B. B. Dougherty, the first chancellor of Appalachian, were written on February 23, 1905, as he lobbied the General Assembly for funds. Sometimes the more things change, the

more they stay the same.

As they did in 1905, we hope that legislators will continue to recognize the important contributions that the University makes to the economic health of our state, and that they provide the resources necessary to serve the students who are our future.

It is important that our campuses retain full use of overhead receipts, particularly at a time when research is so critical to economic development. The General Assembly had the wisdom several years ago to permit retention of these funds, and we urge that they be left in place.

This University is on the cutting edge of technology. However, there is much more that can be done. To that end, I have asked Jack Cecil to chair a special task force on the Future of Information Technology in the University of North Carolina to focus on three things:

- A review of the network needs of the University of North Carolina relative to the proposed expansion of the North Carolina Research and Education Network operated by MCNC. This should include an assessment of the MCNC plan to serve high-performance computing and communications.
- An assessment of opportunities to deploy and utilize information technology networks, tools, and strategies to improve efficiencies and achieve savings in administrative operations and educational support.
- The framing of the next phase of UNC's Information Technology Strategy for the 21st century by incorporating the emerging infrastructure and by defining the future needs, applications, and requirements of University faculty and students.

I will ask John Davis to serve as Vice Chair, along with Jim Babb, Hannah Gage, Willie Gilchrist, Patsy Perry, Ruth Dial Woods, Cobby Reaves, and Jonathan Ducoté.

This Board has its own challenges, and we must find ways in which we can perform our duties more efficiently. I have already talked with the President about some operational efficiencies for the Board, and in August I will name a special committee to work with her and the Secretary to explore ways that we can improve our communications and processes.

As I talked with you about my aspirations to become Chair, I heard a universal expression of concern about polarization of the Board. This is a trend we cannot ignore.

As we debate issues, we will express different points of view, and not every vote will be unanimous. That is okay so long as we remember the ultimate criterion against which we must test every decision: What is in the best interest of the University and all of our students?

Our judgments must be sensitive to the needs of each campus, but individual needs should not override the obligation we have to the whole. Many of you have said to me that our focus has been too narrow, that virtually every issue is defined in the context of our research universities. Some of you have said that our research universities do not get enough attention and that they suffer as a result.

We must not frame our discussions this way. To do so is an abrogation of our responsibility. We have a duty to be concerned about the quality and performance of all of our campuses. If we want to focus on national rankings as a legitimate measure of quality and performance, then it is important that we ask ourselves why all of our schools do not appear near the top of these measures—not just why a few appear where they do. We must resist framing issues as “research versus everybody else.”

If we go around this room and ask everyone whether North Carolina has one of the best university systems in the world, my guess is the answer would be a resounding, “Yes.” In fact, if you look at third-party analyses, North Carolina is typically held up as the model. That did not happen by luck.

Our system was designed to succeed, and it has. We are not perfect and we have our challenges, but this is the greatest university system in America, and we are its stewards. Let the members of this Board, as those who have served before us, be faithful to our duty to all 16 campuses, advocating for the needs of all and not at the expense of some. If we do, the judgment of history will be that of a job well done.

I pledge to use my best efforts to meet the challenges we face, to be inclusive in our processes, to guide us away from polarization, to remind us of our duty to all, and to help make this great University even greater.

Appointment of Committee on Committees

Without objection, Chairman Wilson named the following persons to serve on the 2002 Committee on Committees

Jim W. Phillips, Jr., Chair
Hannah D. Gage, Vice Chair
Bradley T. Adcock
Angela R. Bryant
Teena S. Little

Chairman Wilson asked that the committee complete its work as soon as possible and report to the board promptly, possibly as early as August or September. The members of the board were asked to complete the preference sheets in their folders and return them to the Office of the Secretary no later than July 19.

Review of Eight-Month Meeting Schedule

The chair noted that Chairman Brown and the Governance Committee were in the process of analyzing the eight-month meeting schedule and he asked that they continue with this process. He also asked the committee to consider not making any changes until the board has a year of experience with that format. Chairman Wilson said the board would have nine meetings this year, with the next meeting occurring on August 9.

Chairman Wilson informed the members that he plans to meet regularly with the elected officers and the chairs of the standing committees to discuss the work of the board. He added that within the next few months, he planned to appoint a committee to take a look at The Code to see what changes, if any, needed to be made.

To expedite the work of the Committee on Committees, Chairman Wilson and Mr. Phillips asked members to take a moment to fill out their preference sheets and turn them in before leaving the meeting.

* * *

There being no other business the meeting adjourned at 11:10 a.m.

Secretary

APPENDICES

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

Appendix A	Approval of an Increase of Student Dining Debt Service Fee, UNCCH	Attached
Appendix B	Authorization of New Capital Improvements Projects, ECU	Attached
Appendix C	Authorization of New Capital Improvements Project, NCSU	Attached
Appendix D	Approval of Disposition of Property, NCSA	Attached
Appendix E	Authorization to Establish the Bachelor of Science Degree in Environmental Science, WCU	Attached
Appendix F	Authorization to Establish the Master of Social Work, FSU	Attached
Appendix G	Authorization to Establish the Bachelor of Science in Business Administration in International Business, ASU	Attached
Appendix H	Authorization to Establish the Master of Conflict Resolution, UNCG	Attached
Appendix I	Authorization to Establish the Master of School Administration, UNCP	Attached
Appendix J	Adoption of the Proposed Amendment to Policy 600.2.3, Distinguished Professors Endowment Trust Fund	Attached
Appendix K	University of North Carolina Association of Student Governments Policy	Attached
Appendix L	Higher Education bond Oversight Committee Semi-Annual Report: July 2002	Attached
Appendix M	Feasibility Study Regarding Dentistry	Attached
Appendix N	Request for Information Technology Management Flexibility – UNC Chapel Hill	Attached
Appendix O	Summary Personnel Report – July 12, 2002	Attached
Appendix P	Summary Personnel Report – June 19, 2002	Attached
Appendix Q	Policy 600.3.4, Management Flexibility to Appoint and Fix Compensation	Attached
Appendix R	Salary Ranges for Administrative Officers – 2002-2003	Attached
Appendix S	Petition to Campaign for Public Office – Dr. Christine Fitch	Attached
Appendix T	Petition to Serve in Public Office – Dr. Paul Leubke	Attached
Appendix U	Review of Eight-Month Meeting Schedule	Attached
Appendix V	Approval of Licensure for Central Michigan University to Conduct Degree Activity at Fort Bragg, NC	Attached
Appendix W	President's Report	Attached
Appendix X	Resolution Honoring John F.A.V. Cecil	Attached
Appendix Y	Resolution Honoring Benjamin S. Ruffin	Attached