

## **BOARD OF GOVERNORS MEETING**

The University of North Carolina

September 12, 2003

The Board of Governors met in regular session on September 12, 2003, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 10:30 a.m.

### **INVOCATION**

Mr. Farris gave the invocation:

Lord, we thank you for life, for freedom, for opportunity, for family and friends and for those whose devotion to you and to us and our fore bearers led to the establishment of this University. We ask that you nurture us as we, all of us comprising the University community, strive to meet our responsibilities in governing this institution. Help us see a oneness in the aspirations of students, professor, administrators, alumni, trustees and those who serve on this board. Have us advocate open doors for students and a fair chance for them to succeed.

As we measure achievement and value tradition, help us see strength in our diversity, in the varying missions of our schools. Teach us anew to trust our good instincts in working with one another as we explore differences, alternatives, common ground and ground yet to be tilled, all with the hope that we will work steadfastly to achieve the purpose for which the general assembly chartered the University on December 11, 1789, when it declared:

“In all well regulated governments, it is the indispensable duty of every legislature to consult the happiness of a rising generation and endeavor to fit them for an honorable discharge of the social duties of life, by paying the strictest attention to their education.”

In your name we pray.

### **ROLL CALL**

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

J. Bradley Wilson  
Bradley T. Adcock  
G. Irvin Aldridge  
James G. Babb

Willie J. Gilchrist  
H. Frank Grainger  
Peter D. Hans  
James E. Holshouser, Jr.

Brent D. Barringer  
J. Addison Bell  
R. Steve Bowden  
F. Edward Broadwell, Jr.  
William L. Burns, Jr.  
C. C. Cameron  
Anne W. Cates  
John F.A.V. Cecil  
Bert Collins  
John W. Davis III  
Jonathan L. Ducoté  
Ray S. Farris  
Dudley E. Flood  
Hannah D. Gage

Peter Keber  
Adelaide D. Key  
G. Leroy Lail  
Charles H. Mercer, Jr.  
Charles S. Norwood  
Cary C. Owen  
Patsy B. Perry  
Jim W. Phillips, Jr.  
Gladys Ashe Robinson  
Benjamin S. Ruffin  
J. Craig Souza  
Priscilla P. Taylor  
Robert F. Warwick

The following member was absent:

Estelle W. Sanders

\* \* \*

On motion of Mr. Aldridge, seconded by Mr. Keber, the board voted to convene in closed session pursuant to North Carolina General Statutes Sections 143-318.11(a)(3), 143-318.11(a)(5), and 143-318.11(a)(6). The motion carried

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The Board of Governors went into closed session at 10:45 a.m. and returned to open session at 11:55 a.m.

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## **PRESIDENT'S REPORT**

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

Among other matters, President Broad reported on the University's preliminary enrollment report, gave a status report of the mold infestation at North Carolina Central University, the fatal hardware crash to Western Carolina University's computing system, and the

resignation of Chancellor William V. Muse at East Carolina University. (For the President's complete report, see Appendix A.)

### **ADMINISTRATIVE ACTION ITEMS**

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

Mr. Adcock moved, seconded by Mr. Davis, that the following Administrative Action Items be approved by consent:

- |           |   |            |
|-----------|---|------------|
| a. (B/F)  | Authorization of New Capital Improvements Projects, WCU   | Appendix B |
| b. (B/F)  | Approval of the Revised Allocation from the 2003 Reserve for Repairs and Renovations  | Appendix C |
| c. (B/F)  | Authorization of the Sale of Revenue Bonds  | Appendix D |
| d. (B/F)  | Approval of the Revision of Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions           | Appendix E |
| e. (B/F)  | Approval of the Disposition of Property and Disposition by Lease, FSU   | Appendix F |
| f. (B/F)  | Approval of the Disposition of Property and Lease of Housing Space, WCU   | Appendix G |
| g. (B/F)  | Approval of the Report on Higher Education Bond Program for the Joint Legislative Commission on Governmental Operations and Bond Update | Appendix H |
| h. (EPPP) | Authorization to Establish the Bachelor of Arts in General Music, FSU   | Appendix I |
| i. (EPPP) | Authorization to Establish the Bachelor of Arts in Liberal Studies, NCA&T   | Appendix J |
| j. (EPPP) | Authorization to Establish the Bachelor of Arts in Spanish, UNCP  | Appendix K |
| k. (EPPP) | Authorization to Establish the Bachelor of Science in Athletic Training Sports Medicine, WCU  | Appendix L |
| l. (EPPP) | Authorization to Establish the Master of Fine Arts in Film Music Composition, NCSA  | Appendix M |
| m. (EPPP) | Approval to Establish the Center for Embedded Systems Research, NCSU  | Appendix N |
| n. (P/T)  | Approval of Policy 101.3.3, <i>Delivery of Notices</i>  | Appendix O |
| o. (P/T)  | Approval of Policy 400.3.7, <i>Extension Faculty</i>  | Appendix P |
| p. (P/T)  | Approval of Policy 600.2.3, <i>Distinguished Professors Endowment Trust Fund</i>  | Appendix Q |

The motion carried.

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

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

### **Request for Management Flexibility in Information Technology, North Carolina Central University**

Dr. Gilchrist moved that a request from North Carolina Central University for management flexibility in Information Technology be approved. The motion carried. (Appendix R)

### **Request for Management Flexibility in Information Technology, UNC Asheville**

Dr. Gilchrist moved that a request from UNC Asheville for management flexibility in Information Technology be approved. The motion carried. (Appendix S)

### **Amendment to Policy 400.1.1 – Second Academic Concentrations**

On behalf of the committee, Dr. Gilchrist moved that Policy 400.1.1 concerning second academic concentrations be amended by adding the sentence: *For teacher education programs, the President may issue regulations and/or guidelines setting parameters for required second academic concentrations.* The motion carried. (For the amended policy, see Appendix T.)

As a matter of information, Dr. Gilchrist reported the committee had an extensive discussion of non-resident freshman enrollment at the University's campuses. The discussion explored the University's commitment to serve the needs of increased access for first-time freshmen and the development of a plan to allow an opportunity for campuses to bring in additional non-resident talented and academically-superior students. He said the committee approved a motion to request the staff of the Office of the President to draft a policy for further

study and consideration. He added the committee plans to meet prior to the next board meeting to discuss the matter further.

Chairman Wilson said all members would receive a copy of the information reviewed by the committee on the preceding day and he encouraged the members of the board to attend the proposed meeting to consider the matter.

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

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

#### **Summary Personnel Report**

On behalf of the committee, Mr. Davis moved approval of those items presented in closed session. He said the report included two administrative appointments in the Office of the President:

- Joyce Spell Hodges, Facilitator (Master Teacher) NC-PMS, NC Mathematics and Science Education Network
- Erin M. Culbreth, State Relations Coordinator, Division of University Affairs

The motion carried. (Appendix U)

#### **Proposed Amendment to Policy 300.1.1**

Mr. Davis reported that at its meeting on the preceding day, the committee reviewed a proposed amendment to Policy 300.1.1. The amendment addresses the authority of the President with respect to the continuance of appointments for the chancellors. Mr. Davis gave notice that the committee plans to bring the proposed amendment for approval at the October meeting of the board.

### Authorization of One-Time Bonuses

On behalf of the committee, Mr. Davis moved that the board authorize the president to provide one-time bonuses ranging from 0 to 12 percent to eligible chancellors, with the total not to exceed a pool of 10 percent of the salaries of those eligible. The bonuses would be based primarily on merit and would apply only to chancellors who were in their positions on July 1, 2002. The motion carried.

### Amendment to Optional Retirement Program

On behalf of the committee, Mr. Davis moved that an amendment expanding the groups of UNC employees who are eligible to participate in the Optional Retirement Program be approved. The motion carried. (For the amended policy, see Appendix V.)

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

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

### Reappointments to UNC Health Care System Board of Directors

On behalf of the committee, Mr. Adcock moved that the Board ratify President Broad's reappointment of Dr. Jean W. Carter of Raleigh, Richard L. Daugherty of Raleigh, and James B. Hyler, Jr. of Raleigh, to the UNC Health Care System Board of Directors, each for a four-year term beginning November 1, 2003. The motion carried.

### Election to Board of Trustees – UNC Pembroke

Mr. Adcock moved that Dr. J. Breeden Blackwell of Fayetteville be elected to the Board of Trustees of the University of North Carolina at Pembroke, for a four-year term ending June 30, 2007.

### Reappointment of Directors of Research Triangle Foundation

On behalf of the committee, Mr. Adcock moved that Jim W. Phillips, Jr., of Greensboro, and Benjamin S. Ruffin of Winston-Salem, be reappointed as directors of the Research Triangle Foundation, each for a term ending October 31, 2004. The motion carried.

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Mr. Adcock reminded the members that at the August meeting Chairman Wilson asked the committee to identify changes that needed to be made to The Code concerning governance issues to help the board operate more efficiently. Among other items, he said the committee plans to examine the Committee on Committees' process and report their findings at the February 2004 meeting.

### **REPORT OF COMMITTEE ON HEALTH AFFAIRS**

Mr. Cameron, a member of the Committee on Health Affairs, presented the committee's report. He reported that Dr. Jeffrey L. Houpt, CEO of the UNC Health Care System, made a presentation to the board. As a result of flexibility granted by the legislature, the board gave the health care system increased flexibility authority in the areas of personnel, purchasing, and construction. Dr. Houpt and his associates made a presentation on their progress to date and noted there were a number of things happening in the health care system that could be easily applied to the University. Mr. Cameron said it would be good to repeat this presentation for the benefit of the entire board.

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

Mr. Cecil, chair of the Committee on the Future of Information Technology, reported the committee met earlier in the day, welcomed new members to the committee, and reoriented itself. He said the committee's work involves three phases: information gathering

and learning about MCNC in phase one; looking at information technology efficiencies throughout the University in phase two; and now the committee is ready to proceed with phase three, the forward thinking component.

Mr. Cecil noted that when the committee meets in October, it will look at market research and evaluate what is taking place environmentally in other systems and on campuses around the country that the University could benefit from. Later meetings will focus on best practices that emanate from the University's 16 campuses and from UNC Television and the committee will discuss further the North Carolina grid computing initiative. The committee hopes to learn from other campuses and institutions and then identify new initiative areas for the next steps of the IT strategy which will lay the groundwork for the 2004-2009 UNC IT strategy. The committee hopes to present a full report to the Board of Governors by March 2004.

#### **REPORT OF TASK FORCE ON MEETING TEACHER SUPPLY AND DEMAND**

Dr. Gilchrist, chair of the Task Force on Meeting Teacher Supply and Demand, reported the committee received information from Vice Presidents Bataille and Thompson. Chancellors Martin and Woodward are members of the Task Force and met with the committee. He said the committee recognized the shortage of teachers in North Carolina and decided to divide the committee into two subcommittees, one to look at the supply of teachers available and the other to look at retention. Dr. Gilchrist said the committee will meet again prior to the next board meeting and will present its report to the Board in February.

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

Mr. Babb, chair of the Committee on Public Affairs, gave a brief report. He reported that earlier in the day the committee held the first of a series of sessions on the role of the University in economic development in North Carolina. Vice President Milliken provided an



overview of how the University contributes to the economy in North Carolina and reviewed some state and University strategies for economic development. Mr. Scott R. Daughtery, Executive Director of the Small Business & Technology Development Center, which has 17 offices across the state, gave an overview of the services the Center provides.

In other matters, Mr. Babb announced that a comprehensive report on the legislative session will be distributed to the members of the board and chancellors.

### **ELECTION OF SECRETARY OF THE BOARD**

Chairman Wilson reminded the members that at the last meeting, former Board Secretary, G. Irvin Aldridge, was elected Vice Chairman of the Board, thereby causing a vacancy in the Office of Secretary. He called attention to the election procedure and opened the floor for nominations for the Office of Secretary.

Mr. Davis nominated Dr. Patsy B. Perry as secretary. Mr. Bell seconded the nomination. On motion of Mr. Keber, seconded by Mr. Cecil, the board voted to dispense with written ballots and elect Dr. Perry by acclamation. The chair put the motion and it carried by the necessary two-thirds vote of the members present. The chair declared Dr. Perry had been elected by acclamation and invited her to the podium for comments.

In addressing the board, Dr. Perry said,

Thank you colleagues for your confidence in me, demonstrated by your electing me Secretary of the Board of Governors. I am convinced that this board does excellent work and I am pleased to participate with you in accomplishing this work. I pledge to do my very best to read all the names correctly, to do all of the things that I am supposed to do as secretary. Again, thank you for your confidence shown in me today.

### **CHAIRMAN'S REPORT**

Chairman Wilson called attention to the new Standing Committee List for 2003-2004, as reconstituted with designated officers, that was included in each member's folder.

The chair congratulated the new members on the completion of their campus orientation visits to the 16 constituent institutions, and thanked the campus officials at North Carolina Central University and the University of North Carolina at Chapel Hill for hosting the new members of the board earlier in the week.

Chairman Wilson reiterated the President's comments noting the Conference on Trusteeship would convene on Wednesday, October 8, at noon at Appalachian State University. The one-day conference will conclude at noon on Thursday, October 9, and the board will go immediately into committee meetings and the Board of Governors meeting on Friday, October 10. He urged those members who had not responded regarding their intention to attend to do so as soon as possible.

#### Appointment of 2004 O. Max Gardner Award Committee

Without objection, Chairman Wilson asked the following members to serve on the 2004 O. Max Gardner Award Committee:

Dr. Taylor, Chair  
Mr. Collins  
Dr. Key  
Mr. Lail  
Dr. Perry

#### Liaison Committee of the Three Education Governing Boards

Without objection, Chairman Wilson asked Dr. Priscilla P. Taylor and Dr. Dudley E. Flood to serve on the Liaison Committee of the State Board of Education, the Board of Governors, and the State Board of Community Colleges, joining Mr. Keber and Dr. Perry as the board's representatives on this committee.

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There being no other business the meeting adjourned at 12:50 p.m.

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Secretary

## APPENDICES

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

Appendix A	President's Report	Attached
Appendix B	Authorization of New Capital Improvements Projects, WCU	Attached
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Appendix U	Summary Personnel Report	Attached
Appendix V	Amendment to Optional Retirement Program	Attached