

Board of Governors Meeting

January 13, 2012

Chapel Hill, North Carolina

The Board of Governors met in regular session on January 13, 2012, at the Spangler Center in Chapel Hill. Chairman Gage welcomed the guests. She recognized Mr. Ed Broadwell, a former member of the Board of Governors.

INVOCATION

Chairman Gage called on Ms. Maxwell to give the invocation.

ROLL CALL

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

Brent D. Barringer	Peter D. Hans
Atul C. Bhula	Thomas J. Harrelson
W. Louis Bissette, Jr.	G. Leroy Lail
John M. Blackburn	Mary Ann Maxwell
Peaches G. Blank	Franklin D. McCain
Laura W. Buffaloe	W. Edwin McMahan
Bill Daughtridge, Jr.	Charles H. Mercer, Jr.
Walter C. Davenport	Fred G. Mills
James M. Deal, Jr.	Burley B. Mitchell, Jr.
Phillip R. Dixon	Hari H. Nath
Fred N. Eshelman	David M. Powers
John C. Fennebresque	Richard 'Dick' Taylor
Dudley E. Flood	Raiford G. Trask III
Paul Fulton	Phillip D. Walker
Hannah D. Gage	J. Bradley Wilson
Ann B. Goodnight	David W. Young
H. Frank Grainger	

The following members were absent:

James E. Holshouser, Jr. (excused)	Irvin (Al) Roseman (excused)
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STATE ETHICS ACT

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

MINUTES

Mr. Dixon moved, seconded by Mr. Young, that the minutes from the open session of the November 11, 2011, meeting and the minutes from the open session of the December 8, 2011, meeting be approved. The motion carried.

PRESIDENT'S REPORT

President Ross thanked the Board for their commitment to the University. He spoke about the University Award Dinner that honored President *Emeritus* Bowles and noted that the occasion was very special and no one was more deserving of this recognition than President Bowles, who has done so much for the University in so many ways. For President Ross' complete report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Lail moved, seconded by Dr. Buffaloe, that the Administrative Action Items be approved by consent. The motion carried.

- a. (B&F) Authorization of the Sale of Special Obligation Bonds, UNCC
- b. (B&F) Approval of the Lease of Student Housing, UNCP
- c. (B&F) Authorization of New Capital Improvements Project, UNCP

REPORT OF THE AUDIT COMMITTEE

Mr. Davenport, Chair of the Audit Committee, reported on two items. Mr. Davenport referred to the Audit Committee Charter and stated that the Committee was in compliance with

all the duties and responsibilities identified in the Charter. Next, Mr. Davenport reported that the Committee had reviewed nine external audit reports released since its last meeting from these campuses – Appalachian State University, East Carolina University, Fayetteville State University, NC State University, UNC Asheville, UNC-Chapel Hill, UNC Greensboro, UNC School of the Arts and UNC Wilmington. Mr. Davenport was pleased to announce that none of the reports included any audit findings.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Young, Chair of the Committee on Budget and Finance, thanked the members for their participation in yesterday's policy discussion. Next, Mr. Young reported that the Committee discussed the 2011 Enrollment Report which indicated that UNC-Chapel Hill had exceeded the 18 percent out-of-state freshman enrollment limitation for two consecutive years. Per UNC Policy 700.1.3, *Out-of State Undergraduate Enrollment*, this action could result in a budget reduction of \$334,652. Chancellor Thorp commented that the overall enrollment resulted from a higher than expected acceptance rate of nonresident applicants.

On behalf of the Committee, Mr. Young moved that the budget adjustment for exceeding the 18 percent limit on nonresident freshmen enrollment at UNC-Chapel Hill be waived. The motion carried. President Ross stated that the University was considering development of a policy to measure out-of-state freshman enrollment on a three-year rolling average.

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 reviewed one request for authorization to establish a Bachelor of Science in Geo-Environmental Studies at the University of North Carolina at Pembroke (see Appendix E). Mr. Deal remarked that no additional resources were needed to implement this program.

On behalf of the Committee, Mr. Deal moved the approval of the authorization to establish a Bachelor of Science in Geo-Environmental Studies at the University of North Carolina at Pembroke. The motion carried.

Next, Mr. Deal reported that the Committee had heard a report from Vice President Mallette on the Fall 2011 Headcount Enrollment Overview (see Appendix F). The data included figures for students enrolled in distance and online education. The overall headcount enrollment decreased by 0.6%. Information regarding student credit hours and FTEs would be made available soon. In addition, information regarding high school graduation rates and SAT scores would be made available soon. Mr. Deal remarked that the Board would continue its emphasis on retention and graduation rates.

Lastly, Mr. Deal noted that the Committee heard progress reports from the Academic Program Review Advisory Group, chaired by Ms. Blank, and the Faculty Workload Advisory Group, chaired by Mr. Lail. Both advisory groups have held several meetings over the past few months. Recommendations on behalf of the Academic Program Review Advisory Group would be brought to the full Board by April. The Faculty Workload Advisory Group examined the Delaware Faculty Workload Study. They heard a report from Provost Sheerer of East Carolina University. At its meeting next week, the advisory group would hear reports from faculty senate chairs and deans from across the campuses on the allocation of teaching workload. Chairman Gage commented that the advisory groups were doing great work and looked forward to receiving their final reports.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Daughtridge, Chair of the Committee on University Governance, thanked the members who had participated in last month's winter commencements. Next, Mr. Daughtridge reported that there was a partial term ending June 30, 2013, on the University of North Carolina at Charlotte Board of Trustees. On behalf of the Committee, Mr. Daughtridge recommended the election of Mr. Michael L. Wilson of Charlotte to serve. The motion carried. There was a partial term ending June 30, 2015, on the University of North Carolina School of the Arts Board of Trustees due to the resignation of Mr. Lee A. Chaden. Next, there were two partial terms ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional Districts 3 and 11. There was a partial term ending June 30, 2012, on the State Advisory Council on Indian Education. There were three terms ending February 28, 2017, on the Pitt County Memorial Hospital Board of Trustees. Mr. Daughtridge stated that the Committee sought recommendations from members of the Board to fill these vacancies.

Next, the Committee received an update from Vice President and General Counsel Fjeld on the review of the student discipline policy on illegal drugs. A modified policy related to student discipline issues would be brought to the Board for consideration at a future meeting.

CHAIRMAN'S REPORT

Chairman Gage expressed her gratitude to Ms. Blank, Chair of the University Award Committee, and the other members of the Committee for doing an extraordinary job with the event. She recognized Secretary Corgnati and his staff. Next, Chairman Gage recognized Vice President Perusse and his staff for all the work they had done to prepare for the tuition discussions. She asked the Board to review the information provided to them documenting campus proposals for tuition increases and to submit any questions they may have to Chairman Young. Chairman Gage explained that the President would make his recommendations regarding tuition in the next few weeks. She stressed how important it was for the Board to find a middle ground that would give the campuses some relief and she was hopeful the Board would achieve a reasonable compromise.

On motion by Secretary Flood and duly seconded, the Board voted to convene in closed session to consider and give instructions concerning a judicial action involving Western Carolina University; to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee; and to establish or instruct the staff or agent concerning the negotiations of the amount of compensation or other terms of an employment contract, pursuant to North Carolina G.S. Sections 143-318.11(a)(3),(a)(5), and (a)(6).

The Board went into closed session at 9:45 a.m. and returned to open session at 9:50 a.m.

**JOINT MEETING REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE
AND THE COMMITTEE ON PUBLIC AFFAIRS**

The Committee on Personnel and Tenure and the Committee on Public Affairs had met jointly. Mr. Dixon, Chair of the Committee on Personnel and Tenure, reported that the two Committees discussed the University's current personnel organizational structure. The University has over 47,000 employees. Vice President Fleming provided an overview of the different classification systems. Proposed legislation was introduced in the General Assembly last year resulting in Senate Bill 575. The bill included a number of initiatives designed to allow the University to make changes to its current personnel system.

Next, the Committee on Personnel and Tenure received a report on personnel actions delegated to the President as an informational item. Lastly, the Committee proposed a resolution to direct resources to the replenishment of the Faculty Retention and Recruitment Fund.

Vice Chairman Hans commented on the James E. Holshouser, Jr. Distinguished Professorship. He announced that the professorship was currently in development and would reside within the UNC-Chapel Hill School of Government. He thanked the members of the Board who had made a contribution.

In closing, Chairman Gage announced that the next meeting was scheduled for Friday, February 10, 2012, at the Spangler Center. The meeting adjourned at 10:00 a.m.

Appendix A	President Ross' Report	Posted Online
Appendix B	Authorization of the Sale of Special Obligation Bonds, UNCC	Posted Online
Appendix C	Approval of the Lease of Student Housing, UNCP	Posted Online
Appendix D	Authorization of New Capital Improvements Project, UNCP	Posted Online
Appendix E	Authorization to Establish a Bachelor of Science in Geo-Environmental Studies, UNCP	Posted Online
Appendix F	Fall 2011 Headcount Enrollment Overview	Posted Online