

Board of Governors Meeting

October 11, 2012

Chapel Hill, North Carolina

The Board of Governors met in regular session on October 11, 2012, at the Spangler Center in Chapel Hill. Chairman Hans called the meeting to order at 9:00 a.m.

INVOCATION

Chairman Hans called on Mr. Lail to give the invocation.

ROLL CALL

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

W. Louis Bissette, Jr.
John M. Blackburn
Peaches G. Blank
Laura W. Buffaloe
Bill Daughtridge, Jr.
Walter C. Davenport
James M. Deal, Jr.
Phillip R. Dixon
Fred N. Eshelman
John C. Fennebresque
Dudley E. Flood
Paul Fulton
Hannah D. Gage
Ann B. Goodnight
H. Frank Grainger

Peter D. Hans
Thomas J. Harrelson
G. Leroy Lail
Mary Ann Maxwell
Franklin E. McCain
W. Edwin McMahan
Charles H. Mercer, Jr.
Fred G. Mills
Hari H. Nath
David M. Powers
Irvin (Al) Roseman
Phillip D. Walker
Aldona Zofia Wos
David W. Young

The following members were absent:

Cameron E. Carswell
Burley B. Mitchell, Jr.
James E. Holshouser, Jr.

Richard (Dick) Taylor (excused)
Raiford G. Trask III
J. Bradley Wilson

STATE ETHICS ACT

Chairman Hans 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 Hans 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

Mr. Grainger moved, seconded by Mr. Walker, that the minutes from the open session of the September 14, 2012, meeting be approved. The motion carried.

PRESENTATION OF THE AWARD FOR EXCELLENCE IN PUBLIC SERVICE

Chairman Hans reported that in 2007, the Board of Governors established the Award for Excellence in Public Service to encourage, identify, recognize, and reward public service and outreach by faculty of the University. This marked the sixth year of the award. Chairman Hans called on Mr. McMahan, member of the 2012 Public Service Award Committee, to begin the presentation.

Mr. McMahan reported that he had served on the 2012 Board of Governors Award for Excellence in Public Service Committee along with Mr. Bissette, Dr. Buffaloe, Mrs. Goodnight, and Mr. Mitchell, who served as chairman. After careful consideration of many qualified nominees, the Board of Governors selected Dr. Harold Braun Reiter, Professor of Mathematics at the University of North Carolina at Charlotte, as the recipient of the 2012 Award for Excellence in Public Service. Mr. McMahan recognized many of Dr. Reiter's guests, Dr. Nancy Gutierrez, Dean of UNC Charlotte's College of Liberal Arts & Sciences; Dr. Samuel Houston, President and CEO of the NC Science, Mathematics, and Technology Education Center; Mr. John and Rita Goebel, friends of Dr. Reiter; Mr. Akira Negi and Mr. Michael Pillsbury, former students; Mr. David Boyuka, former teaching assistant; and Mrs. Reiter, his wife of 46 years. Chancellor Dubois was unable to attend the event.

Mr. McMahan reflected on the nomination letter that Chancellor Dubois submitted on behalf of Dr. Reiter. Chancellor Dubois had used the expression **Passion + Purpose = Impact** to illustrate Dr. Reiter's unwavering commitment to his life's work. Mr. McMahan provided a

brief background about Dr. Reiter. He earned his bachelor's and master's degrees at Louisiana State University and holds a Ph.D. in Mathematics from Clemson University. He joined the faculty at UNC Charlotte in 1972. Over the last four decades Dr. Reiter has made it his personal mission to enhance and advance the field of mathematics education in North Carolina and beyond. As a young college professor, Dr. Reiter began a long and highly decorated career impacting the lives of not only students in his classroom, but also middle and high school students and teachers across the state, the nation and the world.

Following a video presentation highlighting Dr. Reiter's remarkable achievements, President Ross presented him with a stipend and an engraved medallion. President Ross expressed his deep appreciation to Dr. Reiter and stated that the University was proud to have him as a distinguished member of the faculty. There was no higher honor that a citizen can have than the privilege of performing public service that changes young people's lives and provides them with opportunities that they may not have had otherwise. President Ross invited Dr. Reiter to make brief remarks.

Dr. Reiter thanked the members of the Board, the President, Secretary Corgnati, his colleagues and friends. Dr. Reiter remarked that public service is not a unilateral activity – it takes a community. His work had been carried out in an environment that encourages, enables and rewards his efforts. Dr. Reiter thanked the UNC Charlotte family and all of whom embraced his outreach efforts. He recalled individuals whom had contributed to the mathematical development of students and were great advocates of these activities – the late William Paul Thurston, an American mathematician; the late Tom Bradbury, associate editor of the *Charlotte Observer*, who had written wonderful editorials in support of math education; Dale Halton, former president of Pepsi-Cola Bottling Company, who provided funding to the Mecklenburg Math Club; Sam Houston, President and CEO of the NC Science, Mathematics, and Technology Education Center, who funded three projects and workshops and fostered North Carolina educators to organize high school mathematical modelers to participate in the first Singapore International Math Challenge. Dr. Reiter recognized his former students, Michael Pillsbury, who was a teacher at Randolph Middle School and Drew Boyuka, who was Dr. Reiter's former teaching assistant for several summers when he taught math to middle and high school teachers. He thanked his wife of 46 years, Betty. He spoke passionately of his students, who were extraordinarily talented individuals and who keep him going.

The video presentation of Dr. Reiter was produced by Mr. Thomas Todd of the UNC Center for Public Television. The music was composed by Western Carolina University School of Music. The presentation would be broadcast next week on *North Carolina Now*.

PRESIDENT'S REPORT

President Ross remarked on the amazing work of Dr. Reiter, who was an inspiration to all of us and to faculty and staff throughout the University. Next, President Ross mentioned the University's Advisory Group on Strategic Direction. The advisory group was in the process of developing a strategic plan. He thanked the members of the Board, the Chancellors, staff, and the business and governmental leaders from around the state for their time and energy expended on this project. Despite an aggressive timetable, steady progress had been made in the development of this plan. For President Ross' complete report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

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

- a. (B&F) Authorization of New Capital Improvements Projects, ASU and NCSU
- b. (B&F) Authorization of New Capital Improvements Project, UNC-GA
- c. (B&F) Authorization of Projects Funded with Special Obligation Bonds, NCSU and UNC-CH
- d. (B&F) Approval of Policy 600.5.4, *Contracts to Obtain the Services of a Consultant*
- e. (B&F) Approval of Amended Policy 600.1.3.1, *Policy on Acquisition of Real Property by Lease*
- f. (B&F) Approval of Amended Policy 200.6, *Delegation of Authority to the President*
- g. (B&F) Approval of Amended Policy 600.2.4, *Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions*
- h. (EPPP) Approval of Licensure for Tusculum College for a regular license to offer the following degree program in Madison County, NC
 - Master of Arts in Education (M.A.Ed.) with a concentration in Curriculum and Instruction

REPORT OF THE AUDIT COMMITTEE

Mr. Davenport, Chair of the Audit Committee, reported on two items. The Committee heard an update on the University Finance Improvement and Transformation Project (UNC FIT). The shared services payroll initiative continued to produce accurate and quality payrolls. The human resources data mart had been implemented on most UNC campuses and was evolving as more data elements were added. The business financial improvements and financial monitoring continued to move forward to develop a composite index score for each campus to recognize areas of achievement. UNC FIT had launched the e-commerce initiative and established a student advisory team to identify issues that share commonality among the campuses with the potential to produce greater efficiencies. UNC FIT had begun to explore the potential of outsourcing the financial verification process for some campuses.

The Audit Committee had received two reports released by the internal auditor at General Administration. The first report was a review of the expenses of the President, the Vice Presidents, and the Chief of Staff. No findings were made. The report noted some policies and procedures that would need to be updated and strengthened. The second report was on the implementation of the increase in the capital asset threshold. The report noted that the increased threshold had been properly implemented.

REPORT OF THE JOINT MEETING OF THE COMMITTEE ON BUDGET AND FINANCE AND THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Fulton, Chair of the Committee on Budget and Finance, reported that the Committee held a joint meeting with the Committee on Public Affairs. Chief Operating Officer Perusse presented an overview of the State of North Carolina and the University system budgets including revenue sources and uses, expenses by category and function, and trends over time (see Appendix J). After discussion of this item, the Committees convened in their separate meetings.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Fulton, Chair of the Committee on Budget and Finance, stated that over the next few meetings, the Committee would be looking more in depth at the University's expenses to better understand the cost of education. As part of the exercise, the Committee would analyze trends in

instructional and non-instructional spending, as well as expenditures by category. The Committee would also review staffing ratios for faculty, non-faculty, student services, and administrative activities. Mr. Fulton stated that he was interested in hearing from the Board and urged them to let it be known what information was needed to better understand the system's budget.

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

Mrs. Gage, Chair of the Committee on Educational Planning, Policies, and Programs, reported on several items. The Committee had heard from Vice President Rhinehardt on the progress of ongoing initiatives with the military. On location at Ft. Bragg, the University established a military office that served to connect military personnel with educational services on our campuses. In a collaborative effort with UNC Wilmington, the University planned to open a military office located at Camp Lejeune to serve the same purpose. The Committee would gather data to determine the number of military personnel that the University served. All these efforts were part of the University's outreach to become a more military-friendly state.

Next, the Committee received a preliminary report on Fall 2012 Enrollment that reflected a continuing flattening of enrollment on our campuses. Some of our campuses had seen a decline in enrollment while others had seen insignificant gains. Overall, enrollment had increased 0.3%. The economy coupled with rising admission standards had contributed to the change in enrollment figures. The Committee would evaluate the results once a final report was made available.

The Committee had heard a report on community college transfer initiatives, which was a major part of the University's growth and degree attainment plans. New undergraduate transfer enrollment had decreased by 2.4%. Senior Vice President Ortega reported on six initiatives that the University was working on to improve services and students' success for those who transfer. The UNC and NC Community Colleges articulation agreements would be revised.

Lastly, the University of North Carolina at Greensboro had requested a revision to its Vision and Mission Statement (see Appendix K) to reflect delivery of its online courses which was a part of UNC Greensboro's efforts to prepare for its upcoming SACS reaffirmation report.

On behalf of the Committee, Mrs. Gage moved the approval of the revision to UNCG's Vision and Mission Statement. The motion carried.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. McMahan, Chair of the Committee on Public Affairs, thanked the members and staff of the Committee on Budget and Finance for the opportunity they had to join them to hear the presentation on the University of North Carolina Budget 101. A two-page summary of the presentation was available (see Appendix L).

Next, the Committee reviewed the final version of the pocket Fact Card. This card would be distributed to the members of the Board, our campuses and others. President Ross had provided the Committee with an update on his recent meeting with state legislators. The Committee discussed the need to coordinate its advocacy strategy for the upcoming long session of the General Assembly. Each member of the Committee was assigned to one or more campuses to work with in support of the University's priorities. After next month's election, committee members would be responsible for advocacy with the legislative delegation in their assigned campus region.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Daughtridge, Chair of the Committee on University Governance, reported the Committee continued its discussion of campus liaison responsibilities and the 2013 trustee nomination process. Correspondence would be sent to each chancellor and each chair of the Boards of Trustees of our constituent institutions seeking recommendations for the election or reelection of individuals to serve on their boards for terms beginning July 1, 2013. Nomination materials were due to Secretary Corgnati by December 7, 2012.

Next, Mr. Daughtridge recalled that the Board of Governors now had appointing authority to the UNC Health Care System Board of Directors. On behalf of the Committee, Mr. Daughtridge moved the reappointment of Mr. Tim Burnett of Greensboro to serve a second term ending October 31, 2016, on the UNC Health Care System Board of Directors. Mr. Daughtridge also moved the appointment of Mrs. Anne Bernhardt of Lenoir and Mrs. Susan Culp of High Point to serve first terms ending October 31, 2016, and the appointment of

Mr. Gregory J. Wessling of Cornelius to serve a partial term ending October 31, 2013, on the UNC Health Care System Board of Directors. The motions carried.

Next, there was a partial term ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees representing Congressional District 11. The Committee sought recommendations to fill the vacancy. Mr. Daughtride referred to the 2012 Winter Commencement matrix. He encouraged members to represent the University at winter commencement exercises at UNC Pembroke and Western Carolina University.

CHAIRMAN'S REPORT

Chairman Hans thanked Chancellors Mauceri and Thorp, who were stepping down next year, for their incredible leadership and dedication to this University. The Board would recognize them more formally at a later date.

Chairman Hans reported that in addition to the Board meetings, he would continue regular communications with the members about items of importance related to ongoing travels, meetings, and activities of the University.

On motion by Secretary Goodnight and duly seconded, the Board voted to convene in closed session.

The Board went into closed session at 10:15 a.m. and returned to open session at 10:35 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Fennebresque, Chair of the Committee on Personnel and Tenure, reported that the Committee had heard a briefing from Associate Vice President Usischon on retirement and pre-tax benefits available to University employees. The Committee discussed steps that could be taken to improve benefit offerings. At its next meeting, the Committee would receive a tutorial on the State Health Plan. He encouraged the members to attend the meeting.

Next, the Committee discussed and supported a request for the position of Assistant Vice President for Federal Relations at General Administration. This position was a reclassification of an existing position.

On behalf of the Committee, Mr. Fennebresque moved approval of the recommendation of the Assistant Vice President for Federal Relations position. The motion carried.

Mr. Fennebresque reported that the Committee had received the Report on Personnel Action Delegated to the President. The Committee had received the Committee on Personnel and Tenure Annual Report July 1, 2011 – June 30, 2012 (see Appendix M).

The next meeting of the Board of Governors was scheduled for Friday, November 9, 2012, at the Spangler Center. There being no further business, the meeting adjourned at 10:40 a.m.

Secretary

Appendix A	President Ross' Report	Posted Online
Appendix B	Authorization of New Capital Improvements Projects, ASU and NCSU	Posted Online
Appendix C	Authorization of New Capital Improvements Project, UNC-GA	Posted Online
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Appendix E	Approval of Policy 600.5.4, <i>Contracts to Obtain the Services of a Consultant</i>	Posted Online
Appendix F	Approval of Amended Policy 600.1.3.1, <i>Policy on Acquisition of Real Property by Lease</i>	Posted Online
Appendix G	Approval of Amended Policy 200.6, <i>Delegation of Authority to the President</i>	Posted Online
Appendix H	Approval of Amended Policy 600.2.4, <i>Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions</i>	Posted Online
Appendix I	Approval of Licensure for Tusculum College for a regular License to offer the following degree program in Madison County, NC <ul style="list-style-type: none"> • Master of Arts in Education (M.A.Ed.) with a Concentration in Curriculum and Instruction 	Posted Online
Appendix J	Presentation of the University of North Carolina Budget (101)	Posted Online
Appendix K	UNC Greensboro's Proposed Revision to its Vision and Mission Statement	Posted Online
Appendix L	University System Operating Budget Overview	Posted Online
Appendix M	Committee on Personnel and Tenure Annual Report July 1, 2011 – June 30, 2012	Posted Online