

Board of Governors Meeting

Friday, June 13, 2008

Chapel Hill, North Carolina

The Board of Governors met in regular session on June 13, 2008, at the Spangler Center, Chapel Hill, North Carolina. Mr. Phillips called the meeting to order at 9:30 a.m.

INVOCATION

Chairman Phillips called upon Mr. Leatherwood to give the invocation.

ROLL CALL

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

Bradley T. Adcock
Brent D. Barringer
Peaches Gunter Blank
R. Steve Bowden
Laura W. Buffaloe
Frank Daniels, Jr.
John W. Davis III
Phillip R. Dixon
Ray S. Farris
Dudley E. Flood
Hannah D. Gage
Ann B. Goodnight
Clarice Cato Goodyear
H. Frank Grainger
Cody W. Grasty
Peter D. Hans
Charles A. Hayes

James E. Holshouser, Jr.
Adelaide Daniels Key
G. Leroy Lail
Ronald C. Leatherwood
Cheryl Ransom Locklear
Charles H. Mercer, Jr.
Fred G. Mills
Jim W. Phillips, Jr.
Marshall B. Pitts, Jr.
Gladys Ashe Robinson
Irvin (Al) Roseman
Estelle "Bunny" Sanders
William G. Smith
J. Craig Souza
Priscilla P. Taylor
J. Bradley Wilson
David W. Young

STATE ETHICS ACT

Chairman Phillips stated that under that State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for the meeting, he

asked if anyone had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. There were none.

Chairman Phillips welcomed new guests, notably North Carolina Senator Tony Foriest. Many guests were present in connection with the swearing in of a new member of the Board of Governors.

MINUTES

Ms. Blank moved, seconded by Dr. Roseman, that the minutes from the open session of the May 8 and May 9, 2008, meetings be approved. The motion carried.

Chairman Phillips announced that an amendment was made to the minutes from the March 7, 2008, meeting of the Board of Governors. The consent agenda item that referenced the Authorization of New Capital Improvement Projects at the University of North Carolina at Chapel Hill did not include Dr. Roseman's remarks concerning the issue. The minutes have been amended to reflect his remarks and are posted online with the supporting appendix.

PRESIDENT'S REPORT

President Bowles reported that he was very pleased with the policy discussions from the previous day. He said that he was thrilled with the election of Dr. Linda P. Brady, the new chancellor at the University of North Carolina at Greensboro. He praised several distinguished colleagues. For President Bowles' summary remarks, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Phillips called attention to the Administrative Action Items listed on the agenda. Dr. Robinson moved, seconded by Mr. Young, that the following Administrative Action Items be approved by consent:

- a. (B&F) Authorization to Sell Special Obligation Bonds, NCSU
- b. (B&F) Authorization to Replace UBS Securities LLC as Remarketing Agent for Variable Rate Bonds, NCSU and UNCCH

- c. (B&F) Approval of Disposition of Property by Ground Lease, UNCA
- d. (B&F) Approval of Disposition of Property by Ground Lease, UNCCH
- e. (B&F) Approval of Acquisition of Space by Lease (Renewal), UNCCH
- f. (B&F) Approval of Disposition of Property by Easement, UNCCH
- g. (B&F) Approval of Acquisition of Property by Lease, UNC General Administration
- h. (EPPP) Authorization to Discontinue the Master of Arts in Social Science Education, ASU
- i. (EPPP) Authorization to Establish the Bachelor of Arts in Appalachian Studies, ASU
- j. (EPPP) Authorization to Establish the Bachelor of Arts in Global Studies, ASU
- k. (EPPP) Authorization to Establish the Bachelor of Arts & Bachelor of Science in Sustainable Development, ASU
- l. (EPPP) Authorization to Establish the Bachelor of Arts in Women's Studies, ASU
- m. (EPPP) Authorization to Establish the Bachelor of Science in Environmental Science, ASU
- n. (EPPP) Authorization to Establish the Bachelor of Science in Community Health Education, UNCW
- o. (EPPP) Authorization to Establish the Master of Science in Clinical Research, UNCCH
- p. (EPPP) Authorization to Establish the Master of Molecular Diagnostic Science, UNCCH
- q. (EPPP) Authorization to Establish the Master of Urban Design, UNCC
- r. (EPPP) Authorization for Joint Degree Programs between UNCCH and Duke University
 - Master of Arts in German Studies
 - Doctor of Philosophy in German Studies
- s. (EPPP) Authorization to Establish the Doctor of Audiology, ECU
- t. (EPPP) Authorization of Licensure for South College-Asheville to offer a new degree program in Asheville, Associate of Applied Science in Nursing
- u. (EPPP) Approval of Licensure for Edward Via Virginia College of Osteopathic Medicine (Blacksburg, Virginia) to offer clinical rotations for its students in Salisbury
- v. (EPPP) Approval of the Report on the Education of Students with Disabilities
- w. (BOG) Approval of a Resolution Honoring Jim W. Phillips, Jr., Chairman, Board of Governors
- x. (BOG) Approval of a Resolution Honoring Cody W. Grasty, *Ex Officio Member*, Board of Governors
- y. (BOG) Approval of a Resolution Honoring Chancellor James C. Moeser
- z. (BOG) Approval of a Resolution Honoring UNC Faculty Assembly Chair, Brenda L. Killingsworth

ADMINISTRATION OF OATH OF OFFICE

Mr. T. Greg Doucette was sworn-in as the new student representative to the Board of Governors. Several guests accompanied Mr. Doucette to witness the ceremony. Chairman Phillips welcomed The Honorable Justice Burley B. Mitchell, Former Chief Justice of the North Carolina Supreme Court, who was present to administer the oath.

Mr. Doucette remarked that he is the oldest elected president in the University's Student Government Association having attended North Carolina State University from 1998 – 2000,

withdrawing from school in 2000, and then returning in 2005. He looked forward to the opportunity to serve the students of the University and to work with its distinguished leaders.

REPORT OF THE AUDIT COMMITTEE

Mr. Smith, chair of the Audit Committee, reported that there were five items for the board's information. The internal auditor directors from the University of North Carolina at Charlotte and North Carolina Central University made presentations to the committee. Operations and reports were discussed with a question and answer session.

Next, external audits were released from UNC Asheville, Western Carolina University, UNC Pembroke, NC A&T State University, and Fayetteville State University. All were issued with unqualified audit opinions. UNC Asheville's audit report contained one finding, Western Carolina University and the UNC Pembroke's audit reports contained two findings, NCA&T State University's audit contained 13 findings, and Fayetteville State University's report contained 14 findings. Corrective actions had been taken to address each of the deficiencies or compliance issues identified in the reports. The committee reviewed an investigative report regarding the University of North Carolina at Greensboro, which contained four findings. Corrective actions had been taken to address the deficiencies identified in the report.

Next, the committee reviewed three internal reports on the resolution audit findings at North Carolina Central University, the University of North Carolina at Charlotte, and the University of North Carolina at Wilmington.

Next, the committee reviewed the audit committee charter and a compliance checklist. The committee continues to fulfill each duty and responsibility set forth by the charter.

Lastly, a report was received on the compliance of the University's policy governing associated entities. See Appendix BB.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Adcock, chair of the Committee on Budget and Finance, reported on one item. It was anticipated that the General Assembly would pass its 2008-09 budget prior to the next scheduled board meeting in September 2008.

On behalf of the committee, Mr. Adcock moved that the Committee on Budget and Finance be delegated the authority to allocate funds made available by the General Assembly if the State budget is ratified prior to the September board meeting. A special meeting by the committee will be called. The motion carried.

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

Mr. Farris, chair of the Committee on Educational Planning, Policies, and Programs, had two items for consideration. The report on the supply and demand for teachers made a number of recommendations to increase the number of teachers produced by the University of North Carolina. Mr. Farris cited figures from the Report on UNC Production of Teacher Education Graduates and Alternative Licensure Completers, which indicated that in 2006-07, the University produced 2,625 traditional teacher education graduates, 1,045 alternate completers, and 333 MAT graduates for a total of 4,003. The report noted that the State has three regional licensure centers which recommended a program of study to license candidates once they have completed the courses required for their licensure by the Department of Public Instruction. The campuses will study how to increase the number of teachers especially in the high-need areas.

On behalf of the committee, Mr. Farris moved acceptance of the Report on the Production of Teacher Education Graduates and Alternative Licensure Completers. The motion carried. See Appendix CC.

Mr. Farris noted that the Report on Retention and Graduation indicated that the University had produced 40,000 graduates in 2006-07. Degrees in the high-need areas such as health services, engineering, education, and physical science, were awarded that fit into the STEM theme of UNC Tomorrow. The overall freshman to sophomore retention rate increased. The six-year graduation rate fell to 58.7%. The graduation rate for transfer students was 64%. Steps have been taken to increase the graduation rates such as the new Minimum Admission

Standards in addition to the Accountability Plan, where the campuses have prepared annual targets. Retention and Graduation rates for community college transfers are tracked as well.

On behalf of the committee, Mr. Farris moved acceptance of the Report on Retention and Graduation and that the report be transmitted to the General Assembly. The motion passed. See Appendix DD.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Barringer, chair of the Committee on Public Affairs, reported that per the Federal Legislative update, the Southeast Crescent Authority was passed in the Farm Bill. The passage of this bill would have a huge economic and community development impact across eastern North Carolina and throughout many rural areas of North Carolina.

He reported that per the Higher Education Reauthorization Act, the likelihood of Fayetteville State University, Winston-Salem State University, and Elizabeth City State University, being included in the historically black graduate institutions' funding formula are very good and that the committee would continue to be involved with this activity at the federal level.

The committee reviewed the House budget. The Senate budget would be forthcoming. The committee would contact board members so they could continue to communicate with the members of the NC General Assembly during the conference committee process.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Davis, chair of the Committee on University Governance, reported several items for information and three items for action. There was a partial term ending June 30, 2009, on the Board of Trustees at the University of North Carolina at Wilmington, due to the resignation of Ms. Krista Tillman.

There was a partial term ending June 30, 2011, on the Board of Trustees at the University of Wilmington, due to the death of Mr. Windell Daniels.

On behalf of the committee, Mr. Davis moved the approval of the election of Mrs. Wilma Daniels of Wilmington to fill the partial term. The motion carried.

There was a partial term ending June 30, 2011, on the Board of Trustees at Western Carolina University, a seat vacated by Mr. Robert Burgin.

There was a partial term ending June 30, 2009, on the Board of Trustees at Winston-Salem State University, which resulted from the resignation of Mrs. Gloria Ross Reese.

On behalf of the committee, Mr. Davis moved the approval of the election of Mrs. Debra Miller of New Hampshire to fill the partial term. The motion carried.

Three terms were ending on June 30, 2012, on the Board of Trustees at the University of North Carolina Center for Public Television.

On behalf of the committee, Mr. Davis moved the approval of the appointment of Dr. Assad Meymandi of Raleigh and Mr. Robert D. Teer, Jr., of Durham to fill two of these terms. The motion carried.

Mr. Davis thanked his committee members Mr. Mercer, Dr. Locklear, Ms. Sanders, Dr. Roseman, Mr. Bowden, Mr. Hayes, Chancellor Battle, and Chancellor Mauceri for their fine work on the committee. He especially thanked Mr. Corgnati for his fine work and dedication serving the committee.

CHAIRMAN'S REPORT

Chairman Phillips thanked the board for the events of the week and thanked Ms. Houston, Mr. Caravano, Mr. Noor and all the campuses for their excellent work on UNC Tomorrow. It was evident that the board and the University are clearly committed to the process. He thanked Vice President Mabe and his team for the data they provided on teacher education. He presented resolutions to Mr. Cody Grasty, Dr. Brenda Killingsworth, and Chancellor Moeser.

He recognized Vice Chairman Souza and said that they had served together on the board for the past 11 years. He then presented him with a framed engraved medallion. Mr. Phillips said that he was honored to have served the University of North Carolina. He thanked Mr. Corgnati for the outstanding and thorough job he has done with the board and he thanked the

other staff at General Administration with whom he worked. He said it was a privilege to have worked with President Bowles and thanked him for his support over the past two years. He mentioned some of the accomplishments of the board over the past two years. He said that there were challenges and work that lie ahead. He asked the board to continue with the work of UNC Tomorrow and set aside school or hometown feelings and to remember their fiduciary obligations to the *people* of North Carolina. Finally, he thanked the members and officers of the board and Governor Holshouser for his wisdom and continuous leadership. He closed with an acknowledgement to the late Chairman Ruffin whom he had tremendous admiration and respect.

On motion by Secretary Sanders and duly seconded, the board voted to convene in closed session to prevent the premature disclosure of an honorary award or scholarship; to establish or instruct the staff or agent considering the negotiations of the amount of compensation or other terms of employment contract; and to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee, pursuant to North Carolina G.S. Sections 143-318.11 (a) (2), (a) (5), and (a) (6). The motion carried.

The Board of Governors went into closed session at 11:05 a.m. and returned to open session at 11:15 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mrs. Gage, chair of the Committee on Personnel and Tenure, reported that the committee received a report on actions delegated to the President which listed all personnel actions approved by the President since the previous meeting. The report included conferrals of tenure from the campuses without management flexibility. See Appendix EE.

On behalf of the committee, Mrs. Gage thanked the President and the search committee on the selection of their new chancellor at the University of North Carolina at Greensboro, Dr. Linda P. Brady.

ELECTION OF OFFICERS

Chairman Phillips entertained nominations for the position of Secretary. Mr. Barringer recommended the re-election of Secretary Sanders. Mr. Daniels moved to accept the nomination and close the nomination process. Mr. Souza seconded the motion and moved to accept the nomination by acclamation. The motion carried. Secretary Sanders was re-elected as the Secretary of the Board of Governors.

Chairman Phillips entertained nominations for the position of Vice Chair. Mr. Young nominated Mr. Peter Hans. Mr. Grainger moved to accept the nomination and close the nomination process. The motion carried. Mr. Peter Hans was elected the Vice Chair of the Board of Governors.

Chairman Phillips entertained nominations for the position of Chair. Dr. Flood nominated Mrs. Hannah Gage. Dr. Taylor moved to approve the nomination. Mr. Grainger seconded the motion and moved to close the nomination process. The motion carried. Mrs. Hannah Gage was elected the Chair of the Board of Governors, the first woman elected to lead the board.

Mrs. Gage gave brief remarks and thanked the board members for their support. She reflected on her seven years of service on the board from the time Mr. Ruffin was chair, to Mr. Wilson, to Mr. Phillips. She said it will be a daunting task to follow the footsteps of those remarkable gentlemen. Mrs. Gage thanked the women who served on the Board of Governors, Julia Morton, Betty McCain, Teena Little, Maxine O'Kelley, Lois Britt, Patsy Perry, Priscilla Taylor, and many others. She thanked Mr. Wilson and Mr. Phillips for their trust and confidence. She was excited to work with the chancellors, the President, and the board members, who are the most committed members she has ever worked with!

The meeting adjourned at 11:40 a.m.

Secretary_____

APPENDICES

(All Appendices are a part of the official record of the meeting)

APPENDIX A	President Bowles' Report	Posted Online
APPENDIX B	Authorization to Sell Special Obligations Bonds, NCSU	Posted Online
APPENDIX C	Authorization to replace UBS Securities LLC as Remarketing Agent for Variable Rate Bonds, NCSU and UNCCH	Posted Online
APPENDIX D	Approval of Disposition of Property by Ground Lease, UNCA	Posted Online
APPENDIX E	Approval of Disposition of Property by Ground Lease, UNCCH	Posted Online
APPENDIX F	Approval of Acquisition of Space by Renewal Lease, UNCCH	Posted Online
APPENDIX G	Approval of Disposition of Property by Easement, UNCCH	Posted Online
APPENDIX H	Approval of Acquisition of Property by Lease, UNCGA	Posted Online
APPENDIX I	Authorization to Discontinue the Master of Arts in Social Science Education, ASU	Posted Online
APPENDIX J	Authorization to Establish the Bachelor of Arts in Appalachian Studies, ASU	Posted Online
APPENDIX K	Authorization to Establish the Bachelor of Arts in Global Studies, UNCCH	Posted Online
APPENDIX L	Authorization to Establish the Bachelor of Arts & Bachelor of Science in Sustainable Development, ASU	Posted Online
APPENDIX M	Authorization to Establish the Bachelor of Arts in Women's Studies, ASU	Posted Online
APPENDIX N	Authorization to Establish the Bachelor of Science in Environmental Science, ASU	Posted Online
APPENDIX O	Authorization to Establish the Bachelor of Science in Community Health Education, UNCW	Posted Online
APPENDIX P	Authorization to Establish the Master of Science in Clinical Research, UNCCH	Posted Online
APPENDIX Q	Authorization to Establish the Master of Molecular Diagnostic Science, UNCCH	Posted Online
APPENDIX R	Authorization to Establish the Master of Urban Design, UNCC	Posted Online
APPENDIX S	Authorization for Joint Degree Programs between UNCCH and Duke University <ul style="list-style-type: none"> • Master of Arts in German Studies • Doctor of Philosophy in German Studies 	Posted Online
APPENDIX T	Authorization to Establish the Doctor of Audiology, ECU	Posted Online
APPENDIX U	Approval of Licensure for South College-Asheville to offer a New degree program in Asheville, Associate of Applied Science in Nursing	Posted Online
APPENDIX V	Approval of Licensure for Edward Via Virginia College of Osteopathic Medicine (Blacksburg, VA)	Posted Online
APPENDIX W	Approval of the Report on the Education of Students w/Disabilities	Posted Online
APPENDIX X	Approval of a Resolution Honoring Chairman Jim W. Phillips	Posted Online
APPENDIX Y	Approval of a Resolution Honoring Cody W. Grasty	Posted Online
APPENDIX Z	Approval of a Resolution Honoring Chancellor James Moeser	Posted Online
APPENDIX AA	Approval of a Resolution Honoring UNC Faculty Assembly Chair, Brenda L. Killingsworth	Posted Online
APPENDIX BB	Report on University of North Carolina Associated Entities	Posted Online

APPENDIX CC	Report on the UNC Production of Teacher Education Graduates and Alternative Licensure Completers	Posted Online
APPENDIX DD	Report on UNC Retention and Graduation	Posted Online
APPENDIX EE	President's Summary of Personnel Report	Posted Online