

Board of Governors Meeting

Friday, May 9, 2008

Chapel Hill, North Carolina

The Board of Governors met in regular session on May 9, 2008 at the Spangler Center, Chapel Hill, North Carolina. Chairman Phillips called the meeting to order at 9:10 a.m.

INVOCATION

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

ROLL CALL

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

Brent D. Barringer
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
Peter D. Hans
Charles A. Hayes

G. Leroy Lail
Ronald C. Leatherwood
Cheryl R. Locklear
Charles H. Mercer, Jr.
Fred G. Mills
Jim W. Phillips, Jr.
Marshall B. Pitts, Jr.
Irvin A. Roseman
Estelle "Bunny" Sanders
William G. Smith
J. Craig Souza
Priscilla P. Taylor
David W. Young

The following members were absent:

Bradley T. Adcock
Peaches Gunter Blank
Cody Grasty (excused)
James E. Holshouser, Jr.

Adelaide Daniels Key (excused)
Gladys Ashe Robinson (excused)
J. Bradley Wilson

Chairman Phillips announced that President Bowles was absent from the meeting due to the death of his stepfather. He welcomed several members of the Board of Trustees from the North Carolina School of the Arts, in particular, former Board of Governors chair Mr. Sam Neill and Mr. Michael Pulitzer, the chairman of the Board of Trustees at the North Carolina School of the Arts.

STATE ETHICS ACT

Chairman Phillips 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, he asked if anyone had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. Mr. Lail indicated that he had a conflict with the election of trustees to the North Carolina Center for Public Television Board and abstained from the vote. Mr. Hayes abstained from the vote on an appointment to the North Carolina Center for International Understanding Advisory Board.

MINUTES

Mr. Grainger moved, seconded by Mrs. Gage, that the minutes from the March 7, 2008, meeting be approved. The motion carried.

PRESENTATION OF THE OLIVER MAX GARDNER AWARD

Chairman Phillips noted that the O. Max Gardner Award is one of the highlights of the University calendar. Established by the late Governor O. Max Gardner, the award recognizes a University of North Carolina faculty member's contribution to the welfare of the human race. This is the 60th year of the award. Vice Chairman Souza recognized Mr. Ralph Webb Gardner II, the great grandson of the late Governor Gardner, who was present and thanked him for joining the Board of Governors in recognition of this year's award recipient. Vice Chairman Souza called on Dr. Dudley Flood, the Chair of the O. Max Gardner Award Committee, to present the award.

Dr. Flood stated that it was a pleasure to have served on the committee and recognized the other committee members: Mr. Lail, Dr. Locklear, Mr. Mercer, and Dr. Taylor. He introduced the recipient of the 2008 O. Max Gardner Award, Dr. Myron Scott Cohen, J. Herbert Bate Distinguished Professor of Medicine, Microbiology Immunology, and Epidemiology and Director of the Institute of Global Health and Infectious Disease at the University of North Carolina at Chapel Hill. Dr. Flood recognized several of Dr. Cohen's guests, including family and colleagues, who shared in the occasion. Dr. Cohen's son, Mr. Michael Henderson-Cohen, made brief remarks on behalf of his father.

Following a short video highlighting the contributions of Dr. Cohen, Dr. Flood read the citation honoring him. Chairman Phillips presented Dr. Cohen with a framed copy. For Dr. Cohen's citation and response, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

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

- a. (B&F) Authorization of New Capital Improvements Projects, NCSU
- b. (B&F) Authorization of New Capital Improvements Projects, UNCG
- c. (B&F) Approval of Acquisition of Space by Lease, ECSU
- d. (B&F) Approval of Acquisition of Space by Lease, NCSU
- e. (B&F) Approval of Acquisition of Property, UNCCH
- f. (B&F) Approval of Acquisition of Property, UNCW
- g. (EPPP) Authorization to Discontinue the Master of Science in Speech and Hearing Sciences, Speech and Language Pathology, UNCCH
- h. (EPPP) Authorization to Discontinue the Master of Arts in Geological Sciences, UNCCH
- i. (EPPP) Authorization to Establish a new College of Health and Human Services, UNCW
- j. (BOG) Approval of a Resolution Honoring Chancellor Lloyd V. Hackley
- k. (BOG) Approval of a Resolution Honoring Chancellor Patricia A. Sullivan

The motion carried.

REPORT OF THE AUDIT COMMITTEE

Mr. Smith, chairman of the Audit Committee, reported that the 2007 Audit Reports for the University of North Carolina at Chapel Hill and the North Carolina School of the Arts were issued with unqualified audit opinions and no audit findings. The 2007 Audit Reports for East Carolina University and Winston-Salem State University were issued with unqualified audit opinions; the East Carolina University report contained two audit findings and the Winston-Salem State University report contained six audit findings. Corrective actions had been identified in the reports. The 2007 University of North Carolina financial audit report for the current fiscal year was completed. Nine financial audits were issued and the information will be released over the next 6 weeks.

Mr. Smith reported on the EAGLE program, a new internal control program led by the Office of the State Controller to meet the new internal auditing requirements set by the Council of Internal Auditing. The program would serve to strengthen the audit processes on all the campuses.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Young, vice chairman of the Budget and Finance Committee, reported on four revisions to the 2008-09 Budget Priorities. The Committee recommended that the budget priorities be amended to (1) adjust the request for the Center for Bioenergy Technologies at North Carolina State University; (2) include funding to implement a new payroll system for the nine campuses that will no longer be served by the State's central payroll system; (3) include the Upper Coastal Plain Higher Education Center with the capital priorities; (4) include the request for the Center for Applied Public Policy.

On behalf of the Committee, Mr. Young moved to adopt the amendments to the 2008-09 Budget Priorities for presentation to the Governor and the General Assembly for consideration during the 2008 Legislative Session. He further asked that the Vice President for

Finance be authorized to make refinements to the request in the interest of accuracy and completeness. See Appendix B. The motion carried.

Mr. Young reported that the Board of Governors bi-annually adopts a six-year plan for capital improvements funded from non-general fund resources. It includes projects directly related to teaching, research, and public service, as well as projects funded from non-general fund resources to construct residence halls, parking decks, athletic facilities, and student recreation facilities. Each project was reviewed on the basis of its need, its benefit to the University, the cost to students, the ability of the campus to pay for the project, and its alignment with UNC Tomorrow. The projects were to be submitted to the Legislature for its consideration and approval.

On behalf of the Committee, Mr. Young moved to adopt a six-year plan for projects to be funded from non-general fund resources and that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness. The motion carried. See Appendix C.

In May 2006, the Board designated 344 acres as the Western Carolina University Millennial Campus. The Board of Trustees at Western Carolina University requested 13 additional acres to be a part of the Millennial Campus as the site for a future town center.

On behalf of the Committee, Mr. Young moved that the request of the Board of Trustees at Western Carolina University be approved. The motion carried.

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

Mr. Farris, chairman of the Committee on Educational Planning, Policies, and Programs, reported on initiatives for K-12 and the recruitment and retention of teachers and school leaders. Professional development programs will be implemented for teachers and school leaders. The Committee reviewed a proposed new mentoring initiative from the College of Education that would support new teachers through their first three years of employment and promote retention. Dr. Mary McDuffie from the NC Center for Advancement of Teaching gave a presentation to the

committee related to teacher retention. The committee reviewed the 2006-2007 Report on Professional Development from the Center for School Leadership Development which reported on professional development activities of the programs comprised at the Center for School Leadership Development. The report was required to be sent to the State Board of Education.

On behalf of the Committee, Mr. Farris moved the approval of the 2006-2007 Report on Professional Development which would then be sent to the State Board of Education. The motion carried.

Mr. Farris reported on the new policy for Academic Program Planning. A preliminary draft of the new policy was presented at the committee's special meeting on April 9, 2008, based on a broad range of comments received from Board members, Chancellors, Chief Academic Officers, and members of the Faculty Assembly among others. In alignment with UNC Tomorrow, the new policy focused on enhanced collaboration among campuses in the development and alteration of degree programs, assessment of North Carolina's state and regional needs, and anticipated future needs of emerging businesses and industries. The new policy included a review process that considered options for collaboration, joint programs, expansion of existing programs, and online options. The policy included 12 standards for evaluation of proposed program developments. Upon approval, regulation documents and procedural documents will be issued by the President.

On behalf of the Committee, Mr. Farris moved the approval of the new policy on Academic Program Planning. The motion carried.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Davis, chair of the Committee on University Governance, reported on the request made by Chancellor Mauceri and the Board of Trustees of the North Carolina School of the Arts to consider the resolution to modify the name of the institution to the University of North Carolina School of the Arts. The Committee had voted unanimously to recommend approval of the request. Mr. Daniels recognized that the Committee received many email messages and correspondence from opponents who expressed concern that the campus did not take adequate

time to discuss the issue. He stated that the board must act quickly if the request is to be considered by the General Assembly in the current session, which begins on May 13.

Mr. Barringer said there were merits with the decision. The tradition and heritage will not be changed, but the change would bolster the School's image in bigger cities as well as in North Carolina and help in its recruitment efforts.

On behalf of the Committee, Mr. Davis moved the approval of the resolution. The motion carried.

There was a partial term ending June, 30, 2011, on the Board of Trustees at North Carolina Central University which resulted from the resignation of Mr. Cressie Thigpen.

On behalf of the Committee, Mr. Davis moved the approval of the election of Mr. George Hamilton of Rochester, Michigan to fill the vacancy. The motion carried.

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

Five terms were ending June 30, 2012, on the UNC Center for Public Television Board of Trustees.

On behalf of the Committee, Mr. Davis moved the approval of the reappointment Mrs. Betty McCain and Mr. Carl Venters. The motion carried. Action was deferred on the remaining vacancies.

There was a partial term ending June 30, 2010, on the University of North Carolina Center for Public Television Board of Trustees.

On behalf of the Committee, Mr. Davis moved the appointment of Mr. James Treadaway, Jr. of Hickory, North Carolina. The motion carried.

Mr. Davis reported that there were three terms ending June 30, 2013, on the University of North Carolina Press Board of Governors.

On behalf of the Committee, Mr. Davis moved the reappointment of Dr. W. Fitzhugh Brundage, Dr. Sherman James, and Dr. Loren Schweninger. The motion carried.

There was a partial term ending June 30, 2011, on the University of North Carolina Press Board of Governors due to the resignation of Dr. Hiroshi Motomura.

The Committee considered the appointment of Mr. Charles Hayes to serve on the Center for International Understanding Advisory Board as an ex-officio member.

On behalf of the Committee, Mr. Davis moved the appointment of Mr. Hayes to serve on the Advisory Board. The motion carried.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Barringer, chair of the Committee on Public Affairs, reported on two amendments to the Legislative Policy Agenda which consisted of the name change at the North Carolina School of the Arts and the permission to grant the Board of Governors the authority to create airport authorities in support of the University of North Carolina.

On behalf of the Committee, Mr. Barringer moved to adopt the amended Legislative Policy Agenda. The motion carried.

Mr. Barringer stated that in the committee meeting Vice President Willis made comments concerning the upcoming 2008 North Carolina General Assembly short session. Board members were asked to be prepared to respond to any questions or needs that arise during the session. In-district visits continued with House members to facilitate and build relationships.

CHARIMAN'S REPORT

Chairman Phillips reflected on the election of a new Chancellor at the University of North Carolina at Chapel Hill. He recognized Chancellor Hackley for his outstanding service to the University. Although retired, Dr. Hackley had filled the leadership role when the board and President had called on him to serve as Chancellor on an interim basis at both North Carolina A&T State University and Fayetteville State University. Chairman Phillips presented Chancellor

Hackley with a Board of Governors resolution previously approved as part of the consent agenda.

Next, the chairman recognized Chancellor Patricia Sullivan. In June 2008, Chancellor Sullivan would retire as the senior Chancellor at the University of North Carolina. In her 13 years as Chancellor, she transformed the University of North Carolina at Greensboro. Her leadership had been astonishing and UNCG is in a very strong position, physically and academically, because of her leadership. As a tribute to Chancellor Sullivan, the Science Building at the University of North Carolina at Greensboro was named for her. Chairman Phillips presented Chancellor Sullivan with a Board of Governors resolution previously approved as part of the consent agenda. Chancellor Sullivan responded. For her remarks, please see Appendix O.

Chairman Phillips thanked Mr. Farris and the Committee on Educational Planning, Policies, and Programs for their leadership and efforts in the implementation of the new Academic Program Planning Policy. The new policy is the first tangible product of UNC Tomorrow.

The North Carolina General Assembly would begin its session on May 13 and he reminded the board to be responsive when called upon to undertake a particular task. He reminded the members about their obligation to the Public Records Act as presented by Vice President Luger.

Chairman Phillips noted that Chancellor Reaves' and Chancellor Battle's installations were held in April. He congratulated the Chancellors. Chairman Phillips thanked the board members who had represented the University at the 2008 spring commencements. He reminded the Chancellors that nominations for the 2008 Public Service Award were due in the Office of the Secretary by May 16, 2008. The incoming student member on the board, Mr. Greg Doucette, was recognized. He will be sworn in at the June 2008 meeting. A leadership group of students from Appalachian State University was recognized and Chairman Phillips thanked them for attending the meeting.

Elections of new officers will be held at the next meeting. Nominations will be taken at that time.

On motion by the Secretary and duly seconded, the board voted to convene in closed session 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 qualification, 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)(5) and 143-318.11(a)(6). The motion carried.

The open session resumed at 10:55 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mrs. Gage, chair of the Committee on Personnel and Tenure, reported that the Committee reviewed the request to establish a new position for Senior Academic and Administrative Officers for Vice Chancellor and Chief of Staff at Fayetteville State University.

On behalf of the Committee, Mrs. Gage moved the approval of the position. The motion carried.

Dr. Buffaloe read a resolution honoring the 2008 retiring faculty from the University of North Carolina.

On behalf of the Committee, Mrs. Gage moved the approval of the resolution and requested that it be sent to each retiring faculty member. The motion carried.

Mrs. Gage thanked the search committee at the University of North Carolina at Chapel Hill and President Bowles for the time and energy they devoted to the election of Dr. Holden Thorp.

The meeting adjourned at 11:02 a.m.

Secretary_____

APPENDICES

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

APPENDIX A	Citation and Response from Dr. Myron S. Cohen	Posted Online
APPENDIX B	Amendments to the 2008-09 Budget Priorities	Posted Online
APPENDIX C	Authorization of Non-Appropriated Capital Improvement Projects	Posted Online
APPENDIX D	Authorization of New Capital Improvements Projects, NCSU	Posted Online
APPENDIX E	Authorization of New Capital Improvements Projects, UNCG	Posted Online
APPENDIX F	Approval of Acquisition of Space by Lease, ECSU	Posted Online
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APPENDIX L	Authorization to Establish a new College of Health and Human Services, UNCW	Posted Online
APPENDIX M	Approval of a Resolution Honoring Chancellor Lloyd V. Hackley	Posted Online
APPENDIX N	Approval of a Resolution Honoring Chancellor Patricia A. Sullivan	Posted Online
APPENDIX O	Remarks by Chancellor Patricia A. Sullivan	Posted Online