

BOARD OF GOVERNORS MEETING

The University of North Carolina

February 13, 2004

The Board of Governors met in regular session on February 13, 2004, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 11:00 a.m.

INVOCATION

Mrs. Sanders gave the invocation:

Father, Our Almighty God. We enter your gates with thanksgiving, we enter your court with praise. For you have promised that you would inhabit the praises of your children. We humbly ask forgiveness for our sins, especially the sin of ungratefulness. Father we ask that as we discuss the business of the University this day, that we would imitate your righteousness, that we would submit to your wisdom, and that we would magnify your perfection. We ask that we would be mindful of our responsibilities to protect and to serve the least of us. And Father we ask that you would please grant our friend and our colleague, Robyn Render, a peace which surpasses all understanding, that you would visit her with miraculous healing. Oh Father God, let her know that all things are possible with you and that by thy stripes, she was healed. And father we ask that your footsteps would be our path. In the name of Jesus we pray. Amen.

ROLL CALL

Secretary Perry called the roll and the following members were present:

J. Bradley Wilson
Bradley T. Adcock
G. Irvin Aldridge
James G. Babb
Brent D. Barringer
R. Steve Bowden
F. Edward Broadwell, Jr.
William L. Burns, Jr.
C. C. Cameron
Anne W. Cates
John F.A.V. Cecil

Willie J. Gilchrist
H. Frank Grainger
Peter D. Hans
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.

Bert Collins
John W. Davis III
Jonathan L. Ducoté
Ray S. Farris
Dudley E. Flood
Hannah D. Gage

Gladys Ashe Robinson
Benjamin S. Ruffin
Estelle W. Sanders
J. Craig Souza
Priscilla P. Taylor
Robert F. Warwick

The following members were absent:

J. Addison Bell

James E. Holshouser, Jr.

Secretary Perry indicated that Mr. Bell had an excused absence under the provisions of the statute.

MINUTES

Mr. Collins moved, duly seconded, that the minutes of the meeting of January 9 and January 23, 2004, be approved. The motion carried.

On motion of Dr. Perry, duly seconded, the Board voted to convene in closed session pursuant to North Carolina General Statutes 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 11:15 a.m. and returned to open session at 11:45 a.m.

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ADMINISTRATIVE ACTION ITEMS

Chairman Wilson called attention to the Administrative Action Items listed on the agenda and noted that the Item previously listed as 8d., *Approval of the Report on Overhead Receipts* is to be removed and will be presented in the Committee on Budget and Finance report.

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

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|-----------|---|------------|
| a. (B&F) | Approval of Changes to Policy 600.3.1, <i>Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions</i> | Appendix A |
| b. (B&F) | Authorization of New Capital Improvements Projects, ECU | Appendix B |
| c. (B&F) | Authorization of the Sale of Pooled Revenue Bonds | Appendix C |
| d. (B&F) | Approval of Disposition of Property, UNCCH | Appendix D |
| e. (EPPP) | Authorization to Discontinue the Master of Arts in Art, ECU | Appendix E |
| f. (EPPP) | Authorization to Discontinue the Master of Science in Educational Administration and Supervision, NCSU | Appendix F |
| g. (EPPP) | Authorization to Discontinue the Master of Education in Educational Administration and Supervision, NCSU | Appendix F |
| h. (EPPP) | Authorization to Establish the Master of Science in Mathematics, ECSU | Appendix G |
| i. (P&T) | Approval of Policy 300.1.6.1, <i>Policy on Administrative Separation</i> | Appendix H |
| j. (GOV) | Approval of a Change to the University Award Resolution | Appendix I |

The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Mr. Phillips, chair of the Committee on Budget and Finance, presented the committee's report.

Approval of the Report on Overhead Receipts

Mr. Phillips reported that legislation enacted by the 2001 General Assembly directed the Board of Governors to report annually on the amount and uses of facilities and administrative receipts. He stated that this item was removed from the consent agenda because facilities and administrative receipts are an important part of the funding and activity of the University and the committee wanted to bring this to the Board's attention. On behalf of the

committee, he moved that the Report on Facilities and Administrative Receipts be approved and transmitted to the Joint Legislative Education Oversight Committee. The motion carried.

(Appendix J)

Mr. Phillips thanked the board members for their patience and diligence during the February 6th meeting of the Committee on Budget and Finance. He stated that he was very pleased with the way the Board has gone about its tuition discussion and debate and that the committee plans to bring this matter to a conclusion next month. He also reminded everyone that the Special Committee Reviewing the Funding Model for Enrollment Growth will meet following the board meeting.

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.

Revision of the Mission Statement for Fayetteville State University

Dr. Gilchrist stated that the mission statement for Fayetteville State University has been changed to fully characterize the university and that a copy of the revised statement is in the Board member's folders. On behalf of the committee, Dr. Gilchrist moved that the revised mission statement for Fayetteville State University be approved. After a short discussion, the motion carried. (Appendix K)

Annual Report on Teacher Assistant Scholarship Fund

Dr. Gilchrist reminded the Board that the General Assembly established a scholarship fund for teacher assistants to pursue a degree in teaching. The annual report of the scholarship fund has been prepared. On behalf of the committee, Dr. Gilchrist moved that the

Annual Report on Teacher Assistant Scholarship Fund be approved and transmitted to the Joint Legislative Education Oversight Committee. The motion carried. (Appendix L)

REPORT OF TASK FORCE ON MEETING TEACHER SUPPLY AND DEMAND

Dr. Gilchrist, chair of the Task Force on Meeting Teacher Supply and Demand, presented the committee's report. He stated that Chairman Wilson appointed a committee in July of 2003 that was tasked to look at research dealing with teacher supply and demand in North Carolina. The committee, which includes the chancellors from UNC Charlotte and Winston-Salem State University, has reviewed countless national research studies and is working to establish seven strategies and recommendations which it plans to finalize and present to the Board at its next meeting. He also thanked the board members for their suggestions and asked for their support at the March meeting.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

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

Reappointment to Board of Trustees – Pitt County Memorial Hospital

On behalf of the committee, Mr. Adcock moved that Luther C. Copeland, Jr., of Edenton be reappointed to the Board of Trustees of the Pitt County Memorial Hospital, for a term ending February 28, 2009. The motion carried.

Appointment to Board of Governors – University of North Carolina Press

On behalf of the committee, Mr. Adcock moved that J. Haywood Davis of New York City be appointed to the Board of Governors of the University of North Carolina Press, for a partial term ending June 30, 2005. The motion carried.

Mr. Adcock noted that there is a partial term ending June 30, 2007, on the North Carolina School of the Arts Board of Trustees. He stated that the committee is accepting nominations for this vacancy.

Amendments to Chapter 3 of *The Code*

Mr. Adcock stated that in January the committee considered and approved amendments to *The Code*, Chapter 3, dealing with board efficiency. He moved that these amendments be approved. Mr. Farris asked for discussion on the proposal that only the chairman appoint members of all standing committees. He stated that the current process, which has been in effect since 1971, somewhat insulates the chairman by utilizing the Committee on Committees to recommend membership on the standing committees. After some discussion, the motion carried. (Appendix M)

Mr. Adcock reported that during its January meeting, the committee considered and approved changes to Policy 200.5, *Initiating and Settling Lawsuits*, Policy 1200.4, *Policy Authorizing the University of North Carolina Hospitals at Chapel Hill to Initiate Lawsuits*, and Policy 1200.5, *Policy Authorizing the Initiation of Lawsuits on Behalf of The University of North Carolina at Chapel Hill for the Benefit of UNC Physicians and Associates*. He stated that after further discussions at the February 12, 2004, committee meeting, the Governance Committee has decided to return these changes to the committee for further discussion.

REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY

Mr. Cecil, chair of the Committee on the Future of Information Technology, reported that Robyn Render has assigned a member of her staff, Vijay Verma, to assist the committee in her absence. He stated that the committee has prepared some outlines and drafts for its next steps and will report to the board at a later date.

REPORT OF COMMITTEE ON PUBLIC AFFAIRS

Mr. Babb, chair of the Committee on Public Affairs, presented the committee's report.

Approval of the 2004 Federal Agenda

On behalf of the committee, Mr. Babb moved approval of the 2004 Federal Agenda, which was available in the board's notebooks. The motion carried. (Appendix N)

Mr. Babb reported that the committee held discussions on the 2004 State Agenda and also some items for consideration for the 2005 Agenda. He added that the process has begun to have this information to the board in advance of the March meeting. During this discussion, a question was raised by Mr. Farris concerning an item on the draft 2004 State Agenda regarding the voting status of the Board of Governors student representative. Mr. Babb said this item would be considered again at the March committee meeting before a recommendation is made to the full Board.

ANNUAL REPORT OF THE COUNCIL OF UNC ALUMNI ASSOCIATION

PRESIDENTS

Chairman Wilson recognized members of the Council of UNC Alumni Association Presidents as Ms. Shelby Strother, Vice President of the Council, came forward. Ms. Strother, on behalf of Council President Misty Hathcock, presented the Annual Report. (Appendix O)

Mr. Bob Kennel, Executive Director of the Council of UNC Alumni Association Presidents presented the *Teaching Fellows Ball*, the last in his series of *Education Balls*.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mr. Davis, chair of the Committee on Personnel and Tenure, presented and moved approval of the committee's summary personnel report as presented in closed session. The motion carried. (Appendix P)

As a matter of information, Mr. Davis reported that the committee reviewed the proposed amendments to Policy 101.3.2, *Grievances Filed Pursuant to Section 607 of The Code*. He stated that the committee plans to bring this proposed policy to the Board for approval at the March meeting.

He also reported that in keeping with the directives of the General Assembly of the State of North Carolina, Policy 600.3.4 of The University of North Carolina, and pursuant to the authority granted by this Board, this committee, at its meeting on February 12th, approved the request for the *Granting of Management Flexibility To Appoint and Fix Compensation to* Winston-Salem State University.

ELECTION OF A CHANCELLOR – APPALACHIAN STATE UNIVERSITY

Mr. Davis reported that during the committee's meeting yesterday and in today's closed session, President Broad reported on the search for a new chancellor at Appalachian State University. He then called on President Broad for that report and announcement.

President Broad expressed her great pleasure to nominate a new leader for Appalachian State University. She stated that this is a special day for Appalachian State University, a day that has been eagerly awaited by students and faculty of ASU, and citizens of western North Carolina. She then called upon Mr. Robert G. Fox, Jr., chairman of the

Appalachian State University Board of Trustees and chairman of the Search Committee, to give a report on the search process.

Mr. Fox thanked President Broad and the Board of Governors for the chance to give this report on the search process. He reported that the process began following the retirement of Chancellor Borkowski last June. He added that this is a process that is not often done, as ASU has had only five chancellors in 104 years. He stated that he and Glenn Wilcox, then chairman of the Board of Trustees, recruited a search committee of 17 people representing trustees, faculty, students, alumni, staff, and the community. To encourage suggestions and comments about this process, input was solicited from the University and the Committee through a series of public forums held in September of 2003. He further stated that he also met personally with faculty groups and department chairs to listen to their input and recommendations. The committee then developed a public advertisement for the position, a position profile, a leadership statement, and a search website that could serve as a central communication tool in the search process. With the assistance of an executive search firm, 110 prospective candidates were identified, over 50 resumes were reviewed, and 13 quarter finalists were invited for screening interviews. The interviews were conducted in Charlotte in mid-December and early January, from which 6 semi-finalists were selected. These semi-finalists were then invited to a series of open public forums on campus to meet with the university community. After compiling the written observations from these forums and the website, this information was used for consideration in narrowing the field of semi-finalists. The search committee met on January 27th and concluded its work by recommending three candidates to the Board of Trustees, who unanimously approved and forwarded the recommendations to President Broad.

Lastly, Mr. Fox recognized and thanked Interim Chancellor Harvey Durham and his wife, Susan, for their dedication and willingness to postpone their retirement to serve in this capacity during the search process.

President Broad thanked the members of the search committee for the manner in which they carried out their responsibilities. She stated that she was pleased to recommend the appointment of Dr. Kenneth Edward Peacock as chancellor of Appalachian State University, effective July 1, 2004, at an annual salary of \$210,000. She then reviewed the qualifications of Dr. Peacock and noted that this selection of “one of our own” speaks volumes for the quality of the leadership within this University.

Mr. Davis, on behalf of the Personnel and Tenure Committee, moved approval of the recommendation and it was duly seconded. The chair put forth the motion and it carried unanimously. At the request of Chairman Wilson, Mr. Adcock, Mr. Ruffin, Dr. Taylor and Mr. Warwick escorted Dr. Peacock into the room. For Dr. Peacock’s remarks see Appendix Q.

Chairman Wilson congratulated Dr. and Mrs. Peacock and also stated that the Board of Governors will continue to support them in every way they can.

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CHAIRMAN’S REPORT

Chairman Wilson introduced his wife, Carole Wilson, whom he stated was in attendance in her capacity as an alumna of Appalachian State University.

The chair commented on the success of the Joint Meeting of the North Carolina Education Governing Boards. He expressed appreciation to members of the board for their attendance and stated that he felt the Board represented themselves well as the hosts. He thanked Dr. Taylor, President Broad, Dr. Bataille, Dr. Thompson, Secretary Corgnati and all of those involved in putting the meeting together. He stated that he believed everyone appreciated

meeting and hearing from Cary Owen's brother, Gaston Caperton, as the luncheon keynote speaker.

He announced that he and James Woody, chairman of the Community College Board, have appointed a joint committee of the UNC Board of Governors and the Community College Board. The goal of this committee will be to address issues of commonality and improved relations between the two boards. He stated that Peter Hans will co-chair the committee, which will also include Estelle 'Bunny' Sanders, Charles Mercer, and Hannah Gage. He thanked them for their willingness to take on this task and stated he looked forward to hearing from them in the future.

Chairman Wilson announced that the installation date for Chancellor DePaolo at UNC Wilmington is April 16th, 2004, and the installation date for Chancellor Bryan at Fayetteville State University is April 23rd, 2004. He commented that April will be a big month in the life of the University.

He announced that he and President Broad will host the annual CIAA Breakfast on Saturday, February 28, 2004. Invitations will be mailed soon and he encouraged the board to attend the breakfast and other CIAA activities that week.

Chairman Wilson commended the members of the Committee on Budget and Finance and the board for good and hard work on the tuition issues facing the board at this time. He thanked the staff for providing important information and answers to questions and also thanked the Chancellors, the Provosts and all the people involved in the Committee on Budget and Finance meeting on Friday, February 6th and throughout this week for helping the board to understand the critical needs each of the campuses is facing.

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There being no further business, the meeting adjourned at 12:30 p.m.

Secretary

APPENDICES

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

Appendix A	Approval of Changes to Policy 600.3.1, <i>Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions</i>	Attached
Appendix B	Authorization of New Capital Improvements Projects, ECU	Attached
Appendix C	Authorization of the Sale of Pooled Revenue Bonds	Attached
Appendix D	Approval of Disposition of Property, UNCCH	Attached
Appendix E	Authorization to Discontinue the Master of Arts in Art, ECU	Attached
Appendix F	Authorization to Discontinue the Master of Science in Educational Administration and Supervision, NCSU, and Authorization to Discontinue the Master of Education in Educational Administration and Supervision, NCSU	Attached
Appendix G	Authorization to Establish the Master of Science in Mathematics, ECSU	Attached
Appendix H	Approval of Policy 300.1.6.1, <i>Policy on Administrative Separation</i>	Attached
Appendix I	Approval of a Change to the University Award Resolution	Attached
Appendix J	Report on Overhead Receipts	Attached
Appendix K	Revised Mission Statement for FSU	Attached
Appendix L	Teacher Assistant Scholarship Fund Annual Report	Attached
Appendix M	Amendments to Chapter 3 of <i>The Code</i>	Attached
Appendix N	2004 Federal Agenda	Attached
Appendix O	Annual Report of the Council of UNC Alumni Association Presidents	Attached
Appendix P	Personnel Summary Report	Attached
Appendix Q	Remarks of Dr. Kenneth Edward Peacock	Attached

February 13, 2004

CLOSED SESSION**APPROVAL OF MINUTES OF CLOSED SESSION**

In accordance with procedures established to comply with the Open Meeting Law, Mr. Aldridge moved, seconded by Dr. Gilchrist, that the closed session minutes for January 9 and January 23, 2004, be approved. The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE**Lease of Space – UNC Charlotte**

Mr. Phillips presented a request from UNC Charlotte for authorization to lease approximately 15,100 square feet of space to accommodate the Uptown Education Center. On behalf of the committee, he moved that the request be approved and transmitted to the Council of State for final action. The motion carried. (Exhibit A)

Acquisition of Property – Western Carolina University

Mr. Phillips also presented a request from Western Carolina University for authorization to acquire 68 acres of property located in Cullowhee. He moved that the request be approved and transmitted to the Council of State for final action. The motion carried. (Exhibit B)

REPORT OF COMMITTEE ON PERSONNEL AND TENURE**Summary Personnel Report**

Mr. Davis, chair of the Committee on Personnel and Tenure, presented and moved approval of the committee's summary personnel report, subject to approval in open session. He said the report included several recommendations for administrative appointments.

After considerable discussion, the board approved the committee's recommendations.

(Exhibit C)

Mr. Davis stated that at its meeting on the preceding day, President Broad reported on the search for a new chancellor at Appalachian State University. At the chair's request, the staff distributed President Broad's memorandum as she reported on the chancellor's search and recommended the election of Dr. Kenneth Edward Peacock to the position of chancellor of Appalachian State University, at an annual salary of \$210,000, effective July 1, 2004. Mr. Phillips expressed his excitement and appreciation to President Broad for appointing a highly qualified person from within the ranks of the University to this position. (Exhibit D)

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On motion of Mr. Keber and unanimously seconded, the board voted to reconvene in open session.