

BOARD OF GOVERNORS MEETING

The University of North Carolina

January 10, 2003

The Board of Governors met in regular session on January 10, 2003, in the Board Room of the General Administration Building, Chapel Hill. Mr. Wilson, the chairman, called the meeting to order at 10:30 a.m.

INVOCATION

Mr. Keber gave the invocation:

God, our Creator, we love you and praise you and we thank you for all your blessings. We thank you for this good and great country and we ask that you continue to bless its people and their elected leaders. We thank you for our diverse and beautiful state and pray that your bountiful graces will enable it to continue to nurture its people and afford them the opportunity to live rewarding and meaningful lives.

We thank you also Lord for this great University and for all the North Carolinians whose vision, dedication, and hard work have left this legacy. We pray that the efforts of this board please you, Lord, and that you will continue to lead and guide us as we make choices that will influence our University's future success. Amen.

ROLL CALL

Mr. Aldridge called the roll and the following members were present:

J. Bradley Wilson	Willie J. Gilchrist
Bradley T. Adcock	H. Frank Grainger
G. Irvin Aldridge	James E. Holshouser, Jr.
James G. Babb	Peter Keber
J. Addison Bell	Teena S. Little
F. Edward Broadwell, Jr.	Charles H. Mercer, Jr.
William T. Brown	Barbara S. Perry
Angela R. Bryant	Patsy B. Perry
William L. Burns, Jr.	Jim W. Phillips, Jr.
C. C. Cameron	H. D. Reaves, Jr.
Anne W. Cates	Gladys Ashe Robinson
John F.A.V. Cecil	Benjamin S. Ruffin
Bert Collins	J. Craig Souza
Jonathan L. Ducoté	Priscilla P. Taylor
Ray S. Farris	Robert F. Warwick
Dudley E. Flood	Ruth Dial Woods
Hannah D. Gage	

The following member was absent:

John W. Davis III

MINUTES

Mr. Grainger moved, seconded by Mr. Collins, that the minutes of the meeting of November 8, 2002, and January 3, 2003, be approved. The motion carried.

* * *

Chairman Wilson welcomed the guests from 15 of the 16 campuses representing staff of the University and said they would be recognized later in the meeting.

PRESIDENT'S REPORT

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting and gave the board an update of the good news and accolades afforded many of the campuses, including the North Carolina State University football team on winning the Gator Bowl. The president extended greetings and best wishes to Chancellor William V. Muse of East Carolina University who was recuperating at home following heart bypass surgery.

The president commented on several matters, including the outlook for the State and Federal fiscal matters, the postponement of the North Carolina State University Conference Center Project, the proposed resolution on tuition for 2003-04, assessment and accountability for the University, and gave a status report on and introduced a short video highlighting activity on the Winston-Salem State University campus in connection with the UNC Bond Program. (For the President's complete report, see Appendix A.)

President Broad introduced State Treasurer Richard H. Moore. Mr. Moore thanked Chairman Wilson and President Broad for the invitation to appear before the members

of the Board of Governors. He shared a handout highlighting the steps North Carolina has taken to address ways to meet the budget shortfall and maintain its bond rating.

Mr. Moore said this was an exciting time to be in North Carolina because the schools within the University of North Carolina are the envy of the nation. He commended President Broad on her overview of status of the state budget and the acknowledgement that the flow of money has stopped. He also commended the General Assembly for its “zero” growth budget, thereby holding the state’s expenditures and budget in line. He predicted North Carolina would have another round of cuts to correct it.

The State Treasurer pointed out that over the past year North Carolina has changed the way it issues debt, in that North Carolina is the only AAA state in America that did not previously issue variable rate debt. He said he was pleased to report that his office had just finished refinancing every bond it holds and, except for a few where it would not have been feasible to refinance, has refinanced all of North Carolina’s debt at less than four percent. As a result, North Carolina has held its bond rating. He said the General Assembly would have to make the right decisions and live within the State’s means.

Mr. Moore encouraged the members of the Board of Governors to protect the mission of the University and to push hard for the campuses they represent. He said, “A state’s success or failure usually comes down to the quality of its educational facilities.”

ADMINISTRATIVE ACTION ITEMS

Chairman Wilson called attention to the Administrative Action Items listed on the agenda and inquired if any member wished to have items removed for further discussion.

Mr. Warwick moved, seconded by Mr. Grainger, that the following Administrative Action Items be approved by consent:

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|----------|---|------------|
| a. (B/F) | Approval of the Exemption of Institution from the Policy on Nonresident Freshmen Enrollment, FY 2002-03 | Appendix B |
| b. (B/F) | Authorization of the Sale of Revenue Refunding Bonds, University of North Carolina Hospitals at Chapel Hill | Appendix C |

c. (B/F)	Authorization of New Capital Improvements Project, WCU	Appendix D
d. (B/F)	Approval of the Disposition of Property, NCSU	Appendix E
e. (B/F)	Approval of the Exchange of Property, NCSU	Appendix F
f. (B/F)	Approval of the Severance of Improvements, ECU	Appendix G
g. (B/F)	Approval of the Severance of Improvements, NCSU	Appendix H
h. (EPPP)	Authorization to Establish the Bachelor of Science in Emergency Management, WCU	Appendix I
i. (EPPP)	Approval of the Institute of Disaster Studies, UNC Office of the President	Appendix J
j. (EPPP)	Approval of the Silicon Wafer Engineering and Defect Science Center, NCSU	Appendix K
k. (EPPP)	Revocation of Supplemental Retirement Plans	Appendix L

The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

Resolution in Support of No Increase in UNC Tuition for the 2003-04 Academic Year

Mr. Bell reported that at its meeting the preceding day the Committee on Budget and Finance approved a resolution stating the board's intention to maintain tuition rates at current or previously approved levels during the 2003-04 academic year. He said the resolution resulted from recommendations from a study committee that met on December 5, 2002, and agreed to recommend to the Board of Governors that there be no tuition increases for the 2003-04 academic year. On behalf of the committee, Mr. Bell presented and moved approval of the following resolution:

RESOLUTION IN SUPPORT OF NO INCREASE IN UNC TUITION FOR THE 2003-04 ACADEMIC YEAR

Whereas, the Board of Governors is responsible for establishing tuition rates at the constituent institutions of the University of North Carolina, not inconsistent with actions of the General Assembly; and

Whereas, over the course of the past three years, the Board has authorized across-the-board and campus-initiated tuition increases that have averaged 62 percent University-wide for the three-year period; and

Whereas, the economic climate within North Carolina has resulted in rising levels of unemployment and financial hardship for many citizens of the state; and

Whereas, students within the University and their families have borne a greater share of the cost of a UNC education through tuition increases implemented during the past three years;

Now, therefore, be it resolved that the Board of Governors of the University of North Carolina declares its intention to maintain tuition rates at current or previously approved levels for the 2003-04 academic year.

The motion carried. Mr. Ducote thanked the members of the board for their support of the resolution and said he hoped the attitude of opportunity and access would continue.

REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

Mr. Keber, chair of the Committee on Educational Planning, Policies, and Programs, presented the committee's report.

Fourth Annual Report on University of North Carolina Enrollment Planning

Mr. Keber said the Fourth Annual Report on Enrollment Planning is a report to the General Assembly on current and anticipated growth and the University's management and capacity to meet the demands for higher education in North Carolina. He said the headcount enrollment for Fall 2002 was 176,987, an increase of 7,175 students over Fall 2001. Mr. Keber noted that all campuses had growth and the University exceeded its target enrollment by approximately 1,367 students. He said that overall, the University had a growth rate of 4.2 percent and the focused-growth institutions grew at a rate of 9.1 percent. Mr. Keber said the 10-year enrollment plan would be reviewed this year.

On behalf of the committee, Mr. Keber presented and moved approval of the Fourth Annual Report on University of North Carolina Enrollment Planning and that it be transmitted to the Joint Legislative Education Oversight Committee. The motion carried.

(Appendix M)

Report on Teacher Education/Distance Education

Mr. Keber noted that the General Assembly provided \$2 million to support teacher education through distance learning. He said the report on teacher education/distance education documents the use of funds, includes the enhancement of communication with the community colleges, the enrollment of additional students, the purchasing of teaching materials, hardware and software, and support of course development and faculty training. In addition, the report also documents the allocation of the funds to the campuses, even though some funds reverted due to the budget shortfall. On behalf of the committee, Mr. Keber moved that the Report on Teacher Education/Distance Education be approved. The motion carried.

(Appendix N)

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Mr. Keber called attention to the video at each member's place and entitled "Applying to College—Questions and Answers." He said the videos were provided by the College Foundation of North Carolina and highlight interviews with students, counselors, admissions officers, and financial aid directors regarding common questions asked by high school students preparing for the admissions process.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Dr. Brown, chair of the Committee on University Governance, presented the committee's report.

Appointment to Board of Trustees - UNC Center for Public Television

On behalf of the committee, Dr. Brown moved that Mrs. Betty Ray McCain of Wilson be appointed to the Board of Trustees of the UNC Center for Public Television, for a partial term ending June 30, 2004. The motion carried.

2003 Trustee Selection Process

Dr. Brown reminded the members that the 2003 trustee selection process was underway and that the committee intends to bring a provisional slate to the Board of Governors

at the March meeting. He said trustee orientation for the provisional slate of nominees will take place in April and the committee will present the nominees for the board's consideration in May.

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As a matter of information, Dr. Brown reported the committee met in joint session with the Committee on Personnel and Tenure on the preceding day and received a report of the UNC Task Force on Faculty Dispute Resolution. He called attention to the task force report in the notebooks and said the committee expects to review changes to *The Code* and policy changes required to fully implement the task force recommendations in February.

REPORT OF COMMITTEE ON TUITION AND FEES POLICIES

Mr. Cecil, chair of the Committee on Tuition and Fees Policies, called attention to the draft tuition and fee policies at each member's place and said the committee met several times to consider these matters. He said the committee plans to present the committee's recommendations for approval at the February meeting.

As a matter of information, Mr. Cecil reported the committee considered several other recommendations: enrollment growth and financial aid, funding in the continuation budget, clarification of the classification system and how the University clarifies and categorizes the 16 institutions, and a revisit of the funding formula. He said the committee would take a closer look at these recommendations and make some "new" or "additional" recommendations later.

Mr. Cecil thanked the members of his committee, Mr. Bell, Mr. Ducote, Mr. Farris, Dr. Perry, Mr. Phillips, Mrs. Robinson, Mr. Reaves, and Mr. Warwick for their long hours of work and effort on the tuition and fees policies.

REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY

Mr. Cecil, chair of the Committee on the Future of Information Technology, reported the committee had met a number of times and would meet again immediately following the board meeting.

REPORT OF COMMITTEE ON PUBLIC AFFAIRS

Mr. Babb, chair of the Committee on Public Affairs, called attention to the State Legislative Agenda approved by the committee at its December meeting. He noted that at its meeting earlier in the day, the committee voted to add a proposal from Appalachian State University relating to parking jurisdiction in Boone. He said the town supports the proposal. Mr. Babb moved that the State Legislative Agenda be amended to add the ASU Parking Proposal. The motion carried.

On behalf of the committee, Mr. Babb moved that the 2003 State Legislative Agenda be approved. The motion carried. (Appendix O)

In reference to the federal agenda, Mr. Babb noted that Mr. Robert Samors, Associate Vice President for Federal Relations, reported on the 2003 budget process and the outlook for the 2004 budget, as well as a number of policy issues involving the University. He said the committee also received a report from Mr. Samors and Dr. Walter Harris, Senior Fellow in the Office of the President, on the reauthorization of the Higher Education Act. The federal agenda, approved by the committee, will be presented for approval by the board at the February meeting.

Mr. Babb said a number of activities have been scheduled to communicate the needs of the University to the new and reelected legislators. At Mr. Babb's request, Mr. Ducoté reported that on February 4, 2003, at 11:00 a.m. the students from all 16 campuses would travel to Raleigh to present their needs and concerns to the legislators.

Mr. Babb encouraged the members of the board to contact and take every opportunity to meet the legislators and get involved in presenting the University's needs.

CHAIRMAN'S REPORT

Chairman Wilson welcomed and recognized the leaders of the staff employee organizations consisting of 25,000 employees across the University. He said the board was fortunate to have 19 leaders representing 15 of the campus organizations known as staff counsel, staff forum, staff senate, staff assembly, employee senate, and employee forum present at the meeting. Chairman Wilson introduced the visitors in attendance at the meeting:

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|---------|---|
| ECU – | Mr. David L. Batts
Director, University Printing and Staff Forum Chair |
| ECSU – | Ms. Shelia M. Perry
Staff Senate Chair |
| | Mrs. Joyce B. Shaw
Staff Senate Vice Chairperson |
| FSU – | Mr. Harold L. McKeithan
Staff Senate President |
| NCA&T – | Ms. Albertina McGirt
Staff Senate President |
| NCCU – | Ms. Robin S. Hanes
Employee Senate Chair |
| NCSA – | Mr. William Huesman
President, Staff Council of NCSA |
| | Ms. Marsha Myers
Chair, EPA-NT Staff Council |
| NCSU – | Ms. Natalie J. Worth
Staff Senate Chair |
| UNCA – | Michael A. Honeycutt
Chancellor's Staff Advisory Committee |
| UNCCH – | Mr. Thomas H. Griffin
Employee Forum Chair |

	Mr. Matt Banks
UNCC -	Ms. Angela Williams Staff Organization President
UNCG –	Mr. Mike Byers Staff Council Chair
UNCP –	Ms. Carlene Cummings Staff Council Chair
	Ms. Melissa Vance Staff Council Chair-Elect
UNCW –	Ms. Karen S. Thompson Staff Assembly Chair
WCU –	Mr. Keith Stiles University Staff Forum Chair
WSSU –	Mr. Frederick N. Terry Staff Senate President

On behalf of the Board of Governors, Chairman Wilson presented a resolution honoring the staff employees of the University. Mr. Bell moved, seconded by Mr. Warwick, that the resolution be adopted unanimously. The motion carried. (Appendix P) At the chair's request, Mr. David L. Batts, of East Carolina University, and Mr. Frederick N. Terry, of Winston-Salem State University, came forward and received from Chairman Wilson and President Broad an official copy of the resolution on behalf of the 25,000 staff employees of the University.

Chairman Wilson noted that while the staff salaries are not part of the University's budget sent to the General Assembly, the University does intend this year to advocate and raise a collective voice on behalf of the 25,000 staff members across the state who work so hard for the University.

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Chairman Wilson commended Chancellor McLeod and the Fayetteville State University football team on winning the CIAA championship.

The chairman thanked Chancellor Meadors and the members of his staff for his recent visit to that campus and encouraged other board members to visit when they have the opportunity.

At the chair's request, Dr. Gilchrist gave a brief update on the joint meeting between the O. Max Gardner Award Committee and the Committee on Awards for Excellence in Teaching. He reminded the chancellors that all recommendations for the O. Max Gardner Award are due no later than January 31. The award presentation will take place at the May 9 meeting of the Board of Governors.

Chairman Wilson announced that Mr. Farris' Committee on Awards for Excellence in Teaching is also at work and nominations for those awards are due February 1.

Reappointment of 2002 Committee On Committees

In conjunction with the board's approval at the November meeting of several changes in the membership of the standing committees, Chairman Wilson reinstated the 2002 Committee on Committees and asked that the committee make a report at the February meeting.

The members of the committee are:

Mr. Phillips, chair
Mr. Adcock
Ms. Bryant
Mrs. Gage
Mrs. Little

Committee on Presidential Assessment

Chairman Wilson reported that in response to a request from President Broad regarding her performance, he was recommending a mini-presidential performance assessment. Without objection, he named the following persons to serve on the Committee on Presidential Assessment and asked that the committee make its report to the board at a later date:

Mr. Souza, chair
 Mr. Babb
 Mr. Bell
 Dr. Brown
 Mr. Keber
 Chairman Wilson
 Vice Chair Little
 Secretary Aldridge

* * *

On a personal note and on behalf of Mr. Adcock and himself, Chairman Wilson asked Dr. Harvey Durham, provost and vice chancellor for academic affairs at Appalachian State University and a leader in higher education, to stand. He said Dr. Durham was retiring June 30, 2003, from Appalachian State University following 38 years of service. He thanked Dr. Durham for his service to Appalachian State University, the region, and the State of North Carolina.

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On motion of Mr. Aldridge seconded by Mr. Bell, the board voted to convene in closed session pursuant to North Carolina General Statutes Sections 143-318.11(a)(3), 143-318.11(a)(5), and 143-318.11(a)(6). The motion carried.

CLOSED SESSION

APPROVAL OF MINUTES OF CLOSED SESSION

In accordance with procedures established to comply with the Open Meetings Law, Mr. Aldridge moved, seconded by Mr. Grainger, that the closed session minutes for November 8, 2002, be approved. The motion carried.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Lease of Space – The University of North Carolina at Chapel Hill

Mr. Bell, chair of the Committee on Budget and Finance, presented a request from the University of North Carolina at Chapel Hill for authority to lease office space for the

Carolina Population 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.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mr. Souza, chair of the Committee on Personnel and Tenure, presented the committee's summary personnel report, subject to approval in open session.

Summary Personnel Report

Mr. Souza said the committee's recommendations include seven administrative appointments and recommendations for promotions and conferrals of tenure at Fayetteville State University.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Appeal of Faculty Member – Winston-Salem State University

Dr. Brown, chair of the Committee on University Governance, presented and moved approval of the committee's report in the appeal of a faculty member at Winston-Salem State University. The motion carried.

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Dr. Brown reminded the members that in 1998 the Board of Governors delegated, to the Committee on University Governance, authority to authorize a constituent institution to file suit. He reported that the committee approved a request from the University of North Carolina at Chapel Hill to initiate litigation, in the name of the Board of Governors, to determine the validity of documents in the settlement of an estate.

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On motion of Mr. Grainger, seconded by Mr. Warwick, the board voted to reconvene in open session.

RESUMPTION OF OPEN SESSION**REPORT OF COMMITTEE ON PERSONNEL AND TENURE**

Mr. Souza, chair of the Committee on Personnel and Tenure, said the committee's recommendations included seven administrative appointments, including five appointments in the UNC Office of the President:

- Carolyn R. Mahoney, Vice Chancellor for Academic Affairs
Elizabeth City State University
- Jonathan Emmanuel Martin, Executive Assistant to the Chancellor
Winston-Salem State University
- Shari Harris, Assistant Vice President for Finance
UNC Office of the President
- Christopher D. Hitch, Assistant Director in the Principal's Executive Program
UNC Office of the President
- Kellie Murphy, Communications Officer
UNC Office of the President – James B. Hunt, Jr., Institute for Educational
Leadership and Policy
- Jenni W. Owen, Partnerships Project
UNC Office of the President – James B. Hunt, Jr., Institute for Educational
Leadership and Policy
- Carolyn M. Sneed, Special Projects Coordinator for NC
Catalyst Initiative, University School Programs

The report also included recommendations for promotions and conferrals of tenure at Fayetteville State University.

In addition, Mr. Souza said the committee recommended approval of the 2002-2003 salaries for Thomas Leach, the Dean of Arts and Sciences, and Elinor Foster, Director of Library Services, both at UNC Permbroke. He said the salaries for these two individuals were not included in the salaries approved at the November 2002 meeting.

On behalf of the committee, Mr. Souza moved that the committee's report be approved. The motion carried. (Appendix Q)

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There being no other business, the meeting adjourned at 11:55 a.m.

Secretary

APPENDICES

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

Appendix A	President's Report	Attached
Appendix B	Approval of the Exemption of Institution from the Policy on Nonresident Freshmen Enrollment, FY 2002-03	Attached
Appendix C	Authorization of the Sale of Revenue Refunding Bonds, University of North Carolina Hospitals at Chapel Hill	Attached
Appendix D	Authorization of New Capital Improvements Project, WCU	Attached
Appendix E	Approval of the Disposition of Property, NCSU	Attached
Appendix F	Approval of the Exchange of Property, NCSU	Attached
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Appendix I	Authorization to Establish the Bachelor of Science in Emergency Management, WCU	Attached
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Appendix K	Approval of the Silicon Wafer Engineering and Defect Science Center, NCSU	Attached
Appendix L	Revocation of Supplemental Retirement Plans	Attached
Appendix M	Fourth Annual Report on UNC Enrollment Planning	Attached
Appendix N	Report on Teacher Education/Distance Education	Attached
Appendix O	2003 State Legislative Agenda	Attached
Appendix P	Resolution Honoring University Staff Employees	Attached
Appendix Q	Summary Personnel Report	Attached