

Board of Governors Meeting
September 18, 2009
Chapel Hill, North Carolina

The Board of Governors met in regular session on September 18, 2009, at the Spangler Center, Chapel Hill, North Carolina. Chairman Gage called the meeting to order at 9:00 a.m. She called on Mr. Doucette who introduced his guests. Mr. Doucette introduced the following Student Government Association representatives – Mr. Atul Bhula and Mr. Matthew Burke from East Carolina University, Mr. Harrison Brooks and Ms. Cierra Hinton from the University of North Carolina at Chapel Hill, Mr. Luke Lucas from the University of North Carolina at Wilmington, and Mr. Josh Cotton from Western Carolina University.

INVOCATION

Chairman Gage called on Dr. Flood to give the invocation.

ROLL CALL

Mr. Bart Corgnati, Secretary of the University, called the roll. The following members were present:

Brent D. Barringer	Charles A. Hayes
John M. Blackburn	Adelaide Daniels Key
Laura W. Buffaloe	G. Leroy Lail
Frank Daniels, Jr.	Ronald C. Leatherwood
Bill Daughtridge, Jr.	Cheryl Ransom Locklear
Walter C. Davenport	Franklin E. McCain
John W. Davis III	Charles H. Mercer, Jr.
James M. Deal, Jr.	Fred G. Mills
Phillip R. Dixon	Burley B. Mitchell, Jr.
T. Gregory Doucette	Jim W. Phillips, Jr.
Dudley E. Flood	Marshall B. Pitts, Jr.
Paul Fulton	Gladys Ashe Robinson
Hannah D. Gage	Irvin A. Roseman
Ann B. Goodnight	Priscilla P. Taylor
Clarice Cato Goodyear	J. Bradley Wilson
Peter D. Hans	David W. Young

The following members were absent:

Peaches Gunter Blank
R. Steve Bowden

James E. Holshouser, Jr.
Estelle "Bunny" Sanders

STATE ETHICS ACT

Chairman Gage 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 Gage 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. Doucette moved, seconded by Mrs. Goodyear, that the minutes from the open session of the August 14, 2009, meeting be approved. The motion carried.

PRESIDENT'S REPORT

President Bowles reported that he had received favorable feedback from members of the Board and others related to the previous day's policy discussions. The members of the Board expressed that they had a clear understanding of the work being done by the faculty, staff, and administrators in response to the recommendations of the UNC Tomorrow Commission. He thanked the Chancellors for their leadership during the budget crisis. For President Bowles' complete report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Hans moved, seconded by Mr. Hayes, that the following Administrative Action Items be approved by consent.

- a. (B&F) Authorization of New Capital Improvements Project, UNCG
- b. (EPPP) Approval of Licensure for Troy University eCampus to offer the following (electronically delivered) degree programs in North

Carolina and to provide student support services at its Fayetteville/Fort Bragg site for its eCampus and on-site students in North Carolina:

- Associate of Science in Business Administration
- Associate of Science in General Education
- Bachelor of Applied Science in Resources and Technology Management
- Bachelor of Science in Business Administration
- Bachelor of Science in Applied Computer Science
- Bachelor of Science in Criminal Justice
- Bachelor of Science in Political Science
- Bachelor of Science in Psychology
- Master of Business Administration
- Master of Science in Criminal Justice
- Master of Science in Post Secondary Education
- Master of Science in Human Resources Management
- Master of Science in International Relations
- Master of Science in Management
- Master of Public Administration

c. (EPPP) Approval of Licensure for Troy University to offer the following new graduate degree programs on-site at its Fayetteville/Fort Bragg site:

- Master of Science in Criminal Justice
- Master of Science in Post Secondary Education
- Master of Science in International Relations
- Master of Public Administration
- Master of Science in Management

d. (GOV) Approval of Amendments to Policy 200.1, *Dual Memberships and Conflicts of Interest*

REPORT OF THE AUDIT COMMITTEE

Mr. Young, Chair of the Audit Committee, reported on four items. First, Ms. Gwen Canady, Project Management Officer, gave a presentation on the UNC FIT project. Campus monitoring visits were scheduled to begin in October 2009. The campuses had begun reporting on key indicators and a dashboard report would be available next month. Next, Mr. Young reported that the HR Payroll Project was proceeding on schedule. The Shared Services Center would be located at General Administration. UNC Pembroke was scheduled to go live on the system in October with two additional campuses scheduled to go live in January 2010 – the University of North Carolina at Asheville and Western Carolina University. Next, the Committee reviewed the annual audit report from Fayetteville State University. There were three audit findings and corrective action had been taken to address the findings. Mr. Young stated that Fayetteville State University had made

tremendous progress with reducing the number of audit findings from previous years. Lastly, the Committee heard a report on the status of the Elizabeth City State University 2009 financial audit. Assistant Vice President Henderson had begun the review of the campus' financial statements and those financial statements would be ready for the State Auditor's review.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Davis, Chair of the Committee on Budget and Finance, was unable to attend the Committee meeting. Mr. Mercer, Vice Chair of the Committee on Budget and Finance, gave the report. First, Mr. Mercer thanked Vice President Nelson for providing an excellent summary on the budget process. Next, the Committee considered the recommendations of the UNC Tomorrow Commission related to the State's environmental challenges. The report recommended that the University assume a leadership role in addressing the State's environmental challenges by embracing sustainability as a core value. The Committee reviewed a draft version of The University of North Carolina Policy on Sustainability. The Committee would present the policy to the Board at its next meeting.

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

Mr. Pitts, Chair of the Committee on Educational Planning, Policies, and Programs, reported that the Committee was working to alter their traditional operating practices. The Committee had decided to manage meetings by providing an Executive Summary to all participants attending the meeting. Next, Mr. Pitts reported that Dr. Roper, Chief Executive Officer, UNC Health Care System, presented the UNC Health Care System FY 2009 annual report. The report provided an annual update on the impact the flexibility granted to the UNC Health Care System by the N.C. General Statute 116-37 has had on system operations. The report provided numerous examples of quality improvements and cost savings as a result of flexibility. The report showed that stability in the nursing workforce had increased, measures of employee satisfaction and turnover had improved, and savings in purchasing totaled \$4.5 million. Dr. Roper also reported that the construction of the new N.C. Cancer Hospital was recently completed. The project was completed on time and under budget. An area of concern

addressed in the report was uncompensated care provided by the Hospital which was projected to grow to approximately \$300 million annually.

On behalf of the Committee, Mr. Pitts moved the approval of the UNC Health Care System FY 2009 annual report (see Appendix F). The report will be sent to the Joint Legislative Commission on Governmental Operations. The motion carried.

Dr. Roseman noted that the entire class of medical students at East Carolina University were residents of North Carolina.

Mr. Pitts reported that the 2009 General Assembly modified its program for supporting private medical schools assistance funding formula. These schools include Wake Forest University and Duke University. The Board of Governors was authorized to establish the rules governing the program, which was administered through the North Carolina State Education Assistance Authority. The Committee reviewed the rules and determined them to be clear and appropriate.

On behalf of the Committee, Mr. Pitts moved the approval of the proposed rules for administering the medical students grant program for North Carolina residents attending Wake Forest University or Duke University medical school. (See Appendix G). The motion carried.

Next, the Committee discussed the Report of the UNC Study Commission to Review Student Codes of Conduct as They Relate to Hate Crimes. A wide range of viewpoints was shared. The Committee would review other campus student conduct policies. Vice President and General Counsel Luger would draft a policy in conjunction with the recommendations by the UNC Study Commission.

Lastly, Mr. Pitts said that the Committee did not have time to review the mission statements. This item was tabled for the next meeting.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Hayes, Chair of Committee on Public Affairs, reported that the Committee had discussed goals for the year. The Committee's intent was to become more engaged in meetings with legislative delegations throughout the State.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Dr. Flood, Secretary of the Committee on University Governance, reported on several items. First, Dr. Flood reported that the Committee discussed campus liaison responsibilities and approved the Campus Liaison Assignments 2009-10. (See Appendix H).

Next, Dr. Flood reported that there was a partial term ending June 30, 2011, on the University of North Carolina at Charlotte Board of Trustees. On behalf of the Committee, Dr. Flood moved the election of Ms. Laura Schulte of Charlotte to serve. The motion carried.

Next, Dr. Flood reported that there was a term ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional District 1. On behalf of the Committee, Dr. Flood moved the appointment of Dr. Leslie Reynolds of Kinston to serve. The motion passed.

Next, Dr. Flood reported that the Board of Governors appoints one member to serve on the North Carolina Center for International Understanding Advisory Board. On behalf of the Committee, Dr. Flood moved the appointment of Mr. Phillip Dixon. The motion passed.

Lastly, the Committee received proposed changes to Sections 604 and 605 of *The Code*. The proposed changes were also reviewed by the Committee on Personnel and Tenure. The Committee would ask the Board to consider the changes at its next meeting.

CHAIRMAN'S REPORT

Chairman Gage announced the members of the 2010 O. Max Gardner Award Committee. They were Mr. Mills, chair; Mr. Blackburn; Dr. Buffaloe ; Dr. McCain; and Mr. Mitchell.

Chairman Gage stated that the previous day's policy discussions were some of the best. Important initiatives were identified separate from the budget cuts which demonstrated that the University was moving in a new direction. She thought that the idea of tying enrollment growth rates to graduation and retention rates was a significant change – one that will better serve the students and the State. Once a strategy was adopted, the next step would be to find a way to reward campuses for accomplishing this task.

Next, Chairman Gage said that the work that the University had done with the collaboration of the community colleges would actually expand access and simultaneously bring

down the cost of a 4-year degree. She announced that hiring a director of online education was imperative. She reported that the research activities that Vice President Leath presented at the previous day's meeting were well received and that we would hear more about this topic in the future. She concluded her report by saying that the changes that the University had undertaken in the area of technology transfer will enable us to realize the benefits of the University's research in a way that transforms lives and creates opportunity.

On motion by Vice Chairman Hans and duly seconded, the Board voted to convene in closed session to consult with its attorney to establish or instruct the staff or agent considering the negotiations of the amount of compensation or other terms of employment contract; to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee; and to hear or investigate a complaint, charge, or grievance by or against a public officer or employee, pursuant to North Carolina G.S. Sections 143-318.11 (a)(5) and (a)(6). The motion carried.

The Board of Governors went into closed session at 9:45 a.m. and returned to open session at 9:55 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Dr. Robinson, Chair of the Committee on Personnel and Tenure, reported that the Committee reviewed the current policies and regulations regarding retreat rights. Chancellor Ballard of East Carolina University and Chancellor Anderson of Fayetteville State University both spoke to the Committee and emphasized the value and importance of retreat rights. The Committee heard from Provost Lorden of the University of North Carolina at Charlotte. She addressed dean and department level administrators and asked the Committee to consider life cycle issues of faculty going into or accepting an administrative position and then their desire to return to the classroom. The Committee engaged in extensive discussion on retreat rights and would continue discussion on this topic and related issues in the future.

Next, the Committee reviewed the process for the Board of Governors' Awards for Excellence in Teaching. The Committee would continue to acknowledge the recipients at their

spring commencements. They reviewed and accepted the 2010 Report on the Allocation and Distribution of Funds prepared by Senior Associate Vice President Mallette. (See Appendix I). Next, Associate Vice President Waldrup and Senior Vice President Mabe discussed the changes to the post-tenure review policies. Associate Vice President Waldrup presented an overview of the changes that campuses needed to make to their policies in order to be compliant with the Board of Governors guidelines. The Committee reviewed the revised post-tenure review policies from Appalachian State University, North Carolina Central University, the University of North Carolina at Chapel Hill, the University of North Carolina at Greensboro, the University of North Carolina at Pembroke, the University of North Carolina at Wilmington and Winston-Salem State University. The Committee would review the other campuses policies at a future meeting.

On behalf of the Committee, Dr. Robinson moved the approval of the above named campuses' post-tenure review policies. The motion passed. (See Appendix J).

Next, Dr. Robinson said the Committee discussed proposed amendments to *The Code* Sections 604 and 605. The changes were recommended based on the structure of the faculty at the University of North Carolina School of the Arts and faculty at the North Carolina School of Science and Mathematics. Faculty at those two schools are recognized differently in terms of employment from the other University's constituent institutions. The item would be reviewed by the Committee on University Governance at its meeting. Vice President Luger provided an overview of the process for faculty appeals and she provided a summary of the faculty appeal cases for 2008-2009.

Lastly, the Committee received the Report on Personnel Actions Delegated to the President listing all personnel actions approved by the President since its last meeting.

Chairman Gage announced that the next meeting of the Board of Governors was scheduled October 9, 2009 at the Spangler Center. She reminded the Board that the Public Service Award would be presented at that meeting.

The meeting adjourned at 10:00 a.m.

APPENDICES

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

APPENDIX A	President Bowles' Report	Posted Online
APPENDIX B	Authorization of New Capital Improvements Project - UNCG	Posted Online
APPENDIX C	Approval of Licensure for Troy University eCampus to offer online degree programs at Fayetteville/Fort Bragg site	Posted Online
APPENDIX D	Approval of Licensure for Troy University to offer new graduate degree programs at Fayetteville/Fort Bragg site	Posted Online
APPENDIX E	Approval of Amendments to Policy 200.1, <i>Dual Memberships and Conflicts of Interest</i>	Posted Online
APPENDIX F	UNC Health Care System FY 2009 Annual Report	Posted Online
APPENDIX G	Approval of the Proposed Rules for Administering Medical Students Grant Program for NC residents attending Wake Forest University of Duke University	Posted Online
APPENDIX H	Campus Liaison Assignments 2009-10	
APPENDIX I	2010 Board of Governors Awards for Excellence in Teaching Allocation and Distribution of Funds Report	Posted Online
APPENDIX J	Post-Tenure Review Policies	Posted Online