

**Board of Governors Meeting**  
**September 9, 2011**  
**Chapel Hill, North Carolina**

The Board of Governors met in regular session on September 9, 2011, at the Spangler Center in Chapel Hill. Chairman Gage called the meeting to order at 9:00 a.m.

**INVOCATION**

Chairman Gage called on Mr. Mercer to give the invocation.

**ROLL CALL**

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

Brent D. Barringer	Thomas J. Harrelson
Atul C. Bhula	James E. Holshouser, Jr.
W. Louis Bissette, Jr.	G. Leroy Lail
John M. Blackburn	Mary Ann Maxwell
Peaches G. Blank	Franklin E. McCain
Bill Daughtridge, Jr.	W. Edwin McMahan
Walter C. Davenport	Charles H. Mercer, Jr.
James M. Deal, Jr.	Fred G. Mills
Phillip R. Dixon	Burley B. Mitchell, Jr.
Fred N. Eshelman	Hari H. Nath
John C. Fennebresque	David M. Powers
Dudley E. Flood	Irvin (Al) Roseman
Paul Fulton	Richard F. Taylor
Hannah D. Gage	Raiford G. Trask
Ann B. Goodnight	Phillip D. Walker
H. Frank Grainger	J. Bradley Wilson
Peter D. Hans	David W. Young

The following member was absent:

Laura W. Buffaloe (excused)

**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**

Mrs. Goodnight moved, seconded by Mr. Blackburn, that the minutes from the open session of the August 12, 2011, meeting be approved. The motion carried.

## **PRESIDENT'S REPORT**

President Ross recognized the Chancellors for their exemplary leadership. Next, President Ross thanked Chancellor Nelms and Chancellor Roberts for hosting the new members of the Board during their recent campus visits. The new members had also visited the University of North Carolina Center for Public Television and President Ross thanked General Manager Howe for his hospitality. For President Ross' report, please see Appendix A.

## **ADMINISTRATIVE ACTION ITEMS**

Chairman Gage called attention to the Administrative Action Items listed on the agenda. Mr. Young moved, seconded by Mr. Grainger, that the Administrative Action Items be approved by consent. The motion carried.

- a. (AUDIT) Approval of the Summary of 2011-12 Internal Audit Plans for all UNC Institutions
- b. (AUDIT) Approval of the Internal Audit Charter
- c. (AUDIT) Approval of the Amendments to Policy 600.3.1, *Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions*
- d. (B&F) Authorization of New Capital Improvements Projects, ECU, UNC-CH
- e. (EPPP) Approval of Licensure for Johnson and Wales University to offer the following degree programs in Charlotte
  - Bachelor of Science in Management Accounting
  - Bachelor of Science in Fashion Merchandising & Retail Marketing
  - Bachelor of Science in Restaurant Food & Beverage Management
  - Bachelor of Science in Hotel & Lodging Management
- f. (EPPP) Approval of Licensure for ITT Technical Institute to offer the following degree programs in Cary
  - Associate of Applied Science in Criminal Justice
  - Associate of Applied Science in Software Development Technology
  - Associate of Applied Science in Visual Communications

- Bachelor of Science in Project Management
- Bachelor of Science in Software Applications Development

### **REPORT OF THE AUDIT COMMITTEE**

Mr. Davenport, Chair of the Audit Committee, reminded the Board that the Committee had previously approved the following items – the Summary of the 2011-12 Internal Audit Plans for all UNC Institutions, the Internal Audit Charter, and the proposed change to UNC Policy 600.3.1, *Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions*. He noted that these items were approved as part of today's consent agenda (see Appendices B, C and D).

Mr. Davenport reported that the Committee reviewed one external audit report – a fiscal control audit report of East Carolina University School of Dental Medicine. There were two audit findings. Corrective action had been taken.

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

Mr. Deal, Chair of the Committee on Educational Planning, Policies, and Programs, reported that Vice President Leath provided the Committee with an overview of Professional Science Master's (PSM) programs. PSM degree programs combine natural science, math, and engineering with management components. PSM programs were in high demand by our students and employers throughout North Carolina were increasingly looking for graduates with PSM degrees.

Next, Mr. Deal reported that the Committee reviewed the request for authorization to establish two Professional Science Master's degree programs – a Master of Science in Health Informatics at the University of North Carolina at Charlotte (see Appendix H) and a Master of Biomanufacturing/Master of Science in Biomanufacturing at North Carolina State University (see Appendix I).

On behalf of the Committee, Mr. Deal moved approval of the request for authorization to establish these degree programs – a Master of Science in Health Informatics at the University of North Carolina at Charlotte and a Master of Biomanufacturing/Master of Science in Biomanufacturing at North Carolina State University. The motion carried.

Next, Mr. Deal reported that Dr. William L. Roper, Chief Executive Officer, UNC Health Care System (UNC HCS), presented the UNC Health Care System FY 2011 Annual Report (see Appendix J). Its focus is to become the leading public academic health care system in the nation. In 1998, N.C. General Statute 116-37 created the UNC Health Care System and the statute provided for operational flexibilities in the areas of personnel, purchasing, property management and property construction. Flexibilities in these areas had contributed to the effectiveness and successful management of the system.

On behalf of the Committee, Mr. Deal moved the approval of the UNC Health Care System FY 2011 Annual Report. The report would be conveyed to the Joint Legislative Commission on Governmental Operations. The motion carried.

Lastly, the Committee discussed the upcoming work of two new advisory groups – an advisory group to study the academic program review process to be chaired by Ms. Blank and an advisory group to study faculty workload to be chaired by Mr. Lail. A report on the activities of their work would be forthcoming.

## **REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS**

Dr. Roseman, Chair of the Committee on Public Affairs, recognized Vice President Rhinehardt for the work she has done to strengthen the University's relationship with the military. Dr. Roseman remarked that North Carolina has the largest contingency of reserves, active duty personnel, and veterans. Next, he called on Mr. Mitchell who introduced a resolution that would encourage our campuses to waive physical education requirements for active duty service members and to promote the transfer of military course credits from other institutions (see Appendix K).

On behalf of the Committee, Mr. Mitchell moved that the resolution be approved. The motion carried.

Lastly, Dr. Roseman stated that the Committee would prepare a UNC Fact Card as a quick reference guide for members of the Board to use while speaking with external audiences.

## **REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE**

Mr. Daughtridge, Chair of the Committee on University Governance, reported that the North Carolina Arboretum Board of Directors had vacancies for one term ending June 30, 2013, and two terms ending June 30, 2015. On behalf of the Committee, Mr. Daughtridge moved the appointment of Mr. Perry Howard of Greensboro to fill the 2-year term. Mr. Daughtridge moved the appointments of Mr. Dumont Clarke IV of Charlotte and Mrs. Lynne Scott Safrit of Kannapolis to fill the 4-year terms. The motions carried.

Next, there was a partial term ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional District 3. Mr. Daughtridge encouraged the members to submit names of individuals who could fill this vacancy.

## **CHAIRMAN'S REPORT**

Chairman Gage remarked that despite the challenges and the deep budget cuts, the mission of the University remained unchanged and that we should all continue to think creatively and work together as one. Next, Chairman Gage remarked that the new members of the Board had begun their campus tours. Lastly, she appointed the members of the 2012 O. Max Gardner Award Committee. The appointed members were Mr. Fulton (chair), Mr. Mercer, Ms. Maxwell, Mr. Lail, and Mr. Nath.

\*\*\*\*\*

On motion by Secretary Flood and duly seconded, the Board voted to convene in closed session to prevent the disclosure of information that is privileged or confidential pursuant to the laws of North Carolina or of the United States (including FERPA) or not considered a public record, within the meaning of Chapter 132 of the General Statutes; to consult with its attorney employed or retained by the public body in order to preserve the attorney client privilege and attorney work product; to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee; to establish or instruct the staff or agent concerning the negotiations of the amount of compensation or other terms of an employment contract; 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)(1), (a)(3), (a)(5) and (a)(6).

The Board went into closed session at 9:40 a.m. and returned to open session at 9:50 a.m.

\*\*\*\*\*

### **REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE**

Mr. Dixon, Chair of the Committee on Personnel and Tenure, reported that the Committee discussed many aspects of faculty retention. Although the University has an excellent reputation for attracting top faculty, they are highly sought after and offered attractive options and salaries elsewhere. Our campuses had previously been able to request funds from the *Faculty Retention and Recruitment Fund* that was established by the General Assembly to keep top faculty, but the fund had been depleted. Mr. Dixon noted that the campuses may need greater flexibility to address competing offers in order to retain its faculty. Senior Vice President Ortega would provide more detailed information regarding this matter at the next meeting.

Next, Mr. Dixon reported that the Committee received the President's Summary Personnel Report listing personnel actions approved by the President since its last meeting.

\*\*\*\*\*

In closing, Chairman Gage announced that the next meeting was scheduled for Friday, October 7, 2011, at UNC Greensboro. The meeting adjourned at 10:00 a.m.

Appendix A	President Ross' Report	Posted Online
Appendix B	Approval of the Summary of 2011-12 Internal Audit Plans for all UNC Institutions	Posted Online
Appendix C	Approval of the Internal Audit Charter	Posted Online
Appendix D	Approval of the Amendments to Policy 600.3.1, <i>Selection Criteria and Operating Instructions for Special Responsibility Constituent Institutions</i>	Posted Online
Appendix E	Authorization of New Capital Improvements Projects, ECU, and UNC Chapel Hill	Posted Online
Appendix F	Approval of Licensure for Johnson and Wales University to offer the following degree programs in Charlotte <ul style="list-style-type: none"> <li>• Bachelor of Science in Management Accounting</li> <li>• Bachelor of Science in Fashion Merchandising &amp; Retail Merchandising</li> <li>• Bachelor of Science in Restaurant Food &amp; Beverage Management</li> <li>• Bachelor of Science in Hotel &amp; Lodging Management</li> </ul>	Posted Online
Appendix G	Approval of Licensure for ITT Technical Institute to offer the following degree programs in Cary <ul style="list-style-type: none"> <li>• Associate of Applied Science in Criminal Justice</li> <li>• Associate of Applied Science in Software Development Technology</li> <li>• Associate of Applied Science in Visual Communications</li> <li>• Bachelor of Science in Project Management</li> <li>• Bachelor of Science in Software Applications Development</li> </ul>	Posted Online
Appendix H	Authorization to Establish a Master of Science in Health Informatics, UNCC	Posted Online
Appendix I	Authorization to Establish a Master of Biomanufacturing/ Master of Science in Biomanufacturing, NCSU	Posted Online
Appendix J	UNC Health Care System FY 2011 Annual Report	Posted Online
Appendix K	Resolution on Military Course Requirements: Waiver of Military Credits	Posted Online