

Board of Governors Meeting

August 10, 2012

Chapel Hill, North Carolina

The Board of Governors met in regular session on August 10, 2012, at the Spangler Center in Chapel Hill. Chairman Hans called the meeting to order at 9:00 a.m.

INVOCATION

Chairman Hans called on Mr. Taylor to give the invocation.

ROLL CALL

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

W. Louis Bissette, Jr.
John M. Blackburn
Peaches G. Blank
Cameron E. Carswell
Bill Daughtridge, Jr.
Walter C. Davenport
James M. Deal, Jr.
Phillip R. Dixon
Fred N. Eshelman
John C. Fennebresque
Dudley E. Flood
Paul Fulton
Hannah D. Gage
Ann B. Goodnight
H. Frank Grainger
Peter D. Hans
Thomas J. Harrelson

James E. Holshouser, Jr.
G. Leroy Lail
Mary Ann Maxwell
Franklin E. McCain
W. Edwin McMahan
Charles H. Mercer, Jr.
Fred G. Mills
Burley B. Mitchell, Jr.
Hari H. Nath
David M. Powers
Irvin (Al) Roseman
Richard 'Dick' Taylor
Raiford G. Trask III
Phillip D. Walker
Aldona Zofia Wos
David W. Young

The following members were absent:

Laura W. Buffaloe (excused)

J. Bradley Wilson

STATE ETHICS ACT

Chairman Hans 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 Hans 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. Trask moved, seconded by Mr. Blackburn, that the minutes from the open session of the June 15, 2012, meeting be approved. The motion carried.

ADMINISTRATION OF OATH OF OFFICE

Chairman Hans welcomed Dr. Aldona Was to the Board of Governors. Dr. Was was recently elected to the UNC Board of Governors by the North Carolina House of Representatives. She is a native of Warsaw, Poland. Among her many accomplishments, Dr. Was had served as United States Ambassador to the Republic of Estonia. She earned her Doctor of Medicine from the Warsaw Medical Academy in Poland. Dr. Was holds a Doctorate of Laws degree from The Institute of World Politics in Washington, D.C. and a Doctorate of Humanities from Greensboro College. Dr. Was and her husband, Louis DeJoy, reside in Greensboro.

Chairman Hans introduced The Honorable Associate Justice Paul Newby from the North Carolina Supreme Court, who administered the oath of office.

PRESIDENT'S REPORT

President Ross reflected on the previous day's in-depth policy discussions. He remarked that the discussions were of great strategic importance to the University. He thanked Dr. James H. Johnson, Jr., William R. Kenan Jr. Distinguished Professor of Strategy and Entrepreneurship and Director of the Urban Investment Strategies Center at UNC-Chapel Hill, for his presentation on the impact of changing demographics on the state's economy. He thanked Mr. John "Dubby" Wynne from the Virginia Business Higher Education Council (VBHEC) for his presentation on the processes that the Council had undergone to build support for its state's colleges and universities. For President Ross' report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Hans called attention to the Administrative Action Items listed on the agenda. Mr. Lail moved, seconded by Ms. Blank, that the Administrative Action Items be approved by consent. The motion carried.

- a. (Audit) Approval of the Revised Board of Governors Audit Committee Charter
- b. (B&F) Authorization of New Capital Improvements Projects, ECU and UNC-CH
- c. (B&F) Approval of Amendments to Policy 600.2.4, *Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions*
- d. (B&F) Approval of Policy 600.2.4.1, *Delegated Authority for Managing Institutional Trust Funds*
- e. (B&F) Approval of Amendments to Policy 200.6, *Delegation of Authority to the President*
- f. (EPPP) Approval of Licensure for Winthrop University for a regular license to offer the following degree programs in Charlotte
 - Master of Education (M.Ed.) in Counseling and Development
 - Master of Education (M.Ed.) in Curriculum and Instruction
- g. (GOV) Approval of the Resolution Excluding Board of Governors Members from Access to Classified Information
- h. (BOG) Approval of a Resolution Honoring Brent D. Barringer

REPORT OF THE AUDIT COMMITTEE

Mr. Davenport, Chair of the Audit Committee, reported on four items. First, the Committee had reviewed the 2011 financial audit report from the North Carolina School of Science and Mathematics. The report contained no audit findings. Second, the Committee had completed revisions to the Audit Committee Charter (see Appendix B). Third, the Committee had reviewed two reports released by the internal auditor at General Administration. The auditor completed and released a follow up of the Time and Effort Report performed in November 2010. The report contained observations, which had been addressed. The auditor completed and released a summary report of the activities of the internal auditor for the fourth quarter of fiscal year 2012. Lastly, the Committee had received a summary report of the activities of the internal auditors at each of the UNC institutions.

REPORT OF THE JOINT MEETING OF THE COMMITTEE ON BUDGET AND FINANCE AND THE COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

The Committee on Budget and Finance and the Committee on Educational Planning, Policies, and Programs held a joint meeting to hear updates on the Performance-Based Funding Model (see Appendix J) and financial aid recommendations. After discussion of these two items, the Committees convened in their separate meetings.

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

Mrs. Gage, Chair of the Committee on Educational Planning, Policies, and Programs, reported that the Committee had discussed its top three priorities for the coming year – online education, community college partnerships, and the completion of “Academics First,” an initiative to support campuses in their academic missions and to assist students in attaining their educational goals. The Committee would establish specific goals with timelines and develop a plan to achieve those priorities. Mrs. Gage commented that the Committee would begin the discussion on the General Education Core Curriculum applied to all academic degrees to determine whether the University was teaching the proper material and if our students were graduating with not only a degree but also with the skills and competencies required to become employed.

Next, Mrs. Gage referred to the University of North Carolina Transfer Student Report, 2011 (see Appendix K). This report was intended to ensure that UNC’s efforts to improve the educational outcomes for transfer students were focused and evidence-based. Transfer students account for 26% of the University’s undergraduate enrollment. Next, Mrs. Gage referred to the University of North Carolina General Administration Pharmacy Review Action Plan (see Appendix L). Last fall, President Ross appointed a panel to review UNC-Chapel Hill and Elizabeth City State University’s joint Doctor of Pharmacy degree program. Despite best efforts by both schools, the program had fallen short of expectations and had not produced the number of pharmacists that were targeted. Action steps had been implemented and recommendations on the future direction of the program would be forthcoming.

Lastly, Mrs. Gage reported that the Committee had reviewed the request for authorization to discontinue one degree program – the Bachelor of Arts in Psychology at the University of North Carolina at Charlotte (see Appendix M). Chancellor Dubois had explained that the discontinuation of the program was in alignment with national trends in this discipline.

On behalf of the Committee, Mrs. Gage moved approval for discontinuation of the Bachelor of Arts in Psychology at UNC Charlotte. The motion carried.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. McMahan, Chair of the Committee on Public Affairs, reported that the Committee reviewed its jurisdiction and heard an update on state and federal legislative developments. The Committee discussed the importance of a comprehensive advocacy plan for work with local and federal policymakers in coordination with the General Administration staff. The Committee had asked the President and his staff to develop a timeline for the Committee's work for the coming year. The President would make recommendations that detailed long term policy issues. Mr. McMahan stated that the Committee would be actively engaged in developing a proactive advocacy strategy to promote the University with state and federal policymakers as well as the public at large.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Daughtridge, Chair of the Committee on University Governance, reported that the Committee had a discussion regarding campus liaison responsibilities and the nominating process for campus trustees. The 2012-13 Campus Liaison Responsibilities would be finalized next week. Mr. Daughtridge mentioned that a copy of the current Trustee Nomination Form was provided to the members for their information and use.

Next, there was a partial term ending June 30, 2015, on the Elizabeth City State University Board of Trustees. On behalf of the Committee, Mr. Daughtridge recommended the election of Mr. Jimmy Teriell Tate of Willard to serve. The motion carried. There was a partial term ending June 30, 2013, on the University of North Carolina School of the Arts Board of Trustees. On behalf of the Committee, Mr. Daughtridge, recommended the election of Mr. Michael Tiemann of Chapel Hill to serve. The motion carried. There was a partial term ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of

Trustees, representing Congressional District 7. On behalf of the Committee, Mr. Daughtridge recommended the appointment of Mr. Jim Barber of Sunset Beach to serve. The motion carried. There were five terms ending June 30, 2016, on the University of North Carolina Center for Public Television Board of Trustees. On behalf of the Committee, Mr. Daughtridge recommended the reappointments of Mr. William W. Mance, Jr., Dr. Assad Meymandi, Mr. Robert D. Terr, Jr., Mr. Carl V. Venters, Jr., and the appointment of Mr. J. Donald Coleman of Hickory to serve. The motion carried. Next, there was a term ending June 30, 2016, on the State Advisory Council of Indian Education. On behalf of the Committee, Mr. Daughtridge recommended the reappointment of Mr. Bill James Brewington of Rowland to serve. The motion carried. There was a partial term ending June 30, 2013, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional District 11. Mr. Daughtridge stated that the Committee sought recommendations to fill this vacancy.

CHAIRMAN'S REPORT

Regarding the previous day's policy discussions, Chairman Hans commented that the sessions were extremely informative and that he was pleased with the open, insightful and honest dialogue that took place in the committee meetings from the members of the Board, the Chancellors and staff. This environment was conducive to the conversations necessary to properly guide the direction of the University.

Chairman Hans spoke about a strategic plan for the University. He stated that President Ross and he would announce the formation of a committee to draft a strategic plan. The committee would consist of business leaders, education leaders, including Chancellors, some members of the Board, and political leaders from both parties.

In closing, Chairman Hans remarked that while the University would inevitably face many challenges and controversies, he pledged to deal with the issues promptly and in a thorough and conscientious manner and stated that this Board would continue to lead.

On motion by Secretary Goodnight and duly seconded, the Board voted to convene in closed session.

The Board went into closed session at 9:45 a.m. and returned to open session at 10:25 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Fennebresque, Chair of the Committee on Personnel and Tenure, reported that the 2012-2013 state budget included salary increases for EPA employees subject to approval by the Board of Governors. Mr. Fennebresque referred to the Salary Adjustment Instructions (see Appendix N).

On behalf of the Committee, Mr. Fennebresque moved that the salary increases for EPA Faculty & EPA Non-Faculty be approved as reflected in the Salary Adjustment Instructions. The motion carried.

Next, the Committee had reviewed the following reports for their information and use – the report on Personnel Actions Delegated to the President; the report on the Board of Governors Awards for Excellence in Teaching 2012 Use of Funds Summary Report; and the report on the University of North Carolina at Chapel Hill School of Medicine and The Brody School of Medicine at East Carolina University Clinical Faculty Salary Ceilings FY 2011-12 and FY 2012-13.

Lastly, Mr. Fennebresque stated that the Committee would begin discussions on topics associated with academic tenure and benefits. He noted that the University has over 48,000 faculty members. Senior Vice President Ortega and Vice President Fleming would provide a tutorial and gather historical data related to these topics. They would present this information at a future meeting where the entire Board would be invited to participate.

The next meeting of the Board of Governors was scheduled for September 14, 2012. There being no further business, the meeting adjourned at 10:30 a.m.

Secretary

Appendix A	President Ross' Report	Posted Online
Appendix B	Approval of the Revised Board of Governors Audit Committee Charter	Posted Online
Appendix C	Authorization of New Capital Improvements Projects, ECU and UNC-CH	Posted Online
Appendix D	Approval of Amendments to Policy 600.2.4, <i>Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions</i>	Posted Online
Appendix E	Approval of Policy 600.2.4.1, <i>Delegated Authority for Managing Institutional Trust Funds</i>	Posted Online
Appendix F	Approval of Amendments to Policy 200.6, <i>Delegation of Authority to the President</i>	Posted Online
Appendix G	Approval of Licensure for Winthrop University for a regular License to offer the following degree programs in Charlotte <ul style="list-style-type: none"> • Master of Education (M.Ed.) in Counseling & Development • Master of Education (M.Ed.) in Curriculum and Instruction 	Posted Online
Appendix H	Approval of the Resolution Excluding Board of Governor Members from Access to Classified Information	Posted Online
Appendix I	Approval of a Resolution Honoring Brent D. Barringer	Posted Online
Appendix J	Performance Model Update	
Appendix K	University of North Carolina Transfer Student Report, 2011	Posted Online
Appendix L	University of North Carolina General Administration Pharmacy Review Action Plan	Posted Online
Appendix M	Authorization to Discontinue the Bachelor of Arts in Psychology, UNCC	Posted Online
Appendix N	Salary Adjustment Instructions EPA Faculty & EPA Non-Faculty Fiscal Year 2012-2013	Posted Online