

COMMITTEE ON UNIVERSITY GOVERNANCE

Thursday, August 11, 2005

Draft Minutes

The Committee on University Governance met Thursday, August 11, 2005, at 3:30 p.m. in Conference Room B of the General Administration Building, Chapel Hill. Committee members present included Mr. Davis, Mr. Dixon, Dr. Gilchrist, Mr. Grainger, Dr. Key, Mr. Lail, and Mr. Mills. Ms. Blank, Mrs. Gage, Mr. Hayes, and Dr. Roseman also attended. Chancellor Dubois also attended. President Broad, Vice President Winner, Mr. Harrison, Mr. Johnson, and Mr. Corgnati attended as staff.

Election of Officers

Dr. Key called the meeting to order and opened the floor for nominations for the position of committee chair. A single nomination was proposed by Dr. Gilchrist, seconded by Mr. Mills, and Mr. Grainger was elected Chairman.

Mr. Grainger then opened the floor for nominations for the position of committee vice chair. A single nomination was proposed by Mr. Lail, seconded by Dr. Key, and Mr. Davis was elected Vice Chairman.

Mr. Grainger opened the floor for nominations for the position of committee secretary. Upon motion of Mr. Lail and seconded by Mr. Davis, Dr. Key was elected Secretary.

Approval of Minutes

Upon motion of Mr. Lail and seconded by Dr. Key, the committee voted to approve the minutes of the May 12, 2005, meeting of the committee.

Upon motion of Dr. Key and seconded by Mr. Lail, the committee voted to approve the minutes of the June 14, 2005, meeting of the committee.

Upon motion of Mr. Lail and seconded by Dr. Key, the committee voted to approve the minutes of the June 24, 2005, meeting of the committee.

Upon motion of Dr. Key and seconded by Mr. Lail, the committee voted to approve the minutes of the July 12, 2005, meeting of the committee.

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Discussion of Vacancies on Boards and Councils

The committee discussed vacancies on councils and boards of trustees.

There is term ending June 30, 2009, on the Fayetteville State University Board of Trustees. This vacancy will be announced.

There is term ending June 30, 2009, on the North Carolina School of the Arts Board of Trustees. This vacancy will be announced.

There is a partial term ending June 30, 2007, on the North Carolina School of the Arts Board of Trustees. This vacancy will be announced.

There is one partial term ending June 30, 2007, on the University of North Carolina at Charlotte Board of Trustees. Upon motion of Mr. Lail and seconded by Mr. Mills, the committee voted to recommend the election of Robert F. Hull, Jr., of Mooresville to serve on the UNC Charlotte Board of Trustees. See Appendix A.

There are eight terms ending June 30, 2009, on the North Carolina School of Science and Mathematics Board of Trustees. President Broad discussed the history of the School of Science and Mathematics and provided background information regarding its governance. Action was deferred.

There are five terms ending June 30, 2009, on the North Carolina School of Science and Mathematics Educational Advisory Council. Action was deferred.

2005 Trustee Selection Process

Mr. Corgnati presented the status of the 2005 trustee selection process and reported that four of the five provisionally elected trustees who had not completed their required orientation, have now done so.

Political Activity Petition

The Committee received a report from Mr. Corgnati regarding the political activity petition of Jacqueline M. Gist, employed by the University of North Carolina at Chapel Hill, for information only. Ms. Gist's request to seek reelection

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to the Town of Carrboro Board of Alderman and, if elected, to serve as an alderman without obtaining a leave of absence or resigning from her University employment, was considered and approved by the UNC Chapel Hill Board of Trustees, in accordance with the Board's policy.

Amendment to Policy 200.5

Ms. Winner presented the background regarding proposed amendments to Policy 200.5, *Initiating and Settling Lawsuits*. These proposed changes were brought about by a recent circumstance where the committee was asked to approve an emergency legal action, acquiring a temporary restraining order, taken by one of our campuses to deal with the actions of a threatening student.

Upon motion of Mr. Davis and seconded by Dr. Gilchrist, the committee voted to approve the proposed amendments and to bring the changes to the Board of Governors for its consideration in September. See Appendix B.

Pursuant to the North Carolina General Statutes Section 143-318.11(a) (3), the committee moved to go into closed session (upon consideration of Dr. Key and seconded by Dr. Gilchrist) to consult with our attorney to consider and give instructions concerning a judicial action titled Board of Governors, et al. v. Bryant-Durham Electrical Company, Inc. and a second judicial action titled Board of Governors, et al. v. South Brunswick Water & Sewer Authority.

CLOSED SESSION

Upon motion by Mr. Davis and seconded by Dr. Key, the committee voted to return to open session.

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OPEN SESSION

Amendment to *The Code*

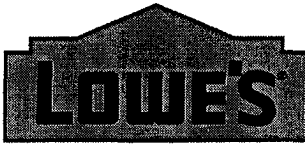
Ms. Winner reminded the committee that in March 2005 they approved a proposed amendment to *The Code* which would make the Committee on Public Affairs a standing committee. She further explained that the committee approved additional changes to modify the description of the Committee on Educational Planning, Policies, and Programs in Chapter III to include reference to health affairs and information technology. The resulting amendments will be presented to the Board of Governors for its consideration at its August 12 meeting. See Appendix C.

Other Business

Mr. Grainger discussed the importance of the campus liaison responsibilities and sought input from each committee member regarding their preference for assignments.

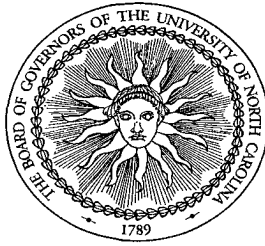
Mr. Grainger asked Mr. Lail to serve as the chairman of an upcoming subcommittee to consider an appeal. Mr. Davis and Mr. Dixon will also serve.

There being no further business, the meeting adjourned.



ROBERT F. HULL
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

Bob Hull was named Lowe's executive vice president and chief financial officer in May 2004. He is responsible for accounting, credit, risk management, tax, treasury, investor relations, financial planning, administration and loss prevention. Hull joined Lowe's in 1999 and previously served as the company's senior vice president and CFO since March 2003. He has more than 18 years of retail and financial management experience. Hull earned bachelor's degrees in accounting and business administration from the University of North Carolina-Charlotte and is a certified public accountant.



POLICY

The University of North Carolina *Office of the President*

200.5

Adopted 08/14/98

Replaced 05/14/04

Amended _____

INITIATING AND SETTLING LAWSUITS

By virtue of N.C.G.S. §116-3, the authority to initiate and settle lawsuits in the name of the University of North Carolina, and on behalf of the constituent institutions, lies with the Board of Governors. A constituent institution has no independent authority to initiate or settle lawsuits in its own name. Many lawsuits, however, are routine in nature and do not require the attention of the Board of Governors to approve their initiation or settlement. The Board of Governors therefore delegates the authority to initiate and settle lawsuits as follows:

1. A constituent institution may initiate a lawsuit in the name of The University of North Carolina if the amount in controversy is less than the jurisdictional amount for civil actions in Superior Court as set out in N.C.G.S §7A-243 upon the approval of the chancellor. The University of North Carolina may initiate a lawsuit concerning issues that do not arise at a constituent institution, or that arise at more than one constituent institution, if the amount in controversy is less than the jurisdictional amount for civil actions in Superior Court as set out in N.C.G.S §7A-243 upon the approval of the president.
2. The Committee on University Governance may authorize the initiation of litigation in the name of the University of North Carolina if the amount in controversy is greater than the jurisdictional amount for Civil Actions in Superior Court, or if injunctive relief is sought. A request to initiate litigation shall be made by the chancellor of a constituent institution, or by the request of the president for issues that do not arise at a constituent institution or that arise at more than one constituent institution. In an emergency, if a constituent institution or the

University needs to seek an order from a court sooner than it is practical to call a meeting of the Governance Committee, the constituent institution or the University may initiate litigation on the authorization of the President or the Vice President and General Counsel of the University. The President or Vice President shall consult with the Chair of the Governance Committee before authorizing the litigation if it is practical to do so. If emergency litigation is initiated without the authorization of the Governance Committee, the President, or the President's designee, shall inform the Governance Committee about the litigation at the Committee's next regular or special meeting.

3. If a settlement of a lawsuit that has been filed by or against a constituent institution or the University of North Carolina:
 - a. Is solely for monetary relief, and if the amount that the University of North Carolina is to pay pursuant to an agreement to settle the lawsuit is less than \$75,000, or if the University is to receive a payment, and the amount claimed was less than \$75,000, then the chancellor of a constituent institution is authorized to approve the settlement. If a matter did not arise at a constituent institution or involves more than one constituent institution, the president is authorized to approve the settlement.
 - b. Is solely for monetary relief, and if the amount that the University of North Carolina is to pay is, \$75,000 or greater, or if the University will receive a payment, and the amount claimed was \$75,000 or greater, then the Committee on University Governance is authorized to approve the settlement.
 - c. Includes an agreement by the University, or one or more constituent institutions, to take, or refrain from taking, a specific action, and the agreement affects only the named parties in the litigation, such as actions that affect only named employees or students, then the president or the chancellor of the constituent institution may authorize the settlement agreement.
 - d. Includes an agreement by the University, or one or more constituent institutions, to take or refrain from taking a specific action which affects a group or class of people or which results in changing a University or constituent institution policy, procedure or regulation, then the Committee on University Governance is authorized to approve the settlement.
4. The Committee on University Governance may refer a request to initiate or settle litigation to the Board of Governors, in the committee's discretion. The president may refer a request to settle a lawsuit to the Committee on University Governance in the president's discretion. If the president makes such a referral, the Committee on University Governance is authorized to decide the matter, or it may make a recommendation to the Board of Governors.
5. Any settlement approved pursuant to this policy shall be reported to the Committee on University Governance and to the Board of Governors at the next regular meeting of the Board of Governors after the settlement is finalized.
6. The University of North Carolina may appear as *amicus curiae* in a lawsuit or judicial proceeding only after receiving the approval of the Committee on

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University Governance. The Committee, in its discretion, may refer the question to the Board of Governors.

7. A constituent institution, or a school or college of a constituent institution, may appear as *amicus curiae* in a lawsuit or judicial proceeding only after receiving the approval of the chancellor of the institution and after providing advance written notice to the president. Nothing in this section is intended to limit the ability of an individual University employee or group of employees to appear as *amicus curiae* in the individual's or employee group's name.

This policy does not apply to administrative proceedings. The chancellors and president are authorized to initiate administrative proceedings and to settle administrative proceedings in which the University or a constituent institution is named as a party.

This policy applies to the University of North Carolina Health Care System, to the UNC Physicians and Associates, and to the ECU Medical Faculty Practice plan except as otherwise provided in Policy §§1200.4 and 1200.5 and except as otherwise provided by State law, including G.S. §116-219 *et seq.*

SECTION 300. ESTABLISHMENT AND MEMBERSHIP OF COMMITTEES.

- A. The Board of Governors may establish such standing committees as it may deem necessary. Standing committees shall be established and their duties prescribed by a vote of two-thirds of the voting membership of the Board of Governors then in office. Special committees may be created by the Board of Governors or the chair of the board to perform specific functions not requiring the continuous existence of a committee.
- B. Each voting member of the board shall at all times serve on one of the standing committees designated in subsections 301 B-E below.
- C. Special members of the board may be assigned to such standing or special committees as the chair of the Board of Governors may from time to time see fit.
- D. The chair of the board may, upon request of a standing committee chair, appoint any voting member to serve temporarily as a voting member of a subcommittee of a standing committee when the chair of the board deems the work of the subcommittee to require such an appointment.
- E. The vice chair of the Board of Governors shall at all times be a voting member of a standing committee. The vice chair shall be assigned to a committee by the chair of the board following consultation between the chair and the vice chair. The vice chair's membership on a standing committee shall be in addition to the prescribed regular membership of the committee.
- F. The chair of the Board of Governors shall be a voting member of all standing and special committees, but the chair's membership shall not be counted in determining a quorum.

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SECTION 301. THE STANDING COMMITTEES' JURISDICTION.

301 A. The standing committees of the Board of Governors shall be: the Committee on Budget and Finance; the Committee on Educational Planning, Policies, and Programs; the Committee on Personnel and Tenure; ~~the Committee on University Governance, and the Committee on Public Affairs.~~

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301 B. The Committee on Budget and Finance shall consist of seven voting members. The committee shall advise and consult with the president concerning budget policy and preparation. The committee shall consider the budget proposed by the president and, upon its approval, shall submit the budget to the Board of Governors for final action. The committee shall make recommendations to the board for the allocation of funds appropriated to the board. It shall also advise and assist the president, and submit recommendations to the board, with respect to real property transactions, investments, endowments, and other fiscal and property matters in accordance with valuation limits established in board policy and within the jurisdiction of the Board of Governors.

301 C. The Committee on Educational Planning, Policies, and Programs shall consist of nine voting members. It shall receive the advice and recommendations of the president and make recommendations to the board in all areas pertaining to the development of a coordinated system of higher education in North Carolina, including: (a) the definition of mission and assignment of functions of each constituent institution; (b) the review of requests for the initiation of new degree programs and recommendations for the termination of existing programs; (c) the provision of supportive services, facilities, and other resources for the instructional, research, and public-service programs of the constituent institutions; (d) the review of policies affecting educational programs and academic affairs; ~~(e) matters concerning the involvement of students in the University and in university life;~~ (f) review of matters concerning health affairs in the University; and (g) review of matters concerning the utilization of information technology in furtherance of

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the University's mission. The committee shall also advise and assist the president and the board in maintaining close liaison with the State Board of Education, the State Board of Community Colleges, and the private colleges and universities, including the review of all requests for state aid to the private institutions. It shall further recommend to the board procedures and standards for the licensing of non-public educational institutions.

301D. The Committee on Personnel and Tenure shall consist of seven voting members. Upon recommendation of the president, it shall review and make recommendations to the board with respect to the appointment and compensation of all vice chancellors, senior academic and administrative officers, and persons with permanent tenure. Notwithstanding the provision above, the committee shall not review or recommend the appointment and compensation of vice chancellors, senior academic and administrative officers, and persons with permanent tenure for those campuses delegated the authority to appoint and set compensation for such employees so long as the boards of trustees act consistently with the policy and compensation ranges established by the Board of Governors. Further, the committee shall advise and assist the president in the review and evaluation of tenure policies and regulations which the president shall periodically conduct, and it shall review all appeals from faculty members of the constituent institutions which involve an institution's decision to not to reappoint a faculty member, to deny tenure, to discharge a tenured faculty member, or to impose a serious sanction pursuant to the provisions of Chapter VI of this *Code*.

301 E. The Committee on University Governance shall consist of seven voting members. It shall keep under continuous review the application and interpretation of *The Code of the University of North Carolina* and all delegations of authority under that code, and it shall make such recommendations to the Board of Governors for the amending of *The Code* or delegations of authority as may seem appropriate for the effective and efficient operation of the University of North Carolina and its constituent institutions. The committee shall make nominations to the Board of Governors for elections to the boards of trustees of the constituent institutions. The committee shall receive all requests from students of the constituent institutions for appellate review by the Board of Governors pursuant to Section 502 D(3) of this *Code* and from non-faculty employees of the University who are exempt from the State Personnel Act pursuant to Section 609 C of this *Code*.

301 F. The Committee on Public Affairs shall consist of a number of voting members to be determined by the chair of the board. A voting member serving on this committee shall also serve on another standing committee. The Committee on Public Affairs shall assist the President in maintaining a positive relationship with the Governor, the North Carolina General Assembly, the United States Congress, and other governmental entities which affect the ability of the University to carry out its mission. The committee will review all state and federal non-budget legislative priorities of the University.

SECTION 302. GENERAL PROVISIONS CONCERNING STANDING COMMITTEES.

302 A. Appointment of Members.

The chair of the Board of Governors shall appoint voting members of the board to standing committees. The term of each voting member of a standing committee shall normally be two years, commencing upon the effective date of the appointment to the committee and extending until a successor is appointed. The voting membership of each committee shall be divided into two classes, with the terms of approximately one-half of the members expiring each

year. To achieve balance and efficiencies in the committee system, the chair may appoint members to one-year terms or reassign members who have served one year of a two-year term. The chair shall appoint members of standing committees to take effect at the first meeting of the committee after July 1. If a voting member has served on a standing committee for four consecutive years, the member shall be, for a period of one year, ineligible for reappointment to the same standing committee. If a vacancy occurs on a standing committee during a term, the chair of the board may appoint a voting member of the board to fill the remainder of the unexpired term.

302 B. Officers of Standing Committees.

A chair, vice chair, and secretary of each standing committee shall be elected by the committee membership each year at the first meeting after July 1. No person may serve more than two successive terms as chair of the same standing committee.

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302 C. Meetings of Standing Committees.

Each standing committee shall meet at such times as either the chair of the standing committee or the Board of Governors shall designate. Written notice of each meeting of a standing committee shall be mailed to members of the Board of Governors by the Secretary of the University at least five days in advance of the meeting date; but any notice which complies with the North Carolina Open Meetings Law may be given by telephone or other reliable means when, in the judgment of the chair of the committee or the chair of the Board of Governors, a necessity exists. The agenda for a meeting of a standing committee shall be prepared by the President with the approval of the chair of the committee, and, if practicable, a copy shall be mailed to the members of the Board of Governors, or transmitted by other reliable means, at least five days in advance of the meeting date; however, if such advance notice is not practicable in the judgment of the chair, the agenda shall be presented to the members of the committee and other members of the Board of Governors who are attending the meeting at the commencement of the meeting. Such materials as the committee may designate by standing rule, or as the chair of the committee may designate in the absence of a standing rule, shall be sent with the agenda and notice of the meeting.

If notice of an agenda item is not provided to the members of the Board of Governors at least 48 hours before the committee meeting, then any recommended action resulting from that item shall not be placed on the consent agenda of the Board of Governors. In the Committee report the chair shall state that the recommended action was added to the committee agenda.

A majority of the elected committee membership shall constitute a quorum for the conduct of business of a standing committee. The chair of the standing committee shall preside at all committee meetings; in the absence of the chair, the vice chair shall preside. The procedures and rules of order governing the conduct of committee business shall be the same as those applicable to meetings of the Board of Governors. Minutes of every meeting of a standing committee shall be kept by the Secretary of the committee.

302 D. Subcommittees.

Each standing committee may establish from its elected membership such subcommittees as it may deem necessary and appropriate for the effective discharge of its assigned responsibilities. The chair of the standing committee shall appoint the chair and the members of each subcommittee and shall report to the board the establishment of any subcommittee.

302 E. Report of Standing Committees.

Each standing committee shall make a written report to the Board of Governors at least annually, reviewing the work of the committee during the preceding year.

302 F. Closed Sessions.

All meetings of committees shall be open to the public unless, consistent with the requirements of state law, a meeting of a committee is closed to the public by a motion duly made and adopted by the committee in an open meeting.

SECTION 303. SPECIAL COMMITTEES OF THE BOARD OF GOVERNORS.

Special committees may be created by the Board of Governors or the chair of the board to perform specific functions not requiring the continuous existence of a committee. The size, function, and procedures of special committees shall be determined either by majority vote of the board or by the chair of the board. The chair and members of a special committee shall be appointed by the chair of the board from the voting membership of the board unless the Board of Governors otherwise provides. Special committees shall cease to exist when their functions have been discharged; however, every special committee shall cease to exist one year after the date of its creation, unless continued by affirmative action of the board or the chair of the board. Notwithstanding the above, the size, function, procedures, membership, and selection of the chair of a presidential search committee shall be determined by majority vote of the Board of Governors.