

DRAFT

BOARD OF GOVERNORS MEETING

The University of North Carolina

September 8, 2005

The Board of Governors met in special session on September 8, 2005, by teleconference call originating in the Board Room of the General Administration Building, Chapel Hill. Chairman Wilson called the meeting to order at 1:00 p.m.

ROLL CALL

Secretary Perry called the roll and the following members were present:

Bradley T. Adcock	G. Leroy Lail
Brent D. Barringer	Charles H. Mercer, Jr.
Peaches Gunter Blank	Fred G. Mills
R. Steve Bowden	Charles S. Norwood
F. Edward Broadwell, Jr.	Cary C. Owen
William L. Burns, Jr.	Patsy B. Perry
John W. Davis III	Jim W. Phillips, Jr.
Phillip R. Dixon	Estelle W. Sanders
Dudley E. Flood	William G. Smith
Hannah D. Gage	J. Craig Souza
H. Frank Grainger	Priscilla P. Taylor
Peter D. Hans	J. Bradley Wilson
James E. Holshouser, Jr.	David W. Young
Adelaide D. Key	

The following members were absent:

Ray S. Farris	Gladys Ashe Robinson
Willie J. Gilchrist	Irvin A. Roseman
Charles A. Hayes	Benjamin S. Ruffin
Peter Keber	Zachary A. Wynne

Mr. Farris had an excused absence under the provisions of the statute.

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

* * *

The Board of Governors went into closed session at 1:05 p.m. and returned to open session at 1:30 p.m.

* * *

MINUTES

Mr. Grainger moved, seconded by Mrs. Gage, that the minutes of the meeting of August 12, 2005, be approved. The motion carried.

PRESIDENT'S REPORT

President Broad presented a Preliminary Enrollment Report for the new fall semester and commented on the effort to accommodate students displaced by the closure of other universities as a result of Hurricane Katrina. For the President's full report, see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Wilson called attention to the Administrative Action Items listed on the agenda. Mr. Grainger moved, seconded by Mr. Barringer, that the following Administrative Action Items be approved by consent:

- | | | |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------|------------|
| a. (B&F) | Approval of the Report on the Higher Education Bond Program for the Joint Legislative Commission on Governmental Operations and Bond Update | Appendix B |
| b. (P&T) | Approval to Adopt Policy 300.2.14, <i>Non-Salary and Deferred Compensation</i> | Appendix C |

- | | | |
|-----------|------------------------------------------------------------------------------------|------------|
| c. (EPPP) | Approval of the Report on Teacher Education / Distance Education Funds | Appendix D |
| d. (GOV) | Approval of the Amendment to Policy 200.5, <i>Initiating and Settling Lawsuits</i> | Appendix E |

The motion carried.

REPORT OF THE PRESIDENTIAL SEARCH COMMITTEE

Chairman Wilson, chair of the Presidential Search Committee, presented the committee's report. He stated that the committee met September 7, 2005, in closed session and that it was a very positive and productive meeting. The committee will meet again October 3, 2005, at 1:00 p.m. He added that the meeting that had been previously announced for September 27, 2005, has been canceled.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Mrs. Gage, chair of the Committee on Budget and Finance, presented the committee's report. She announced that the committee wished to present an item for consideration that calls for the Board of Governors to use its statutory authority to waive tuition and fees for students that had been previously been enrolled in an institution of higher education that is temporarily closed as a result of Hurricane Katrina and had now been accepted to one of our constituent institutions for the fall semester 2005. President Broad explained the item in detail to the board and the committee supported her recommendation. Mrs. Gage stated that a resolution that accomplishes this waiver had been distributed.

On behalf of the committee, Mrs. Gage moved that the Resolution of the University of North Carolina Board of Governors Waiving Tuition for Students from Hurricane-Stricken Universities be approved. The motion carried. (Appendix F)

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

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

UNC Health Care System Annual Report

Dr. Taylor reported that the committee received the annual report that the UNC Health Care System is required to prepare for the Governmental Operations Committee as a result of receiving management flexibility in personnel, purchasing, property, and property construction from the General Assembly. She stated that in his report, Dr. Roper, UNC Health Care System Chief Executive Officer, acknowledged the key role that President Broad played in making the case with the legislature for management flexibility for the UNC Health Care System. Dr. Taylor reported that the system has used the flexibility to produce significant improvements in operations and cost savings, such as:

- In the personnel area, the UNC Health Care System completed the third year of its performance-based compensation system.
- The UNC Health Care System initiated an educational loan and stipend plan for employees that has increased its competitiveness in seeking new employees.
- Acquiring property and opening new facilities such as a dermatology clinic has been expedited by the UNC Health Care System's use of management flexibility.
- The UNC Health Care System has used management flexibility to increase financial margins while optimizing performance and cost competitiveness, and maintaining quality of care, customer satisfaction, and commitment to academic excellence.

On behalf of the committee, Dr. Taylor moved approval of the UNC Health Care System Annual Report. (Appendix G)

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mr. Grainger, chair of the Committee on University Governance, presented the committee's report.

Appointment to the Board of Trustees – Fayetteville State University

On behalf of the committee, Mr. Grainger moved that Juanita Pilgrim of Fayetteville be elected to serve on the Fayetteville State University Board of Trustees, for a term ending June 30, 2009. The motion carried.

Appointment to the Board of Trustees – The North Carolina School of the Arts

On behalf of the committee, Mr. Grainger moved that Amy Blumenthal of Charlotte be elected to serve on the North Carolina School of the Arts Board of Trustees, for a term ending June 30, 2009. The motion carried.

Appointments to the Board of Trustees – The North Carolina School of Science and Mathematics

Mr. Grainger stated that there are eight terms ending June 30, 2009, on the North Carolina School of Science and Mathematics Board of Trustees. On behalf of the committee, he moved the reappointment of William Cary to a non-resident seat, the reappointment of Margaret Ellis to represent Congressional District 1, the appointment of Andrew Filipowski to represent Congressional District 5 and the appointment of William Ives to represent Congressional District 11. The motion carried. The remaining seats were deferred.

Appointments to the Educational Advisory Council – The North Carolina School of Science and Mathematics

Mr. Grainger stated that there are five terms ending June 30, 2009, on the North Carolina School of Science and Mathematics Educational Advisory Council. He moved the reappointment of David Emmerling, Dorothy J. Mebane, and Nathan F. Simms, Jr., and the appointment of James Johnson and Helen LeGette to serve on the North Carolina School of Science and Mathematics Educational Advisory Council. The motion carried.

Mr. Grainger reported that there are two terms ending October 31, 2006, to serve as directors of the Research Triangle Foundation; a partial term ending June 30, 2006, on the UNC Center for Public Television Board of Trustees; and four terms ending October 31, 2009, on the North Carolina Center for the Advancement of Teaching Board of Trustees, representing Education Districts 1, 5, 6 and 8.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Mercer, chair of the Committee on Personnel and Tenure, presented the committee's report. He stated that at its meeting earlier today, the committee received the UNC Leadership Institute's Report for 2004-2005 and that through 2005, over 300 department chairs and over 100 deans have participated in the UNC Leadership Institute's Professional Development Workshops. He added that the William Friday Program in Higher Education Leadership, created in 2004 under the UNC Leadership Institute, has two Fellows participating in administrative internships at the Office of the President for 2005-06.

Summary Personnel Report

On behalf of the committee, Mr. Mercer moved approval of the committee's summary personnel report and other items as presented in closed session. The motion carried. See Appendix H for summary personnel report.

CHAIRMAN'S REMARKS

Chairman Wilson reviewed his remarks on behalf of the Presidential Search Committee for those members who had joined the teleconference late.

Chairman Wilson announced that Mr. Davis and Mrs. Sanders have agreed to serve as directors on the Research Triangle Foundation of North Carolina.

The Chairman stated that he has asked Dr. Key to serve as Chair of the 2006 O. Max Gardner Award Committee. Other members of the committee include Mr. Bowden, Mr. Dixon, Mr. Norwood, and Dr. Roseman.

Chairman Wilson reminded the members that the 2005 Conference on Trusteeship will begin on October 17, 2005, on the campus of Appalachian State University. He stated that the October board meetings will follow the conference on October 18th and 19th.

* * *

There being no further business, the meeting adjourned at 2:00 p.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 Report on the Higher Education Bond Program for the Joint Legislative Commission on Governmental Operations and Bond Update	Attached
Appendix C	Approval to Adopt Policy 300.2.14, <i>Non-Salary and Deferred Compensation</i>	Attached
Appendix D	Approval of the Report on Teacher Education / Distance Education Funds	Attached
Appendix E	Approval of the Amendment to Policy 200.5, <i>Initiating and Settling Lawsuits</i>	Attached
Appendix F	Resolution of the University of North Carolina Board of Governors Waiving Tuition for Students from Hurricane-Stricken Universities	Attached
Appendix G	UNC Health Care System Annual Report	Attached
Appendix H	Summary Personnel Report	Attached