

BOARD OF GOVERNORS MEETING

The University of North Carolina

April 11, 2006

The Board of Governors met in special session on April 11, 2006, in the Cone Ballroom of the Elliott University Center, on the campus of the University of North Carolina at Greensboro. Mr. Wilson, the chairman, called the meeting to order at 3:00 p.m.

INVOCATION

Mr. Mills gave the invocation:

Father, thank you for this day. Help us make decisions today that will benefit our University system for many years. Help us remember our responsibility to the citizens of North Carolina and to the thousands of students that attend our universities. In Your name we pray. Amen.

ROLL CALL

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

Bradley T. Adcock
Brent D. Barringer
Peaches Gunter Blank
R. Steve Bowden
F. Edward Broadwell, Jr.
William L. Burns, Jr.
John W. Davis III
Phillip R. Dixon
Ray S. Farris
Dudley E. Flood
Hannah D. Gage
Willie J. Gilchrist
H. Frank Grainger
Peter D. Hans
Charles A. Hayes
James E. Holshouser, Jr.
Peter Keber

Adelaide D. Key
G. Leroy Lail
Charles H. Mercer, Jr.
Fred G. Mills
Charles S. Norwood
Cary C. Owen
Patsy B. Perry
Jim W. Phillips, Jr.
Gladys Ashe Robinson
Irvin A. Roseman
Benjamin S. Ruffin
Estelle W. Sanders
J. Craig Souza
Priscilla P. Taylor
J. Bradley Wilson
Zachary A. Wynne
David W. Young

The following member was absent:

William G. Smith

MINUTES

Mr. Grainger moved, seconded by Mr. Adcock, that the minutes of the meeting of February 10, 2006, be approved. The motion carried.

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.

Plan for Dentistry in North Carolina

Dr. Taylor reported that this past fall, the East Carolina University Board of Trustees approved a new study of the need for a dental school and discussions began between the East Carolina University and the University of North Carolina at Chapel Hill chancellors regarding the plan for dentistry. The discussions eventually involved the participation of General Administration and this plan represents the fruits of that cooperation.

On behalf of the committee, Dr. Taylor moved approval of the Plan for Dentistry in North Carolina. The motion carried. (Appendix A)

PRESIDENT'S REPORT

President Bowles introduced several of the chancellors and leaders of affiliated organizations in attendance at the meeting and gave the board an update of the good news and accolades afforded many of the campuses.

For President Bowles' complete remarks see Appendix B.

ADMINISTRATIVE ACTION ITEMS

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

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| a. (B&F) | Authorization of Optional Redemption of Revenue Bonds, NCSU | Appendix C |
| b. (B&F) | Authorization of the Issuance of UNC System Commercial Paper Bonds, NCSU and UNCCH | Appendix D |
| c. (B&F) | Authorization of the Disposition of Property and Lease of Housing Space, UNCP | Appendix E |
| d. (B&F) | Authorization of the Disposition of Property and Lease of Housing Space, UNCW | Appendix F |
| e. (B&F) | Approval of the Declaration of Emergency Capital Improvements Projects, UNCCH | Appendix G |
| f. (B&F) | Authorization of New Capital Improvements Project, UNCG | Appendix H |
| g. (B&F) | Authorization of the Disposition of Property by Lease, NCSU | Appendix I |
| h. (EPPP) | Authorization to Establish the Bachelor of Science in Technical Photography, ASU | Appendix J |
| i. (EPPP) | Authorization to Establish the Bachelor of Science in Appropriate Technology, ASU | Appendix K |
| j. (EPPP) | Authorization to Establish the Bachelor of Science in Comprehensive Science Education, NCA&T | Appendix L |
| k. (EPPP) | Authorization to Establish the Bachelor of Science in Geomatics, NCA&T | Appendix M |
| l. (EPPP) | Authorization to Establish the Bachelor of Science in Marketing, UNCG | Appendix N |
| m. (EPPP) | Authorization to Establish the Bachelor of Science in | Appendix O |

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|-----------|---|------------|
| | Turfgrass Science, NCSU | |
| n. (EPPP) | Authorization to Establish the Bachelor of Science in Nutrition Science, NCSU | Appendix P |
| o. (EPPP) | Authorization to Establish the Bachelor of Arts in Women's and Gender Studies, NCSU | Appendix Q |
| p. (EPPP) | Authorization to Establish the Bachelor of Science in Mathematics for Business, UNCC | Appendix R |
| q. (EPPP) | Authorization to Establish the Bachelor of Arts in Mathematics for Business, UNCC | Appendix R |
| r. (EPPP) | Authorization to Establish the Bachelor of Fine Arts in Motion Picture and Television Production, WCU | Appendix S |
| s. (EPPP) | Authorization to Establish the Bachelor of Science in Forensic Science, WCU | Appendix T |
| t. (EPPP) | Authorization to Establish the Master of School Administration, ECSU | Appendix U |
| u. (EPPP) | Authorization to Establish the Master of Construction Management, ECU | Appendix V |
| v. (EPPP) | Approval of Licensure for ITT Technical Institute to offer programs in Charlotte:
Associate of Applied Science in:
Computer and Electronics Engineering Technology
Information Technology – Computer Networks
Information Technology – Multimedia
Bachelor of Science in:
Business Accounting Technology
Business Administration
Criminal Justice
Information Systems Security | Appendix W |
| w. (EPPP) | Approval of the Report on Existing and New 2+2 Programs between UNC and NCCCS | Appendix X |
| x. (EPPP) | Approval of the Report on Prospective Teacher Scholarship Program | Appendix Y |

The motion carried.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mrs. Gage, chair of the Committee on Budget and Finance, presented the committee's report.

She reported that the committee met jointly with the Committee on Educational Planning, Policies, and Programs and reviewed six important budget proposals that are a part of the supplemental budget process. The committees discussed proposals involving K-12 education, nursing, dentistry, the new initiatives in Hickory and Kannapolis, and the proposed Alfred Mann Institute.

On behalf of the committee, Mrs. Gage moved approval of the 2006-07 Budget Priorities for presentation to the Governor and the General Assembly. She also moved that the Vice President for Finance be authorized to make refinements to the request in the interest of accuracy and completeness. The motion carried. (Appendix Z)

Mrs. Gage reported that Community College President Martin Lancaster, President Bowles, and others have been working to establish a collaborative relationship to successfully provide higher education for the citizens of North Carolina. In that spirit, and on behalf of the committee, Mrs. Gage moved that as part of its budget request, the Board of Governors adopt the resolution highlighting the cooperative relationship established with the North Carolina State Board of Community Colleges. The motion carried.

Mrs. Gage stated that the committee reviewed 28 projects at 10 institutions totaling \$432.2 million for the proposed non-appropriated capital improvements bill. The committee also approved the addition of \$97.3 million in supplements to previously approved projects.

On behalf of the committee, Mrs. Gage moved that the Authorization of Non-Appropriated Capital Improvements Projects be approved and forwarded to the General Assembly. She also moved that the Vice President for Finance be authorized to make

refinements to the item in the interest of accuracy and completeness. The motion carried.

(Appendix AA)

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Hans, chair of the Committee on Public Affairs, presented the committee's report.

Mr. Hans reported that the committee approved several amendments to the 2006 non-budget state legislative agenda. The committee approved the addition of a Tuition Waiver Exchange program between UNC and the Community Colleges, to be implemented in 2007, as well as an adjustment to the Principal Fellows Program and several bond modifications. He stated that a copy of the full agenda is included in the board folders.

On behalf of the committee, Mr. Hans moved approval of The University of North Carolina 2006 Non-Budget Legislative Agenda. The motion carried. (Appendix BB)

Mr. Hans stated that the Higher Education Reauthorization Act was passed by the House several weeks ago. He added that the University remained active while the bill was being debated on the floor and the committee is pleased with the final results. The committee is keeping a close eye on the appropriations process and working with delegation staff to ensure that the University's priorities are considered. Associate Vice President Rhinehardt will provide information to contact members of our congressional delegation on key upcoming votes. Mr. Hans reminded members that public affairs is the responsibility of the entire board, not just the members of the committee.

Mr. Hans stated that Vice President Fleming reminds members to keep June 7, 2006, on their calendars as a day to gather and lobby the legislature for the University's priorities. He added that more details will soon follow.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

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

Appointment to the University of North Carolina Press Board of Governors

Mr. Grainger reported there are three terms ending June 30, 2011, on the University of North Carolina Press Board of Governors. On behalf of the committee, he moved the appointment of Nina Stromgren Allen, Professor at North Carolina State University; Gillian T. Cell of Pittsboro, former dean of the College of Arts and Sciences at UNC Chapel Hill; and the reappointment of Hiroshi Motomura to serve on the University of North Carolina Press Board of Governors. The motion carried.

Mr. Grainger reported there are six terms ending June 30, 2010, on the University of North Carolina Center for Public Television Board of Trustees. He stated that the incumbents are Phillip J. Kirk, Jr., Janet Smith Moore, Constance N. Parker, Donald L. Porter, Margaret Harrison Suppler, and Gary York. All except Ms. Parker are eligible for reappointment.

Ratification of Appointments – The James B. Hunt, Jr. Institute for Educational Leadership and Policy Board of Directors

Mr. Grainger reported President Bowles is responsible for appointing members to one cohort of the James B. Hunt, Jr. Institute for Educational Leadership and Policy Board of

Directors. On behalf of the committee, he recommended that the board ratify the president's slate of appointees that was included in the board folders. The motion carried.

Mr. Grainger stated that the committee completed a review of Umstead Act policies provided by Vice President Winner and voted to bring a proposed new policy to the board for consideration at the May meeting.

Mr. Grainger reported that the committee considered proposed changes to the governance of the North Carolina School of Science and Mathematics (NCSSM). Following a report given by Vice President Winner, the committee voted to approve the request from the NCSSM Board of Trustees to become a constituent institution of the University of North Carolina and recommended that the Committee on Public Affairs amend the non-budget legislative priorities to seek legislation to make NCSSM a high school constituent institution, effective July 1, 2007.

Mr. Grainger asked for volunteers to represent the University at the very important spring commencements. He noted those campus ceremonies that still needed a representative and asked members to let Secretary Corgnati know if they could attend.

CHAIRMAN'S REMARKS

Chairman Wilson announced that he is extending the existence of the Committee to Oversee Mold Litigation. The committee is comprised of Mr. Farris, Mrs. Gage, Mr. Grainger, Governor Holshouser, Mr. Phillips, Mr. Smith, and himself.

Chairman Wilson also thanked Chancellor Sullivan and Chancellor Renick for the hospitality shown to the members and friends of the Board of Governors during this visit to Greensboro. He then acknowledged the excitement felt for the significant event in the life of the

University that will take place tomorrow, the inauguration of Erskine Bowles as the 16th President of the University of North Carolina.

Chairman Wilson also made the following announcements:

- There will be an Inaugural Reception at 6:30 p.m. at the Alumni-Foundation Event Center on the North Carolina A&T State University campus.
- The Inaugural Breakfast begins at 8:00 a.m. tomorrow at the Alumni House on the University of North Carolina at Greensboro campus.
- The board will meet May 12, 2006, at the General Administration, Chapel Hill.

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On motion of Dr. Perry, seconded by Mr. Souza, the board voted to convene in closed session pursuant to North Carolina General Statutes 143-318.11(a)(2), 143-318.11(a)(3), and 143-318.11(a)(5). The motion carried.

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The Board of Governors went into closed session at 3:30 p.m. and returned to open session at 3:45 p.m.

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REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Mercer, chair of the Committee on Personnel and Tenure, presented the committee's report.

Summary Personnel Report

On behalf of the committee, Mr. Mercer moved approval of the committee's summary personnel report and other items presented in closed session. (Appendix CC)

Mr. Mercer reported that during the committee meeting, Associate Vice President Brown distributed the schedule for the May 12, 2006, luncheon for the Board of Governors Awards for Excellence in Teaching.

Mr. Mercer stated that the committee reviewed the *UNC Optional Retirement Program Investment Policy Statement*, copies of which were included in the board notebook materials. This Policy Statement will provide a structure to better monitor the Optional Retirement Program and to establish methods to ensure consistency in those investment plans offered under the program.

Mr. Mercer reported that the *Tuition Remission Exchange Program Study* was requested by the General Assembly to examine the feasibility of offering a tuition remission exchange program between the University of North Carolina and the North Carolina Community College System and to address the costs and benefits of such a program. He added that any action to adopt this plan would require approval of the University and the Community Colleges and would not become a part of the budget request until 2007.

On behalf of the committee, Mr. Mercer moved approval of the *Tuition Remission Exchange Program Study* to be shared with the Community Colleges. The motion carried.
(Appendix DD)

Mr. Mercer stated that included in the notebook materials was a copy of the proposed amendments to Policy 300.2.14, *Non-Salary and Deferred Compensation*. These amendments will allow campuses to make permitted employer contributions to the Optional Retirement Program or the Teachers' and State Employees' Retirement System. He stated that the committee will ask for the board's approval of the changes to this policy at the next board meeting.

Mr. Mercer stated that Vice President Winner provided an update on the recent administrative searches. She reported that the search at North Carolina A&T State University was just getting started and that President Bowles would be appointing an interim chancellor while the search is being conducted. She also noted that the search committees for the NCSA chancellor, the Senior Vice President for Academic Affairs, and the Vice President for Finance are approaching the final stages and recommendations are expected to be presented to the board at the May or June meetings.

There being no further business, the meeting adjourned at 3:55 p.m.

Secretary

APPENDICES

(All appendices are a part of the official record of the meeting.)

Appendix A	Plan for Dentistry in North Carolina	Attached
Appendix B	President's Report	Attached
Appendix C	Authorization of Optional Redemption of Revenue Bonds, NCSU	Attached
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 Business Administration
 Criminal Justice
 Information Systems Security

Appendix X	Approval of the Report on Existing and New 2+2 Programs between UNC and NCCCS	Attached
Appendix Y	Approval of the Report on Prospective Teacher Scholarship Program	Attached
Appendix Z	2006-07 Budget Priorities	Attached
Appendix AA	Authorization of Non-Appropriated Capital Improvements Projects	Attached
Appendix BB	The University of North Carolina 2006 Non-Budget Legislative Agenda	Attached
Appendix CC	Summary Personnel Report	Attached
Appendix DD	Tuition Remission Exchange Program Study	Attached