

COMMITTEE ON UNIVERSITY GOVERNANCE

Thursday, September 7, 2006

Draft Minutes

The Committee on University Governance met Thursday, September 7, 2006, at 2:00 p.m. in Conference Room B of the General Administration Building. Committee members present included Chairman Davis, Dr. Key, Mr. Lail, Mr. Mills, Mrs. Robinson, Dr. Roseman, Mr. Ruffin, Mr. Souza, and Mr. Wilson. Chairman Phillips joined the meeting. Bonita Hairston, General Counsel at the North Carolina School of the Arts, attended. Interim Chancellor Willie J. Gilchrist and Arkeem L. Fleming, Special Student Assistant to the Vice Chancellor for Institutional Advancement, both from Elizabeth City State University attended. President Bowles, Vice President Winner and Mr. Corgnati attended as staff.

Approval of Minutes

Upon motion of Mr. Wilson and seconded by Mr. Lail, the committee voted to approve the minutes of the August 10, 2006, meeting of the committee.

Discussion of Vacancies on Boards and Councils

The committee discussed vacancies on councils and boards of trustees.

There is a partial term ending June 30, 2007, on the North Carolina School of Science and Mathematics Board of Trustees, representing Congressional District 12. Action was deferred.

There are three terms ending June 30, 2010, on the UNC Umstead Review Panel. Upon motion and duly seconded, the committee voted to recommend the appointment of John F.A.V. Cecil of Asheville, Bert Collins of Durham, and Robert F. Warwick of Wilmington to serve on the UNC Umstead Review Panel.

UNC Health Care System Board of Directors

The committee received President Bowles' appointment of Dr. Charles A. Sanders of Durham to serve as an at-large member of the UNC Health Care System Board of Directors. Upon motion of Mr. Wilson and seconded by Dr. Key, the committee voted to recommend the ratification of the president's appointment to the Board of Governors. Dr. Sanders' biography is presented as Appendix A.

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2007 Trustee Selection Process

Mr. Davis introduced the 2007 trustee selection process and presented several documents for the committee to consider. The proposed calendar of events was approved while a draft of trustee selection parameters was modified. The committee acknowledged Appendix 1 from *The Code* that spells out the duties and responsibilities delegated to the Boards of Trustees, and curriculum ideas on orientation approved by the Board of Governors in 1993. Staff presented a notebook to each committee member that contains campus trustee membership, with a data sort that focuses on the four seats with terms ending 6/30/2007.

The committee discussed in detail, its expectations for trustee selection and the process they intend to follow. Staff was tasked to draft correspondence to each campus chancellor and trustee chairman to begin the process.

The committee also finalized the 2006 -2007 campus liaison assignments, presented as Appendix B.

Policy Delegation Authority

Chairman Phillips asked the committee to consider proposed delegations of authority from the Board of Governors to the president and to return its recommendations to the Board in October for discussion and consideration in November. The draft of potential delegations is presented as Appendix C.

Pursuant to the North Carolina General Statutes Section 143-318.11(a) (3), the committee moved and duly seconded to go into closed session (upon consideration of Mr. Souza and seconded by Mrs. Robinson) to consult with our attorney to consider and give instructions concerning the settlement of a litigation titled the North Carolina School of the Arts in the name of The University of North Carolina v. Lyndon Property Insurance Company.

CLOSED SESSION

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OPEN SESSION

Other Business

Mr. Davis named a subcommittee to hear an upcoming appeal. Mr. Mills will serve as the chairman along with Mrs. Robinson and Dr. Roseman.

Upon motion of Dr. Key and duly seconded, the committee voted to adjourn.

CHARLES A. SANDERS, M.D.

Charles A. Sanders, M.D., is the former chairman and CEO of Glaxo Inc., as well as a former member of the board of Glaxo plc.

Before joining Glaxo Inc. Dr. Sanders spent eight years with Squibb Corp., where he held a number of posts, including the position of vice chairman. He also served as chief executive officer of the science and technology group and chairman of the Science and Technology committee of the Board. Previously Dr. Sanders was general director of Massachusetts General Hospital and professor of medicine at Harvard Medical School. A native of Dallas, he is a graduate of Southwestern Medical College of the University of Texas.

Dr. Sanders is past chairman of the New York Academy of Sciences. He is currently a member of the Institute of Medicine of the National Academy of Sciences, past chairman of The Commonwealth Fund, chairman of Project HOPE, and chairman of the Foundation for the National Institutes of Health. In addition, he serves on the boards of several publicly traded companies.

He and his wife, Ann, have four grown children and live in Durham, N.C.

CAMPUS LIAISON ASSIGNMENTS
COMMITTEE ON UNIVERSITY GOVERNANCE

2006-2007

JOHN W. DAVIS III

- North Carolina A&T State University
- UNC Asheville

ADELAIDE D. KEY

- Western Carolina University
- NC Arboretum
- North Carolina Center for the Advancement of Teaching

G. LEROY LAIL

- Appalachian State University
- UNC Charlotte
- North Carolina School of Science and Mathematics

FRED G. MILLS

- UNC Chapel Hill
- Pitt County Memorial Hospital
- UNC Press

GLADYS ASHE ROBINSON

- Fayetteville State University
- UNC Greensboro
- Winston-Salem State University

IRVIN A. ROSEMAN

- Elizabeth City State University
- UNC Pembroke

BENJAMIN S. RUFFIN

- North Carolina Central University
- UNC Wilmington

J. CRAIG SOUZA

- East Carolina University
- UNC Center for Public Television

J. BRADLEY WILSON

- North Carolina School of the Arts
- North Carolina State University

To: Members of the Board of Governors
From: Leslie Winner
Re: Potential Delegations to the President
6 September 2006

NCGS §116-11(13) was amended by the General Assembly in 2006 to allow the Board of Governors to delegate any of its statutory or other authorities or duties to the President.¹ The Board of Governors may rescind any authorities it adopts at any time. At the request of Chairman Phillips, I have prepared a list of some of the current Board of Governors' authorities and duties for the Board to consider delegating to the President.

1) Personnel

- a) Authority to appoint and set the salaries of Senior Academic and Administrative Officers (§300.1.1 and §600.3.4) and other employees exempt from the State Personnel Act (§300.2.1) serving within the UNC General Administration.
- b) Authority to set salary ranges for Senior Academic and Administrative Officers of the constituent institutions of University (§600.3.4).
- c) Authority to approve conferrals of tenure and to set salaries of faculty, Senior Academic and Administrative Officers, except the chancellors, and other employees exempt from the State Personnel Act at campuses that do not have Management Flexibility to Appoint and Fix Compensation as long as those salaries are (1) within the established salary ranges and (2) are not raises in excess of 15% and \$10,000 higher than the salary in effect at the end of the last fiscal year. (§§300.1.1 and 600.3.4; Code §602).
- d) Authority to approve all actions relating to the administration of the Optional Retirement Program (G.S. §135-5.1) and the Phased Retirement Program (§300.7.2).

¹ "§ 116-11. Powers and duties generally.

The powers and duties of the Board of Governors shall include the following: ...

(13) The Board may delegate any part of its authority over the affairs of any institution to the board of trustees or, through the President, to the chancellor of the institution in any case where such delegation appears necessary or prudent to enable the institution to function in a proper and expeditious manner. The Board may delegate any part of its authority over the affairs of The University of North Carolina to the President in any case where such delegation appears necessary or prudent to enable The University of North Carolina to function in a proper and expeditious manner. Any delegation of authority may be rescinded by the Board at any time in whole or in part."

2) Governance

- a) The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000.
- b) The authority to settle a lawsuit that has been filed by or against a constituent institution or the University of North Carolina, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than \$250,000 or, if the University is to receive a payment, the amount the University claimed is less than \$250,000.
- c) Authority to approve the political activities of employees of the University who are candidates for or serving in public office (§300.5.1).

3) Reports

The authority to approve and submit any report the University or the Board of Governors is required to submit to the General Assembly, the State Board of Education or any other State agency or officer.

4) Budget and Finance

- a) Authority to approve leases with at least \$50,000² but less than \$350,000 annual rental for a term of up to five years, subject to approval by the Department of Administration and the Governor and Council of State (600.1.4 and 600.1.4[R]).
- b) Authority to approve acquisition or disposition of an interest in real property, other than a lease, for an amount of at least \$50,000 but less than \$500,000 (600.1.4 and 600.1.4[R]).
- c) Authority to approve capital improvement projects that are projected to cost \$500,000 or less. The president must provide notice of projects the president intends to approve under this provision to the Committee on Budget and Finance at least one week prior to authorizing the project. (§600.1.1).

The President would report all actions taken under the authority of these delegations to the appropriate Committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

² Note that leases with annual rent less than \$50,000 may be approved by the boards of trustees or the chancellors without further approval by the Board of Governors or the President. See Regulation §66.1.4[R].