

DRAFT

BOARD OF GOVERNORS MEETING

The University of North Carolina

January 12, 2007

The Board of Governors met in regular session on January 12, 2007, in the Board Room of the General Administration Building, Chapel Hill. Mr. Phillips, the chairman, called the meeting to order at 9:30 a.m.

Chairman Phillips stated that since its last meeting, the Board of Governors and the University have suffered great losses in the passing of Mrs. Pat Holshouser and former chairman of the board, Ben Ruffin. On the passing of Mrs. Holshouser, he said “Mrs. Holshouser was a wonderful lady who lived a great life and was a wonderful servant of the state of North Carolina. She helped people in her chosen profession of nursing in ways that will always be remembered.”

On the passing of Mr. Ruffin, Chairman Phillips said “Our Chairman, Ben Ruffin, will be missed enormously here at our meetings. The passion which he had for this work, for the University, for lifting people up and giving them opportunity was a passion like no other I have known on this board. The one thing that I am pleased about as we move forward is that he instilled in many of us the same beliefs and priorities that he had so that we will carry them on.”

INVOCATION

After comments in honor of Mr. Ben Ruffin, Mrs. Gage gave the invocation:

Holy gracious and loving God, we come to you with grateful hearts as we celebrate the life of our friend, Ben Ruffin. We give thanks for his unfailing efforts to repair the pain of enmity among men, to relieve the plight of those less fortunate and to show, by his example, that every person can make a difference. We celebrate this man today, a man who walked with paupers and giants with equal grace; a man who believed all voices and all people mattered equally; a man who sought the positive, not the negative; a man who fought to open doors, not close them; a man who lived a life of

purpose; a man who made a difference with that life. Our lives have been enriched and strengthened by this uncommon man. Give us the strength and courage to continue Ben's work ensuring the doors of opportunity are held wide open for all people. We ask all this in Your name. Amen.

ROLL CALL

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

Bradley T. Adcock	Adelaide D. Key
Brent D. Barringer	G. Leroy Lail
Peaches Gunter Blank	Fred G. Mills
R. Steve Bowden	Cary C. Owen
F. Edward Broadwell, Jr.	Derek T. Pantiel
William L. Burns, Jr.	Patsy B. Perry
John W. Davis III	Jim W. Phillips, Jr.
Phillip R. Dixon	Gladys Ashe Robinson
Ray S. Farris	Irvin A. Roseman
Dudley E. Flood	Estelle W. Sanders
Hannah D. Gage	William G. Smith
H. Frank Grainger	J. Craig Souza
Peter D. Hans	Priscilla P. Taylor
Charles A. Hayes	J. Bradley Wilson
Peter Keber	

The following members were absent:

Laura W. Buffalo	Charles S. Norwood
James E. Holshouser, Jr.	David W. Young
Charles H. Mercer, Jr.	

STATE GOVERNMENT ETHICS ACT

Chairman Phillips stated that under the State Government Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for today's meeting, Chairman Phillips asked if any members knew they had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. No members responded.

Chairman Phillips introduced the members of the Association of Student Governments who were in attendance at the meeting and thanked them for attending.

MINUTES

Ms. Blank moved, seconded by Mr. Wilson, that the minutes of the meetings of November 10, November 16, and December 8, 2006, be approved. The motion carried.

ADMINISTRATIVE ACTION ITEMS

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

- a. (B&F) Authorization of New Capital Improvements Projects, NCSU
- b. (B&F) Approval of Acquisition of Property, UNC
- c. (EPPP) Authorization to Establish the Bachelor of Science in Actuarial Sciences, ASU
- d. (EPPP) Authorization to Establish the Bachelor of Science in Finance, WSSU
- e. (EPPP) Authorization to Establish the Bachelor of Science in Management, WSSU
- f. (EPPP) Authorization to Establish the Bachelor of Science in Marketing, WSSU
- g. (EPPP) Authorization to Establish the Master of Social Work, UNCP
- h. (EPPP) Authorization to Plan the Doctor of Audiology (joint with PhD), ECU
- i. (EPPP) Authorization to Plan the Doctor of Philosophy in Curriculum and Instruction, ECU
- j. (EPPP) Authorization to Plan the Doctor of Philosophy in Medicinal Biochemistry, UNCG
- k. (EPPP) Authorization to Establish the Doctor of Philosophy in Fisheries and Wildlife Science, NCSU
- l. (EPPP) Authorization to Establish the Doctor of Philosophy in Nanoscale Science, UNCC
- m. (EPPP) Authorization to Establish the Doctor of Philosophy in Communication Sciences and Disorders, UNCG

The motion carried.

PRESIDENT'S REPORT

President Bowles presented a report of the first year of his presidency. For President Bowles' transcribed remarks see Appendix N.

REPORT OF THE AUDIT COMMITTEE

Mr. Smith, chair of the Audit Committee, presented the committee's report. He stated that the June 30, 2006, financial audits for North Carolina State University and Western Carolina University were released and that there were no audit findings in either of these reports.

He reported that the committee reviewed the Summary Report of Associated Entities and 95% of the associated entities' audits are up-to-date. Each entity that is not up-to-date has been notified to bring their audits current and this is to be accomplished by March 31, 2007.

Mr. Smith stated that the University's Directors of Internal Audit are meeting today at North Carolina State University to begin development of the first Internal Audit Department Peer Review Program.

Mr. Smith reported that at its meeting on the previous day, the committee went into closed session to hear reports on the various investigative audits which are ongoing within the University.

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. She stated that fall 2006 enrollment grew to

202,381 students, an increase of 6,133 students over the fall 2005 enrollment of 196,248. This was a 3.1 percent growth rate for the University of North Carolina overall and the first time it has exceeded 200,000 students.

Dr. Taylor also reported on the following:

- The Scholastic Assessment Test (SAT) changed this year and a writing test has been added. The University average fell by 4 points for the verbal/quantitative measure; however, the national average dropped by 7 points.
- In-state enrollment grew slightly to 86.2% from 86.1% last year and although three campuses exceed 18% of out-of-state students, none have done so for two consecutive years. Therefore, no campuses are in violation of the University's 18% rule.
- The preliminary participation rate of recent high school graduates in the University is 30.3%, a number that will change when second term freshmen enrollment is added.
- Distance and online education continues to grow. We have a total of 24,422 students enrolled in distance or online courses.
- The committee heard a presentation of General Administration's initiative to develop the University of North Carolina Online. The University has secured the services of a marketing firm to assist with market research, branding, and the determination of degree programs most needed. The core function of the University of North Carolina Online entity site is to market UNC campus degrees and certificates, to provide information to potential students, and to direct students to the campuses that have the online degrees or courses they are seeking. It will also allow a student enrolled on one of our campuses to find and register more easily in online courses at other campuses. The goal is to launch the online site on April 2, 2007.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

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

2007 Legislative Agenda – Policy Recommendations

Mr. Lail reported that the committee approved the 2007 Legislative Agenda – Policy Recommendations. Its primary focus is to request authority to implement several PACE recommendations, which could result in significant savings and cost avoidances for the University. He added that this year’s agenda reflects collaborative work between the chancellors, the President, and his staff.

On behalf of the committee, Mr. Lail moved approval of the University of North Carolina 2007 Legislative Agenda – Policy Recommendations and to instruct the President, his staff, and the campuses to advocate for these policy changes before the North Carolina General Assembly. The motion carried. (Appendix O)

Federal Policy & Programmatic Funding Priorities for Fiscal Year 2008 and the Federal Project Priorities

Mr. Lail reported that the committee reviewed and approved the Federal Policy & Programmatic Funding Priorities for Fiscal Year 2008. The committee also approved a listing of federal project priorities. This year’s federal agenda reflects the priorities of the chancellors and the University and will guide the President, his staff, and the campuses to pursue federal funding and policy changes.

On behalf of the committee, Mr. Lail moved approval of the University of North Carolina Federal Policy & Programmatic Funding Priorities for Fiscal Year 2008 and the Federal Project Priorities. He also moved to instruct the President, his staff, and the campuses to advocate for these policy changes before the United States Congress. The motion carried. (Appendix P)

Mr. Lail stated that a form was included in the board folders requesting information regarding the annual trip to Washington, D.C., on February 28 – March 1, 2007, to

meet with the North Carolina Congressional Delegation. He asked members to fill out the form and return it to the Office of the Secretary. The committee will hold an intensive briefing for board members at its February meeting on the federal priorities to be advocated for with the delegation.

Mr. Lail asked members to mark their calendars for Wednesday, May 9, 2007. The University will hold its Legislative Reception that evening and it is important that every board member make an effort to attend. He added that the committee and any interested members will have time that afternoon to speak individually to members of the General Assembly.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

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

Election to the Board of Trustees – The University of North Carolina at Pembroke

Mr. Davis reported that there is a partial term ending June 30, 2007, on the University of North Carolina at Pembroke Board of Trustees.

On behalf of the committee, Mr. Davis moved the election of Paul Willoughby of the Research Triangle Park to serve on the University of North Carolina at Pembroke Board of Trustees. The motion carried.

Mr. Davis reported that there is a partial term ending June 30, 2009, on the University of North Carolina at Wilmington Board of Trustees and that there are three terms ending February 29, 2012, on the Pitt County Memorial Hospital Board of Trustees. He added that the North Carolina School of Science and Mathematics Board of Trustees will soon have

five vacancies. He asked board members for their assistance with any suggestions to fill these upcoming vacancies.

Mr. Davis stated that the 2007 trustee selection process for each of the sixteen institutional boards of trustees is well underway. The committee continues to seek nominations and recommendations for service on these boards. The committee intends to bring its provisional slate of nominees for consideration at the March board meeting.

STUDENTS' PERSPECTIVE

Mr. Pantiel, student member of the board, presented the students' perspective. In his remarks he discussed the students' textbook policy proposal, the legislative priorities, and the UNC Association of Student Governments' upcoming meetings.

CHAIRMAN'S REPORT

Chairman Phillips thanked President Bowles and his staff for the excellent presentations in the policy discussions on the previous day.

The chair stated that he was pleased with President Bowles' progress and performance in his first year and that the President will be submitting to the board a report assessing his goals and accomplishments. An assessment committee, consisting of the officers of the board and the chairs of the standing committees, will review the report with President Bowles and the report will be shared with members of the entire board.

Chairman Phillips thanked the Centennial Authority for hosting the board at Thursday night's Carolina Hurricanes' game.

The Chair made the following announcements:

- The Emerging Issues Forum will take place at the McKimmon Center on the campus

of North Carolina State University on February 1-2, 2007. The theme for this year is *Transforming Higher Education* and the agenda is included in the board folders.

- The next meeting of the board is scheduled for Friday, February 9, 2007, at North Carolina A&T State University. This meeting will be in conjunction with the 2007 Conference on Trusteeship. The Conference will start at noon on Wednesday, February 7th, and continue the following morning.
- The Annual Joint Meeting of the North Carolina Education Governing Boards will be at the SAS Institute on February 15, 2007.
- The annual trip to Washington, D.C., to meet with the North Carolina Congressional Delegation is scheduled for February 28 – March 1, 2007. Please fill out the intent to participate form in your folders and turn them in to the Office of the Secretary as soon as possible.
- The March meeting of the board is scheduled for March 15-16, 2007, at East Carolina University in conjunction with the campus' centennial celebration.
- Chairman Phillips urged the committee chairs to discuss any relevant topics raised in the policy discussions at their committee meetings.
- The General Assembly session will begin soon and members on the board should make themselves available to Vice President Willis' office for any support he may need.

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On motion of Dr. Perry, and 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.

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The Board of Governors went into closed session at 10:50 a.m. and returned to open session at 10:55 a.m.

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REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Dr. Flood, vice chair of the Committee on Personnel and Tenure, presented the committee's report.

Summary Personnel Report

On behalf of the committee, Dr. Flood moved approval of the committee's summary personnel report presented in closed session. The motion carried. See Appendix Q for the Summary Personnel Report.

Dr. Flood reported that the committee reviewed requests from the North Carolina School of the Arts for creation of a new Senior Academic and Administrative Officer position, *Chief Operating Officer*, and for the reclassification of two positions, *Associate Vice Chancellor of High School Programs* and *Associate Vice Chancellor for Undergraduate Academic and Graduate Programs*.

On behalf of the committee, Dr. Flood moved approval of these requests. The motion carried.

Dr. Flood reported that the committee reviewed a revised report on the *2005-2006 Performance Review of Tenured Faculty*. The committee discussed the need to examine Policy 400.3.3, *Performance Review of Tenured Faculty* and revise as deemed necessary to encourage and guide the campuses on developing standardized procedures and processes for post tenure review to ensure meaningful and useful results.

The vice chair stated that the committee received the *Report on the UNC Phased Retirement Program*, and the *Report on Personnel Actions Delegated to the President Pursuant to Policy 200.6*, which lists all personnel actions approved by the President from November 9, 2006 – January 11, 2007. Copies of these reports were included in the notebook materials.

Before adjournment, board members discussed the scheduling of the committee meetings and how to fill out the new *Statement of Economic Interest*.

There being no further business, the meeting adjourned at 11:10 a.m.

Secretary

APPENDICES

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

Appendix A	Authorization of New Capital Improvements Projects, NCSU	Posted Online
Appendix B	Approval of Acquisition of Property, UNC	Posted Online
Appendix C	Authorization to Establish the Bachelor of Science in Actuarial Sciences, ASU	Posted Online
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Appendix M	Authorization to Establish the Doctor of Philosophy in Communication Sciences and Disorders, UNCG	Posted Online
Appendix N	President's Report	Posted Online
Appendix O	University of North Carolina 2007 Legislative Agenda – Policy Recommendations	Posted Online
Appendix P	University of North Carolina Federal Policy & Programmatic Funding Priorities for Fiscal Year 2008	Posted Online
Appendix Q	Summary Personnel Report	Posted Online