

## **BOARD OF GOVERNORS MEETING**

The University of North Carolina

October 10, 2003

The Board of Governors met in regular session on October 10, 2003, in Trillium South, The Broyhill Inn and Conference Center, on the campus of Appalachian State University, Boone. Mr. Wilson, the chairman, called the meeting to order at 11:15 a.m.

### **INVOCATION**

Mr. Hans gave the invocation:

Dear Lord, we praise you for all of our abundant blessings, both seen and unseen. We pray for your guidance as we exercise our responsibilities on this day and every day.

We ask humbly, Lord, for you to grant us the understanding of how to direct the power of education, the redemptive power of education, to uplift your people. Through your grace, Lord, please make our deliberations thoughtful, our decisions wise, and our judgments strong. May your will be done. In your name we pray. Amen.

### **ROLL CALL**

Dr. Perry called the roll and the following members were present:

J. Bradley Wilson  
Bradley T. Adcock  
G. Irvin Aldridge  
James G. Babb  
J. Addison Bell  
F. Edward Broadwell, Jr.  
C. C. Cameron  
Anne W. Cates  
John F.A.V. Cecil  
Jonathan L. Ducoté  
Ray S. Farris  
Dudley E. Flood  
Hannah D. Gage  
H. Frank Grainger

Peter D. Hans  
James E. Holshouser, Jr.  
Peter Keber  
Adelaide D. Key  
G. Leroy Lail  
Charles H. Mercer, Jr.  
Charles S. Norwood  
Cary C. Owen  
Patsy B. Perry  
Jim W. Phillips, Jr.  
Estelle W. Sanders  
J. Craig Souza  
Priscilla P. Taylor  
Robert F. Warwick

The following members were absent:

Brent D. Barringer  
R. Steve Bowden  
William L. Burns, Jr.  
Bert Collins

John W. Davis III  
Willie J. Gilchrist  
Gladys Ashe Robinson  
Benjamin S. Ruffin

### **MINUTES**

Dr. Key moved, seconded by Mr. Farris, that the minutes of the meeting of September 12, 2003, be approved. The motion carried.

### **PRESIDENT'S REPORT**

President Broad introduced the chancellors and representatives of affiliated organizations in attendance at the meeting.

In her report, President Broad discussed the University's response in the aftermath of Hurricane Isabel, gave an update on mold remediation efforts at North Carolina Central University, and gave a status report on the University of North Carolina Bond Program. For the President's complete report, see Appendix A.

### **ADMINISTRATIVE ACTION ITEMS**

Chairman Wilson called attention to the Administrative Action Items listed on the agenda and inquired if any member wished to have items removed for further discussion. Mr. Mercer moved, seconded by Mr. Cameron, that the following Administrative Action Items be approved by consent:

- |          |   |            |
|----------|---|------------|
| a. (B/F) | Approval of a New Student Fee, UNCP   | Appendix B |
| b. (P/T) | Approval of Policy 300.1.1, <i>Senior Academic and Administrative Officers</i>                  | Appendix C |
| c. (P/T) | Approval of Amendment #4 to the Optional Retirement Program of The University of North Carolina | Appendix D |
| d. (P/T) | Approval of Policy 600.2.3, <i>Distinguished Professors Endowment Trust Fund</i>                | Appendix E |

The motion carried.

**REPORT OF COMMITTEE ON BUDGET AND FINANCE**

Mr. Phillips, chair of the Committee on Budget and Finance, presented the committee's report.

**Budget Reduction Report**

Mr. Phillips reported that in accordance with House Bill 397, Section 9.1 (UNC Flexibility Guidelines) of the General Assembly, the Board of Governors must report by December 31, 2003, on all reductions made by the University's entities and constituent institutions to reduce the budgets by the targeted amounts. On behalf of the committee, he moved that the board approve the 2003-2004 Budget Reduction Report and that it be transmitted to the Office of State Management and Budget and the Fiscal Research Division by December 31, 2003. (Appendix F)

**Joint Millennial Campus – North Carolina A & T State University and the University of North Carolina at Greensboro**

Mr. Phillips reported that the 2000 Session of the General Assembly authorized the Board of Governors to designate millennial campuses when the board finds that such a designation will enhance the economic development of the region served by the constituent institution. He reported that the Boards of Trustees at North Carolina A & T State University and the University of North Carolina at Greensboro requested that the land formerly designated for the Central School for the Deaf and allocated to the Board of Governors by the 2003 Session of the General Assembly and a 75-acre parcel of land currently comprising a portion of the North Carolina A & T State University Farm be designated as a joint millennial campus. The campus would enhance the research, teaching, and service missions of both campuses by relying on their respective strengths in the physical and life sciences, food nutrition, engineering, technology, and applied sciences.

On behalf of the committee, Mr. Phillips moved that the land reallocated to the Board of Governors and the 75-acre parcel at North Carolina A & T State University be designated as a Joint Millennial Campus. The motion carried. (Appendix G)

Lease of Land – North Carolina A & T State University

Mr. Phillips presented and moved approval of a request from North Carolina A & T State University to lease a parcel of land to the NCA&T Foundation and that the request be transmitted to the Council of State for final action. The motion carried. (Appendix H)

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

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

Second Annual Report on the All Students Succeed Through Excellent Teaching (ASSET) Project

On behalf of the committee, Dr. Taylor moved that the Second Annual Report on the All Students Succeed Through Excellent Teaching (ASSET) be approved and sent to the State Board of Education and the appropriate legislative committees and entities. The motion carried. (Appendix I)

Report on Turfgrass Environmental Research and Education

Dr. Taylor moved that the Report on Turfgrass Environmental Research and Education be approved and sent to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division of the Legislative Services Office. The motion carried. (Appendix J)

Request for Management Flexibility in Information Technology - Elizabeth City State University

Dr. Taylor moved that the request from Elizabeth City State University for Management Flexibility in Information Technology be approved. The motion carried. (Appendix K)

Request for Management Flexibility in Information Technology - Western Carolina University

Dr. Taylor moved that the request from Western Carolina University for Management Flexibility in Information Technology be approved. The motion carried. (Appendix L)

2003 Review of Academic Degree Program Productivity: A Biennial Report

On behalf of the committee, Dr. Taylor moved that the board approve the 2003 Review of Academic Degree Program Productivity: A Biennial Report. The motion carried. (Appendix M)

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Dr. Taylor reported the committee met on October 3, 2003, and approved a proposed change in policy 700.1.3, Nonresident Undergraduate Enrollment. In accordance with the provisions of *The Code*, Dr. Taylor said the proposed policy change, labeled Revision 4, had been mailed to the members for consideration by the full board at the November meeting.

Chairman Wilson urged the members of the board to review the proposed policy changes and amendments and to forward questions or comments to Dr. Gilchrist or other members of the committee prior to the next meeting.

**REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE**

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

Appointment to Board of Trustees – North Carolina School of Science and Mathematics

On behalf of the committee, Mr. Adcock moved that Alan Scott Hicks of Roxboro be appointed to the Board of Trustees of the North Carolina School of Science and Mathematics, representing District 13, for a term ending June 30, 2007. The motion carried.

Mr. Adcock reported no action was taken on the vacancy that exists for District 12.

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Notice was given of a vacancy on the University of North Carolina Press Board of Governors, for a term ending June 30, 2007.

Mr. Adcock reminded the members that in August Chairman Wilson asked the committee to review all governance issues to determine compliance with *The Code* and other policies

and to report its findings at the January 2004 meeting of the board. All members were invited to submit any issues or concerns that need to be addressed.

### **REPORT OF COMMITTEE ON THE FUTURE OF INFORMATION TECHNOLOGY**

Mr. Cecil, chair of the Committee on the Future of Information Technology, gave the committee's report. He reported that Vice President Render and members of her staff presented information detailing an environmental scan of information technology practices and use, around the country. The committee reviewed the Planning Committee's recommended changes to the strategic directions for the 2004-2009 Long Range Plan to determine how or if any of the recommendations would impact the future of information technology. In addition, Vice President Render and her staff highlighted some emerging trends in information technology around the country as it pertained to higher education, business, and government. He called attention to the EDUCAUSE Survey and shared the highlights of the data reported.

Mr. Cecil also reported that in November and December, several of the University's campuses will showcase some of their initiatives and ideas underway on their campuses. The committee plans to submit a draft of its report to the full board in February for consideration at the March meeting.

### **REPORT OF TASK FORCE ON MEETING TEACHER SUPPLY AND DEMAND**

Mrs. Gage, vice chair of the Task Force on Meeting Teacher Supply and Demand, reported the Subcommittee on Retention and the Subcommittee on Supply met jointly on the preceding day to further develop its strategy. She reported the committee had gathered information and received reports concerning teacher supply and demand. She noted the committee received a group of maps showing where the University's graduates teach as well as information about the importance of the University's partnership with the community colleges. Mrs. Gage said the committee also received information showing that more than one half of North Carolina's teachers are now coming into the system through alternative pathways - not through the traditional pathways.

Mrs. Gage reported the Task Force expects to bring its recommendations to the full board early next year.

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With the permission of the chair, Mr. Souza commented on the approval of a recommendation from the Committee on Personnel and Tenure at the last meeting authorizing the president to grant bonuses to the chancellors. He pointed out that although this item was not on the committee's printed agenda, it was presented to the board for approval. In keeping with the chair's philosophy concerning openness with the members of the board, Mr. Souza suggested that without a suspension of the rules, items not listed on the committee's printed agenda should not be considered by the board at its meeting. Chairman Wilson recommended that the matter be referred to the Governance Committee for proper wording and presented at the next meeting for adoption. He urged the committee chairs to be vigilant and make sure nothing falls between the cracks.

#### **REPORT OF COMMITTEE ON PUBLIC AFFAIRS**

Mr. Babb, chair of the Committee on Public Affairs, reported that Mr. Tom Covington, executive director of the North Carolina Progress Board, met with the board prior to the meeting and gave a brief report on the work of the North Carolina Progress Board. He said the board was created in 1995 by the General Assembly to "encourage the...understanding of critical global, national, and local...trends that will affect North Carolina in the coming decades...." Mr. Covington shared an informational brochure with the members entitled "Our State, Our Money - A Citizens Guide to the North Carolina Budget."

#### **CHAIRMAN'S REPORT**

Chairman Wilson thanked Chancellor Durham and the Appalachian State University family for hosting the Conference on Trusteeship and the Board of Governors meetings.

The chair called attention to the new Board of Governors Directory at each member's place and thanked Michelle Williams and Secretary Corgnati for their assistance in updating the directories.

Chairman Wilson reminded the members the University Award Dinner will be held November 13 at the George Watts Hill Alumni Center on the Chapel Hill campus.

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On motion of Dr. Perry seconded by Mr. Cecil, the board voted to convene in closed session pursuant to North Carolina General Statutes Sections 143-318.11(a)(3), 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 11:50 a.m. and returned to open session at 12:20 p.m.

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### **REPORT OF COMMITTEE ON PERSONNEL AND TENURE**

Mr. Keber, vice chair of the Committee on Personnel and Tenure, presented the committee's report and moved on behalf of the committee, the approval of those items presented in closed session. The motion carried. The Summary Personnel Report is presented as Appendix N.

Mr. Keber reported that during the committee's meeting on the preceding day, President Broad expressed her concerns regarding certain practices at East Carolina University with respect to management flexibility to appoint and fix the compensation of personnel. The president requested the board's approval of a letter to be sent to Chairman James R. Talton, Jr., and Interim Chancellor William E. Shelton addressing these concerns and specifying actions East Carolina University must take to retain their management flexibility. On behalf of the committee, Mr. Keber moved that the board approve the request. The motion carried.

Mr. Keber also moved that the request from UNC Pembroke to change the title of Director of the Honors College to Dean of the Honors College be approved. The motion carried.

As a matter of information, Mr. Keber noted that the committee received a report on the UNC Leadership Institute and the annual summary report from campuses with management flexibility. In addition, the committee's annual report from July 1, 2002 to June 30, 2003, had been distributed to the members. (Appendix O)

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There being no other business, the meeting was adjourned.

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Secretary

## APPENDICES

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

Appendix A	President's Report	Attached
Appendix B	Approval of a New Student Fee, UNCP	Attached
Appendix C	Approval of Policy 300.1.1, <i>Senior Academic and Administrative Officers</i>	Attached
Appendix D	Approval of Amendment #4 to the Optional Retirement Program of The University of North Carolina	Attached
Appendix E	Approval of Policy 600.2.3, <i>Distinguished Professors Endowment Trust Fund</i>	Attached
Appendix F	Budget Reduction Report	Attached
Appendix G	Joint Millennial Campus – North Carolina A & T State University and the University of North Carolina at Greensboro	Attached
Appendix H	Lease of Land – NC A & T	Attached
Appendix I	Second Annual Report on the All Students Succeed Through Excellent Teaching (ASSET) Project	Attached
Appendix J	Report on Turfgrass Environmental Research and Education	Attached
Appendix K	Request for Management Flexibility in Information Technology - ECSU	Attached
Appendix L	Request for Management Flexibility in Information Technology - WCU	Attached
Appendix M	2003 Review of Academic Degree Program Productivity: A Biennial Report	Attached
Appendix N	Summary Personnel Report	Attached
Appendix O	Annual Report of the Committee on Personnel and Tenure	Attached

**CLOSED SESSION****APPROVAL OF MINUTES OF CLOSED SESSION**

In accordance with procedures established to comply with the Open Meetings Law, Mr. Aldridge moved, seconded by Dr. Perry, that the closed session minutes for September 12, 2003, be approved. The motion carried.

**REPORT OF COMMITTEE ON BUDGET AND FINANCE****Lease of Space – North Carolina Central University**

Mr. Phillips presented the request from North Carolina Central University for authorization to lease 34,000 square feet of office, classroom, and library space to be used as swing space while the School of Law facility is being renovated. On behalf of the committee, he moved that the request be approved and transmitted to the Council of State for final action. The motion carried. (Exhibit A)

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Vice President Winner briefed the board on the status of legal questions concerning the mold situation at North Carolina Central University.

**REPORT OF COMMITTEE ON PERSONNEL AND TENURE**

Mr. Keber, vice chair of the Committee on Personnel and Tenure, presented the committee's report, subject to approval in open session.

**Summary Personnel Report**

Mr. Keber said the committee's report included one campus administrative appointment and two administrative appointments in the Office of the President:

- Bobby Brantley Matthews, Vice Chancellor for Business and Finance  
Fayetteville State University

- Steven D. Hopper, Information and Technology Coordinator, TLTC, Information Resources Division, Office of the President
- Claudia Odom, Assistant Vice President, Finance Division, Office of the President

In addition, the report included a recommendation for a distinguished professorship:

- Darina Dicheva, Professor and Appointment of Paul Fulton/Delta Sigma Theta Distinguished Professor of Computer Science with Conferral of Tenure, Winston-Salem State University

See Exhibit B.

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Mr. Keber reported that at the meeting on the preceding day, President Broad discussed her concerns regarding certain practices at East Carolina University with respect to management flexibility and asked for approval to send a letter to Chairman James R. Talton, Jr. and Interim Chancellor William E. Shelton regarding these concerns. In the discussion that followed, Mr. Souza and other members of the board expressed their concerns regarding the matter.

Mr. Keber stated that he will move that the board approve the President's request to send the letter to Chairman Talton and Interim Chancellor Shelton, addressing her concerns and specifying actions East Carolina University must take to retain their management flexibility status in open session.

### **REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE**

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

#### **Request to Pursue a Legal Matter – The University of North Carolina at Chapel Hill**

As a matter of information, Mr. Adcock reported the committee approved a request from UNC Chapel Hill to join as a plaintiff in the case of Immtech International, Inc. v. Neurochem, Inc.

(Exhibit C)

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On motion of Mr. Aldridge, seconded by Mr. Lail, the board voted to reconvene in open session.