

BOARD OF GOVERNORS MEETING

The University of North Carolina

September 13, 1996

The Board of Governors met in regular session in the General Administration Building, Chapel Hill, on September 13, 1996. Mr. Cameron, the chairman, called the meeting to order at 9:30 a.m..

INVOCATION

Mr. Brown gave the invocation.

ROLL CALL

Secretary Cecil called the roll. The following members were present:

| | |
|--------------------------|------------------------|
| C. C. Cameron | Helen R. Marvin |
| G. Irvin Aldridge | W. Kenneth Morgan, Sr. |
| Lois G. Britt | D. Samuel Neill |
| F. Edward Broadwell, Jr. | Ellen S. Newbold |
| Robert J. Brown | Maxine H. O'Kelley |
| William T. Brown | Cary C. Owen |
| John F.A.V. Cecil | Barbara S. Perry |
| Derick S. Close | D. Wayne Peterson |
| Bert Collins | Earl N. Phillips, Jr. |
| Orville D. Coward, Sr. | Samuel H. Poole |
| John E. Dervin | Marshall A. Rauch |
| John C. Fennebresque | H. D. Reaves, Jr. |
| James E. Holshouser, Jr. | Paul J. Rizzo |
| John A. Garwood | Benjamin S. Ruffin |
| Larnie G. Horton, Sr. | Joseph E. Thomas |
| C. Ralph Kinsey, Jr. | Harold H. Webb |

The following members were absent:

Mark L. Bibbs
Wallace N. Hyde

* * *

Under the terms of the Open Meetings Law, Chairman Cameron said he would entertain a motion to convene in closed session: (1) to establish and instruct the staff and agents concerning the negotiations of price and terms of a contract concerning the acquisition of real

property; (2) to establish and instruct the staff and agents concerning the negotiation of the amount of compensation or other terms of an employment contract; (3) to consider the qualifications, competence, performance, and condition of appointment of a public officer or employee or prospective public officer or employee; and (4) to hear or investigate a complaint, charge or grievance by or against a public employee.

On motion of Mr. Brown and seconded by Mr. Rauch, the board voted to convene in closed session.

CLOSED SESSION

* * *

APPROVAL OF MINUTES OF CLOSED SESSION

In accordance with procedures established to comply with the Open Meetings Law, the closed session minutes for August 9, 1996, were distributed for review and approval. Mr. Broadwell moved, seconded by Mr. Thomas, that the closed session minutes be approved.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

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

Lease of Space - East Carolina University

On behalf of the committee, Mr. Rauch presented for discussion a proposal by East Carolina University concerning the lease of space in Greenville. Mr. Rauch moved that the board approve submission of the requested lease to the Council of State for final action. Mr. Close seconded the motion and it carried.

Acquisitions/Dispositions of Property - The University of North Carolina at Asheville

Mr. Rauch presented a request from the University of North Carolina at Asheville concerning the acquisition of three parcels of property and the demolition of seven dwellings located in Asheville. He moved that the requests be approved and transmitted to the Council of State for final action. Mrs. O'Kelley seconded the motion and it carried.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Summary Personnel Report

Mrs. Britt, chair of the Committee on Personnel and Tenure, reported that on the preceding day the committee approved a recommendation by President Spangler that four institutions, Appalachian State, East Carolina, UNC Chapel Hill, and UNC Charlotte, be permitted to supplement their chancellor's salary through funds made available to the institution by institutional foundations.

Mrs. Britt then presented the committee's summary personnel report for discussion, subject to final action in open session.

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Appeal of Non-Faculty Member - The University of North Carolina at Greensboro

Mrs. O'Kelley presented and moved approval of the committee's report in the grievance appeal of a non-faculty member at the University of North Carolina at Greensboro. Mr. Thomas seconded the motion and it carried.

* * *

On motion of Mrs. Britt, seconded by Dr. Morgan, the board voted to reconvene in open session.

RESUMPTION OF OPEN SESSION

MINUTES

On motion of Mr. Kinsey, seconded by Dr. Morgan, the minutes of the meeting of August 9, 1996, were approved as distributed.

REPORT OF COMMITTEE ON BUDGET AND FINANCE

Mr. Rauch, chair of the Committee on Budget and Finance, thanked the board members for their participation in the Budget Workshop held the preceding day. He invited them to attend a special committee meeting scheduled for Thursday, October 10, in Asheville.

Survey Report and Capital Improvements Projects for Fire Safety and Sprinkler Systems

At the request of Mr. Rauch, Associate Vice President Henry Holmes reported the results of a system-wide fire safety survey (including the North Carolina School of Science and Mathematics), as required by the 1996 Second Extra Session of the General Assembly. The survey identified needs totaling \$81.2 million (\$4.7 million for adding central alarm detection systems and \$76.5 million for installing sprinkler systems in all residence facilities not equipped with such devices). Mr. Holmes reported that in August the board allocated \$5.8 million from the Reserve for Repairs and Renovations to begin addressing the needs identified in the survey. In 1996, the installation of fire safety projects at eleven institutions will cost \$4,069,800. These projects will be financed from institutional housing trust funds. The members of the Board of Governors were provided a list of such funds. The remaining needs identified in the survey will be included in the 1997-99 Budget Request of the Board of Governors as directed by legislation. Mr. Holmes added that all fire safety needs have been or will be met through a combination of previous expenditures, Repair and Renovation funds, institutional trust funds, or future budget requests.

On behalf of the committee, Mr. Rauch moved that the fire safety survey be approved and transmitted to the General Assembly and that the capital improvements projects to be financed from institutional trust funds be approved. Mr. Close seconded the motion and it carried. (Appendix A)

Allocations Recommendations - Computing and Telecommunications

Mr. Rauch reported that in response to the board's request, the 1996 Second Extra Session of the General Assembly appropriated \$1,000,000 in non-recurring funds for computing and telecommunications. North Carolina State University and UNC Chapel Hill were not included because both institutions previously received substantial academic enhancement funding from the General Assembly. He said the proposed allocations provide a base amount of \$30,000 to each institution to address one-time needs for personal computers, printers, and software in student laboratories and faculty offices. The remaining funds will be allocated on a

pro rata basis as determined by the institution's original budget request submitted to the General Assembly for computing and telecommunications' needs. The recommended allocations are as follows:

| Institution | 1996-97 Budget Request | Base Allocatio n | Pro Rata Allocatio n | Total Allocatio n |
|-------------------------------------|---------------------------------------|---------------------------------|-------------------------------------|----------------------------------|
| Appalachian State University | \$820,100 | \$30,000 | \$57,200 | \$87,200 |
| East Carolina University, AA | 1,234,200 | 30,000 | 86,000 | 116,000 |
| East Carolina University, HA | 453,400 | 30,000 | 31,600 | 61,600 |
| Elizabeth City State University | 228,500 | 30,000 | 15,900 | 45,900 |
| Fayetteville State University | 296,700 | 30,000 | 20,700 | 50,700 |
| North Carolina A&T State University | 678,400 | 30,000 | 47,300 | 77,300 |
| North Carolina Central University | 455,700 | 30,000 | 31,800 | 61,800 |
| North Carolina School of the Arts | 146,200 | 30,000 | 10,200 | 40,200 |
| UNC-Asheville | 228,800 | 30,000 | 15,900 | 45,900 |
| UNC-Charlotte | 974,400 | 30,000 | 67,900 | 97,900 |
| UNC-Greensboro | 859,900 | 30,000 | 59,900 | 89,900 |
| UNC-Pembroke | 225,700 | 30,000 | 15,700 | 45,700 |
| UNC-Wilmington | 550,700 | 30,000 | 38,400 | 68,400 |
| Western Carolina University | 502,200 | 30,000 | 35,000 | 65,000 |
| Winston-Salem State University | 237,200 | 30,000 | 16,500 | 46,500 |
| Total | 7,892,100 | 450,000 | 550,000 | 1,000,000 |

On behalf of the committee, Mr. Rauch moved that the committee's recommendations concerning the allocation of computing and telecommunications funds be approved. Mrs. Owen seconded the motion and it carried.

Revision of Selection Criteria and Operating Guidelines for Special Responsibility
Constituent Institutions

Mr. Rauch reported that two special provisions to the state budget process made it necessary to revise the Selection Criteria and Operating Guidelines for Special Responsibility Institutions. The revisions, enacted by the 1996 Second Extra Session of the General Assembly, established more stringent rules for monitoring and resolving audit exceptions at designated institutions. On behalf of the committee, Mr. Rauch moved that the Special Selection Criteria and Operating Guidelines for Special Responsibility Institutions be approved. Governor Holshouser seconded the motion and it carried. (For the revision, see Appendix B.)

Bank Financing - East Carolina University

Mr. Rauch presented a request from East Carolina University for approval of bank financing for a project approved during the 1996 Session of the General Assembly. The project, providing for the development of 25 acres of land for intramural fields at East Carolina University at an estimated cost of \$1,612,800, would be retired from a new student fee of \$4 per semester. On behalf of the committee, Mr. Rauch moved that the chancellor, through the president, be authorized to execute a bank loan for a period of ten years at an interest rate to be approved by the president.

Mr. Rauch further moved that the university be authorized to implement the required debt service fee effective with the 1996 fall semester. Mrs. Perry seconded the motion and it carried.

Authorization of New Capital Improvements Project - The University of North Carolina at Wilmington

Mr. Rauch presented and moved approval of a request from the University of North Carolina at Wilmington for authorization to establish a new capital improvements project, Residential Program Support Facility, and approval of the proposed method of financing. The project would provide for construction of a 7,000 square foot building to serve as program support space for students living in Hewlett and Graham Residence Halls. The facility would house a convenience store, laundry, multipurpose lounge and study area, offices, restrooms, and a two-bedroom apartment for a resident advisor. The estimated cost of the project is \$925,700 and the university proposes to finance the project from available balances in housing reserves. Mrs. Marvin seconded the motion and it carried.

REPORT OF COMMITTEE ON EDUCATIONAL PLANNING, POLICIES, AND PROGRAMS

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

Request to Establish Center for Pharmaceutical Outcomes Research - The University of North Carolina at Chapel Hill

Mrs. Newbold presented and moved approval of a request to establish the Center for Pharmaceutical Outcomes Research at the University of North Carolina at Chapel Hill.

Mr. Jordan seconded the motion and it carried.

Request for Exemption from Licensure with Respect to Religious Education

On behalf of the committee, Mrs. Newbold presented and moved approval of a request from Vintage Bible Training Center, Inc. (Mocksville, NC) and the Nashville Praise and Worship Center, Assembly of God (Nashville, NC), doing business as Nashville Theological Seminary, for exemption from licensure to conduct degree activity with respect to religious education in North Carolina. Mrs. O'Kelley seconded the motion. Rev. Horton expressed concern regarding the inadequacy of the licensure statute with respect to such institutions. The motion carried and the request was approved. (Appendix C)

Report on Institutional Assessment within The University of North Carolina, 1994-95

Mrs. Newbold presented the fifth and final "Report on Institutional Assessment within The University of North Carolina, 1994-95" and moved that it be transmitted to the Joint Legislative Education Oversight Committee. The members were urged to pay particular attention to the introductory section on "Summary and Highlights of Reports Submitted for 1990-91 through 1994-95." Mrs. Owen seconded the motion and it carried. (Appendix D)

Uniform Student Medical Form

Mrs. Newbold reported that the 1996 Session of the General Assembly enacted legislation requiring UNC constituent institutions and the North Carolina Community College System to use a uniform student medical form for students enrolling after July 1, 1997. On behalf of the committee, Mrs. Newbold moved that the Student Medical Form be approved and that the president be given authority to approve any future changes to the form. Mrs. Newbold said the form had been mailed to the board members earlier and the copy in the folders contained a minor revision. Mr. Coward seconded the motion and it carried. (Appendix E)

Annual Report on Enrollment and Placement of Graduates in Primary Care Programs

Mrs. Newbold presented and moved that the annual report entitled "Monitoring the Progress of North Carolina Graduates Entering Primary Care Careers" be approved and transmitted to the North Carolina General Assembly by October 1, 1996. Mrs. Marvin seconded the motion and it carried. (Appendix F)

Request to Establish an Institute for Families at The University of North Carolina at Chapel Hill

On behalf of the committee, Mrs. Newbold moved that the rules be suspended in order to consider a request from the University of North Carolina at Chapel Hill to establish the Institute for Families. Mr. Webb seconded the motion and it carried by the necessary two-thirds vote.

Mrs. Newbold said the proposed institute, designed to encourage collaboration between child welfare, mental health, K-12 schools, juvenile and criminal justice and aging agencies, is a research, teaching and outreach unit in the School of Social Work. The institute's primary mission is to translate research knowledge into public policy and practical technology that supports and strengthens families. On motion of Mrs. Newbold, seconded by Mr. Phillips and Rev. Horton, the request for the establishment of the institute was approved.

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As a matter of information, Mrs. Newbold called attention to an extract of a report in each member's folder from Vice President Memory on Sponsored Programs in the University of North Carolina for the 1996 fiscal year. The complete report will be shared with board members at a later date.

REPORT OF COMMITTEE ON PERSONNEL AND TENURE

Mrs. Britt, chair of the Committee on Personnel and Tenure, moved approval of the report of the Committee on Personnel and Tenure that was presented and discussed in closed session. Dr. Brown seconded the motion and it carried. (Appendix G)

REPORT OF COMMITTEE ON UNIVERSITY GOVERNANCE

Mrs. O'Kelley, chair of the Committee on University Governance, moved that the committee's report presented and discussed in closed session be approved. Mr. Thomas seconded the motion and it carried.

As a matter of information, Mrs. O'Kelley announced the following vacancies on boards:

- The University of North Carolina at Greensboro Board of Trustees (partial term ending June 30, 1999)
- The University of North Carolina Center for Public Television Board of Trustees (partial term ending June 30, 1998)
- The University of North Carolina Hospitals at Chapel Hill (partial term ending June 30, 1999)

REPORT OF THE NOMINATING COMMITTEE

Chairman Cameron reported that he and the other members of the Nominating Committee of the Presidential Search Process (Vice Chair Ruffin, Mrs. Britt, Mr. Cecil, and Mr. Neill) met twice to review nominations for the Leadership Statement Committee, the Screening Committee, and the Search Committee. The Nominating Committee solicited and received responses from the Board of Governors, the chancellors, the chairs of the constituent boards of trustees, the Council of UNC Alumni Association Presidents, the Faculty Assembly, and others and proposed the following slate:

LEADERSHIP STATEMENT COMMITTEE

| | |
|--------------------|--------------------|
| Helen R. Marvin | Co-Chair |
| Julius L. Chambers | Co-Chair |
| John A. Garwood | Co-Chair |
| Barbara S. Perry | Board of Governors |
| Harold H. Webb | Board of Governors |
| Richard R. Eakin | Chancellor |
| Edward B. Fort | Chancellor |
| Patsy B. Reed | Chancellor |
| Peter Petschauer | Faculty |
| Bonnie Kelley | Faculty |
| Kenneth Gurganus | Faculty |
| John E. Dervin | Student |
| Hector McEachern | At-Large |
| Mary D.B.T. Semans | At-Large |

| | |
|--------------------|----------|
| Valeria L. Lee | At-Large |
| Smedes York | At-Large |
| Anne H. Tate | At-Large |
| Stanley Green, Jr. | At-Large |
| James L. Mebane | At-Large |
| Robert F. Orr | At-Large |
| John L. Sanders | Advisor |

SCREENING COMMITTEE

G. Irvin Aldridge - Chair
 William T. Brown - Vice Chair
 Orville D. Coward, Sr.
 Larnie G. Horton, Sr.
 C. Ralph Kinsey, Jr.
 W. Kenneth Morgan, Sr.
 Cary C. Owen
 Paul J. Rizzo - Advisor

SEARCH COMMITTEE

James E. Holshouser, Jr. - Chair
 D. Samuel Neill - Vice Chair
 C. Clifford Cameron
 Benjamin S. Ruffin
 John F.A.V. Cecil
 Lois G. Britt
 F. Edward Broadwell, Jr.
 Bert Collins
 Jack P. Jordan
 Ellen S. Newbold
 Maxine H. O'Kelley
 Earl N. Phillips, Jr.
 Joseph E. Thomas
 Samuel H. Poole

On behalf of the committee and as required by the board's policy and procedures for the selection of the president of the University, Mr. Neill moved that the slate of the Nominating Committee be approved. Mr. Robert Brown seconded the motion and it carried.

PRESIDENT'S REPORT

President Spangler introduced the chancellors and other guests at the meeting. The president also introduced the Student Government Presidents from each of the constituent institutions who were in Chapel Hill for a meeting of the University Council of Student Government Presidents.

The president said he was pleased to report there were no personal injuries resulting from Hurricane Fran on the campuses of the constituent institutions; however, preliminary reports indicated damage at East Carolina University, Fayetteville State University, UNC Pembroke, UNC Wilmington, North Carolina State University, and UNC Chapel Hill. The most extensive damage occurred at North Carolina State University and the University of North Carolina at Wilmington. The president said conversations had been held with the Governor, the State Budget Office, the State Insurance Commissioner, the State Office of Emergency Management, the Federal Emergency Management Assistance Program, and other agencies to determine the steps needed to obtain assistance in defraying the unforeseen expenses resulting from Hurricane Fran. On behalf of the Board, President Spangler thanked the chancellors and their staffs, especially the grounds crews, along with the power companies, for their efforts to get the campuses functioning again. The president noted that the hurricane assistance provided to employees and students at UNC Wilmington (reduced meal prices, loans for employees, and a number of others services) deserved special note.

President Spangler reported that Representative Anne Barnes, a resident of Chapel Hill and a strong supporter of the University, had decided not to seek reelection to the General Assembly. The president said, "Anne has been a great and effective friend of the University and a steady, persistent voice for its employees. I want to publicly thank her for her support and loyalty to the University, for her commitment to the cause of public education, and for her service to the people of this district and this state. She will be missed. We wish her the very best in the years ahead."

Retirement of Stan Broadway

The president reported that Stan Broadway, executive director of the North Carolina State Education Assistance Authority, retired September 1, 1996, following 32 1/2 years of service to the State of North Carolina. President Spangler said Mr. Broadway guided the work of the Authority for three decades, shaping it into one of the most respected state level

student aid agencies in the nation, while maintaining one of the lowest student loan default rates in the country.

At the request of President Spangler and with the permission of the chair, Vice Chair Ruffin presented and moved approval of a resolution honoring Mr. Broadway. The resolution was unanimously seconded and approved by a standing vote. (Appendix H) Mr. Broadway and his wife Elaine were invited to the podium and Vice Chair Ruffin presented them with a copy of the resolution. Mr. Broadway thanked the board for the resolution and expressed appreciation for having the opportunity to serve the University in this capacity.

OTHER BUSINESS

On behalf of the Board of Governors, Chairman Cameron welcomed the Student Government Presidents. He thanked Mr. McCoy and the finance staff for the excellent job they did in conducting the Budget Workshop on the preceding day.

Chairman Cameron also expressed appreciation to the chancellors and all campus personnel who assisted with the cleanup of communities throughout the state following Hurricane Fran. He reported that the storm did not dampen the festivities surrounding the investiture of Chancellor Alvin Schexnider at Winston-Salem State University on September 6.

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In other announcements, Chairman Cameron noted the following:

- September 20 - Installation of Chancellor Willis B. McLeod
- October 18 - Installation of Chancellor Mickey Burnim
- October 11 - Board of Governors Meeting, North Carolina Arboretum, Asheville

Chairman Cameron asked the members to mark their calendars for the 1997 Association of Governing Boards National Conference on Trusteeship which will be held April 12-15 in San Diego, California. He said these meetings are beneficial and the board will defer a portion of the expenses for anyone attending.

APPOINTMENT OF COMMITTEES

Chairman Cameron stated that, without objection, he would appoint the following persons to the respective committees:

O. Max Gardner Award Committee

Mrs. Perry, Chair
Mrs. O'Kelley
Mr. Aldridge
Mr. Thomas

Committee on Committees

Mr. Close, Chair
Mr. Robert Brown
Mrs. Newbold
Mr. Kinsey

Chairman Cameron said he planned to meet with the latter committee.

REMARKS BY SPEAKER OF THE HOUSE HAROLD BRUBAKER

Chairman Cameron said the board was pleased to have Speaker of the House Harold Brubaker at the meeting and asked that he come forward and share his perspectives on the University system and where it should be headed in the future. House Speaker Brubaker thanked the members of the Board of Governors for taking time from their busy schedules to serve on the board and said that he was proud of the University system.

The Speaker said the University must be prudent in its expenditures and wise in the selection of where it appropriates the dollars received. The Board of Governors and the General Assembly need to work together and look at which programs need to be expanded and which need to be contracted. He added that the electorate of the state looks for the best investment and quickest results for every dollar invested. Also, the electorate has taken a critical look at the cooperation between the public schools, the community colleges and the University system. He said the three educational systems need to work together more closely to serve the state since they compete for the same education dollars.

Speaker Brubaker added that the Board of Governors and the legislature need to work hand in hand. In responding to a question, Speaker Brubaker said the best way to keep

legislators informed was through a continuing education process on a one-on-one basis. The Speaker thanked Chairman Cameron and the Board of Governors for the work they are doing for the citizens of North Carolina.

N.C. PARTNERSHIP FOR SCHOOLS AND ROADS

Chairman Cameron introduced Mr. Joe Grimsley, president of Richmond Community College and campaign director for the N.C. Partnership for Schools and Roads. Mr. Grimsley talked briefly about the two bond referendums and asked the Board of Governors to endorse both issues. He distributed information about the bond campaign. (Appendix I) President Spangler said the University is the beneficiary of students from the public schools and pledged to work with the chancellors to promote passage of the bonds. On motion of Mr. Cecil, seconded by Vice Chair Ruffin, the board endorsed the N.C. Partnership for Schools and Roads.

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There being no other business, the meeting was adjourned at 11:25 a.m..

Secretary

