

APPENDIX G

Designation of Millennial Campuses – North Carolina A&T State University and The University of North Carolina at Greensboro

The 2000 session of the General Assembly authorized the Board of Governors to designate "Millennial Campuses" at each constituent institution when the Board finds that such a designation will "enhance the economic development of the region served by the constituent institution." The legislation states that the Board should act on the recommendation of the President after the President has consulted with the Chancellor and the Board of Trustees. The designation shall be based on the express finding that the institution "has the administrative and fiscal capacity to create and maintain such a campus." Each Millennial Campus would function in a manner similar to the Centennial Campus at North Carolina State University and each would be exempt from the provisions of the Umstead Act.

The Boards of Trustees of North Carolina A&T State University and The University of North Carolina at Greensboro have requested that the Board of Governors designate the land (formerly the Central School for the Deaf) reallocated 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 NCA&T State University Farm as a Joint Millennial Campus. The Millennial Campus would be developed to 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. The President has completed the required consultations and recommends that the Board approve the request. The campuses have the administrative and fiscal capacity that is required and the activities to be performed on the Joint Millennial Campus would advance regional economic development.

It is recommended 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.

Minutes of the October 10, 2003 Meeting
of the Board of Governors' Committee on Budget and Finance

The Committee on Budget and Finance met in the Broyhill Ballroom of the Broyhill Inn and Conference Center at Appalachian State University in Boone, North Carolina, on Friday, October 10, 2003, at 9:00 a.m.

Members in attendance were: Mr. F. Edward Broadwell, Jr., Mr. William L. Burns, Jr. (via telephone), Mr. Ray S. Farris, Ms. Hannah D. Gage, Mr. Peter D. Hans, Governor James E. Holshouser, Jr., and Mr. Jim W. Phillips, Jr. Necessarily absent were Mr. R. Steve Bowden and Mr. Benjamin S. Ruffin. Other Board of Governors' members attending the meeting were G. Irvin Aldridge, James G. Babb, John F.A.V. Cecil, Jonathan L. Ducote, Dudley E. Flood, Peter Keber, Adelaide Daniels Key, G. Leroy Lail, Charles S. Norwood, Cary C. Owen, Estelle Sanders, Priscilla P. Taylor, and Robert F. Warwick. Others attending the meeting were President Molly Corbett Broad, Vice Presidents Gretchen Bataille, Jeffrey R. Davies, J.B. Milliken, Robyn R. Render, and Leslie Winner; Associate Vice Presidents Ginger B. Jones, Robert O. Nelson, James O. Smith, and Joni B. Worthington, Interim Chancellor William E. Shelton (East Carolina University), Chancellor Mickey L. Burnim (Elizabeth City State University), Chancellor T.J. Bryan (Fayetteville State University), Chancellor James H. Ammons, Jr. (North Carolina Central University), Chancellor Marye Anne Fox (North Carolina State University), Chancellor James H. Mullen, Jr. (The University of North Carolina at Asheville), Chancellor James C. Moeser (The University of North Carolina at Chapel Hill), Chancellor James H. Woodward (The University of North Carolina at Charlotte), and Chancellor Patricia A. Sullivan (The University of North Carolina at Greensboro); Dr. Jeff Passe, Chairman of the Faculty Assembly; Mr. George Briggs, Director of the North Carolina Arboretum; and members of the press were in attendance. Ms. Rosalind Fuse-Hall, Executive Assistant to the Chancellor (NCCU), Mr. Charles O'Duor, Chief Finance Officer (NCCU) and Mr. Tim Brown, Director of Capital Projects (NCCU) were also in attendance.

Chairman Phillips called the meeting to order. The minutes of the meetings of September 11 and 12, 2003 were approved.

1. During the 2003 legislative session, a special provision in Section 9.1 of House Bill 397 required that each Chancellor report to the Board of Governors on the reductions made to the General Fund budget codes in order to meet the reduction reserve amounts for his/her institution. The Board of Governors must then make a summary report to the Office of State Budget and Management and the Fiscal Research Division by December 31, 2003 on all the reductions made to reach the targeted amounts.

The Chancellors of the sixteen campuses, the Executive Director of the North Carolina School of Science and Mathematics, and UNC Healthcare had reported their reductions to the Board of Governors and the report had been prepared and distributed.

When considering the report on budget reductions, Chairman Phillips called upon Chancellor Sullivan and Chancellor Mullen to discuss the detailed impact of reductions on their respective campuses.

It was recommended that the Board of Governors approve the 2003-04 Budget Reductions Report and that it be transmitted to the Office of State Budget and Management and the Fiscal Research Division by December 31, 2003.

On the motion of Mr. Farris, seconded by Ms. Gage, the recommendation was approved.

2. The Board of Trustees of the University of North Carolina at Pembroke had requested approval to charge a \$70 debt service fee effective with the fall semester 2003.

At the request of the Board, the 2002 Session of the General Assembly approved a project for the expansion of the University Center on the UNCP campus. The project was estimated to cost \$3,000,000 and was to be financed from a new student fee of \$70 per year. The project would provide for the addition of a 500-seat dining facility, meeting space, offices, and storage space to the existing University Center that was built in 1985 and was unable to accommodate the rapid growth on the campus in recent years. The financing plan for the project included the student fee that the University now proposed.

It was recommended that the request of the Board of Trustees be approved.

On the motion of Ms. Gage, seconded by Governor Holshouser, the recommendation was approved.

3. The 2000 session of the General Assembly authorized the Board of Governors to designate "Millennial Campuses" at each constituent institution when the Board found that such a designation would "enhance the economic development of the region served by the constituent institution." The legislation stated that the Board should act on the recommendation of the President after the President had consulted with the Chancellor and the Board of Trustees. The designation should be based on the express finding that the institution "has the administrative and fiscal capacity to create and maintain such a campus." Each Millennial Campus would function in a manner similar to the Centennial Campus at North Carolina State University and each would be exempt from the provisions of the Umstead Act.

The Boards of Trustees of North Carolina A&T State University and The University of North Carolina at Greensboro had requested that the Board of Governors designate the land (formerly the Central School for the Deaf) reallocated 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 NCA&T State University Farm as a Joint Millennial Campus. The Millennial Campus would be developed to 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. The President had completed the required consultations and recommended that the Board approve the request. The campuses had the administrative and fiscal capacity that was required and the activities to be performed on the Joint Millennial Campus would advance regional economic development.

It was recommended 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.

On the motion of Ms. Gage, seconded by Governor Holshouser, the recommendation was approved.

4. The Board of Trustees of North Carolina A&T State University had requested approval of the lease of five acres of state land to the NCA&T Foundation for the purpose of constructing student housing. The University had experienced strong enrollment growth in recent years and required additional residence hall capacity. The Foundation would contract with a construction firm to build a 400-bed residence facility. The land was located adjacent to land leased to the Foundation for the construction of Aggie Suites, an 804-bed residence hall facility built in 1999.

The \$1 a year lease would be for a term of 30 years. Upon the expiration of the lease, the land and any improvements upon the land would revert to the State. The lease of land would be accomplished within the guidelines, procedures, and policies of the North Carolina Department of Administration and must be approved by the Council of State. Construction documents would be reviewed by the State Construction Office and the Department of Insurance.

It was recommended that the request of the Board of Trustees of North Carolina A&T State University be approved and transmitted to the Council of State for final action.

On the motion of Governor Holshouser, seconded by Mr. Broadwell, the recommendation was approved.

Chairman Phillips then led a series of discussions. He first called upon Vice President Davies and Chancellor T.J. Bryan for a report on the status of the financial systems at Fayetteville State University. Mr. Davies reported that the University had been released from its ninety-day count and would retain its budget flexibility; however, in light of the fact that the financial statements had been prepared by individuals who were not permanent employees, the President's Office had determined the need to provide continued support to the campus until permanent employees were hired and sufficiently trained. Chancellor Bryan indicated that she welcomed this assistance and further indicated that her recommendation for a permanent Chief Financial Officer would be considered by the Board later in the morning.

Chairman Phillips called upon Chancellor Ammons to provide the Committee with an update on the mold-related problems at North Carolina Central University. The Chancellor indicated that he had received a final report from Clark-Nexsen recommending actions to be taken in nine buildings in addition to the previous recommendations for the two New Residence Halls. The cost of mold-remediation and related activities now totaled in excess of \$27 million, including replacement of 100% of the steam lines on campus, costs of housing students off campus and transporting them to and from the off-campus housing. Chairman Phillips indicated that he believed the Committee to be supportive of seeking the required funding from the General Assembly.

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:

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|----------|---|------------|
| 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)

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

**Molly Corbett Broad
President's Report to the Board of Governors
Broyhill Inn and Conference Center
Trillium South
October 10, 2003
11:00 a.m.**

Thank you, Mr. Chairman.

**INTRODUCTION OF CHANCELLORS AND REPRESENTATIVES
OF AFFILIATED ORGANIZATIONS, INCLUDING
ACKNOWLEDGEMENT AND RECOGNITION OF RECENT
AWARDS AND ACHIEVEMENTS**

- I would like to begin by expressing my thanks to Dr. and Mrs. Durham and the ASU staff for their hospitality in hosting this week's conference and meetings.
- This marks Dr. Shelton's first meeting as interim chancellor. I would like to publicly thank him for accepting this important assignment so that we might keep ECU moving forward aggressively towards its ambitious goals while we search for a permanent replacement for Chancellor Bill Muse, who stepped down last month.
- Dr. Randy Chitwood of the ECU School of Medicine and his surgical team have performed their 100th robotic heart valve replacement using the da Vinci Surgical System, marking a milestone for robotic surgical technology and minimally invasive cardiac surgery. Over the past

three years, more than 150 heart surgeons from around the world have trained in the robotic techniques at ECU.

- Since we last met, Chancellor Renick and UNC Greensboro Chancellor Pat Sullivan formally announced plans to develop a joint Millennial Campus. As envisioned, this initiative will draw on the complementary research strengths of A&T and UNCG, and it exemplifies the growing spirit of collaboration between these important sister institutions. The research advances and public-private partnerships fostered by this initiative could play a significant role in positioning the Triad for a stronger economic future, and their proposal was approved earlier this morning by the Budget and Finance committee of the Board of Governors.
- UNC Asheville has received a \$412,000 grant from the National Science Foundation to establish a Center for Imaging and Nondestructive Chemical Analysis. It is the largest NSF award ever received at UNCA.
- This weekend, UNC-Chapel Hill will celebrate its 210th annual University Day, an important reminder of Carolina's historic ties to the people of the state. In keeping with that longstanding relationship, Chancellor Moeser announced the Carolina Covenant, a groundbreaking initiative that will enable students from families at or below 150% of the federal poverty level to graduate from UNC-Chapel Hill debt-free.

Notwithstanding G.S. 143-341 and Chapter 146 of the General Statutes, a disposition by easement, lease, or rental agreement of space in any building on the Centennial Campus, on the Horace Williams Campus, or on a Millennial Campus made for a period of 10 years or less shall not require the approval of the Governor and the Council of State. All other acquisitions and dispositions made under this subdivision are subject to the provisions of G.S. 143-341 and Chapter 146 of the General Statutes.

- (6) To employ consulting engineers, architects, attorneys, accountants, construction and financial experts, superintendents, managers, and such other employees and agents as may be necessary in its judgment in connection with any project or projects and existing facilities, and to fix their compensation.
- (7) To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Article.
- (8) To receive and accept from any federal, State, or other public agency and any private agency, person or other entity donations, loans, grants, aid, or contributions of any money, property, labor, or other things of value for any project or projects, and to agree to apply and use the same in accordance with the terms and conditions under which the same are provided.
- (8a) To designate the real property and appurtenant facilities to be included as part of the Centennial Campus, the Horace Williams Campus, or a Millennial Campus.
- (8b) Acting on recommendation made by the President of The University of North Carolina after consultation by the President with the Chancellor and the Board of Trustees of a constituent institution, to designate real property held by, or to be acquired by, a constituent institution as a "Millennial Campus" of the institution. That designation shall be based on an express finding by the Board of Governors that the institution desiring to create a "Millennial Campus" has the administrative and fiscal capability to create and maintain such a campus and provided further, that the Board of Governors has found that the creation of the constituent institution's "Millennial Campus" will enhance the institution's research, teaching, and service missions as well as enhance the economic development of the region served by the institution. Upon formal request by the constituent institutions, the Board of Governors may authorize two or more constituent institutions which meet the requirements of this section to create a joint Millennial Campus.
- (9) To do all acts and things necessary or convenient to carry out the powers granted by this Article. (1987, c. 336, s. 1; 1998-159, s. 3; 1999-234, s. 5; 2000-177, s. 6.)