

Board of Governors Meeting
September 12, 2014
Cullowhee, North Carolina

The Board of Governors met in regular session on September 12, 2014, at the A.K. Hinds University Center Grandroom at Western Carolina University in honor of the 125th anniversary of the founding of the institution. Chairman Fennebresque called the meeting to order at 9:00 a.m. He welcomed special guests Congressman Mark Meadows, Senator Thomas Apodaca, Senator David Curtis, Representative Mike Hagar, and the other guests. Chairman Fennebresque thanked the Western Carolina University Staff Senate for presenting each member with a holiday ornament. The staff senate sells the holiday ornaments to benefit scholarships for students and other initiatives.

INVOCATION

Chairman Fennebresque called on Mr. Parrish to give the invocation.

ROLL CALL

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

Roger H. Aiken	Anna S. Nelson
W. Louis Bisette, Jr.	Alex J. Parker
John C. Fennebresque	R. Doyle Parrish
Ann B. Goodnight	Joan Templeton Perry
Thomas J. Harrelson	Therence O. Pickett
Henry W. Hinton	David M. Powers
James L. Holmes, Jr.	Robert S. Rippy
Rodney E. Hood	Harry Leo Smith, Jr.
William (Marty) Kotis III	J. Craig Souza
G. Leroy Lail	G.A. Sywassink
Steven B. Long	Richard (Dick) Taylor
Joan G. MacNeill	Raiford G. Trask III
Mary Ann Maxwell	Phillip D. Walker
W. Edwin McMahan	

The following members were absent:

Hannah D. Gage (excused)	W. G. Champion Mitchell (excused)
H. Frank Grainger (excused)	Hari H. Nath (excused)
Peter D. Hans (excused)	Laura I. Wiley (excused)
Scott K. Lampe (excused)	

STATE ETHICS ACT

Chairman Fennebresque stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda for the meeting, Chairman Fennebresque asked if any member had a conflict of interest or an interest that would give rise to the appearance of a conflict of interest. Mr. Long and Mr. Aiken both abstained from Administrative Action Item 8c – *Sale of Special Obligation Bonds – UNC-CH*.

WELCOME AND REMARKS BY CHANCELLOR BELCHER ON THE STATE OF WESTERN CAROLINA UNIVERSITY

Chairman Fennebresque called on Chancellor Belcher for a brief presentation. Chancellor Belcher introduced Congressman Meadows, who made welcoming remarks. Congressman Meadows remarked that the University system is unlike any other. It is well respected around the world and it is an asset we must continue to tout.

Chancellor Belcher recognized his staff, Melissa Wargo, Terry Welch, and the members of the steering committee, all of whom assisted with the preparations for this week's Board activities. He remarked it has been a pleasure and privilege for Western Carolina University to host the Board of Governors, the General Administration staff, and our sister institutions. Next, Chancellor Belcher spoke about the growth and momentum of the institution. Every person in this community is passionate about the University. Chancellor Belcher showed a video that highlighted the institution's rich history, community involvement, educational access, academic excellence, and the important role that the institution plays in the western region of our state.

MINUTES

Mr. Hood moved, seconded by Mr. Taylor, that the minutes of the August 1, 2014, meeting be approved. The motion carried. Mr. Rippy moved, second by Mr. Long, that the minutes of the special meeting of September 3-4, 2014 be approved. The motion carried.

PRESIDENT ROSS' REPORT

President Ross stated that this has been a busy couple of weeks for this Board. Just last week, the Board met in Cary for a retreat and election of a new chancellor for Elizabeth City State University. This week, the Board participated in a campus tour and the meetings on the campus of Western Carolina University. He thanked the members for their commitment of time,

energy, dedication and intellect. He thanked the General Administration staff for all their hard work in preparing for these meetings. He especially thanked Chancellor and Mrs. Belcher and their staff for hosting us this week in recognition of Western Carolina University's 125th anniversary celebration. President Ross thanked Congressman Meadows for his leadership and service, in particular, as it related to the bill that Congress Meadows introduced that will exempt students from the Affordable Care Act. Next, President Ross yielded the floor to Ms. Teresa Williams, Chair of the Board of Trustees, for a special presentation to Senator Apodaca. For President Ross' complete report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Fennebresque called attention to the Administrative Action Items listed as Item #8 on today's agenda. Mr. Taylor moved, seconded by Mr. Kotis, that the Administrative Action Items be approved by consent. The motion carried.

- a. (AUDIT) Audit Committee Charter
- b. (AUDIT) Internal Audit Charter
- c. (B&F) Sale of Special Obligation Bonds – UNC-CH
- d. (B&F) Authorization of Capital Improvements Projects – ECU, NCSU, UNC-CH UNCC and UNCP
- e. (EPPP) Request for approval of licensure for the following degree programs:
 - i. East Tennessee State University has applied for a regular license to offer the following on-ground degree programs in North Carolina:
 - Master of Social Work (M.S.W.)
 - ii. Johnson & Wales University has applied for a regular license to offer the following on-ground degree programs in North Carolina:
 - Bachelor of Science (B.S.) in Food Service Entrepreneurship
 - Bachelor of Science (B.S.) in Liberal Studies
 - iii. Post University has applied for a regular license to offer the following online degree programs in North Carolina:
 - Associate of Science (A.S.) in Early Childhood Education
 - Bachelor of Science (B.S.) in Child Studies
 - Bachelor of Science (B.S.) in Human Services
 - Bachelor of Science (B.S.) in Sport Management
 - Bachelor of Science (B.S.) in Human Services

REPORT OF THE AUDIT COMMITTEE

Mr. McMahan, Chair of the Audit Committee, reported that the Committee reviewed the Audit Committee Charter. The Charter outlines the fundamental responsibilities of the Audit Committee. Staff suggested a few minor clarification updates which the Committee discussed and approved (see Appendix B). The Committee reviewed and approved the Internal Audit Plan

for UNC General Administration. The Plan was developed after the completion of a comprehensive risk assessment of UNC General Administration's operations (see Appendix C). The Committee discussed the financial statement audit report issued by the Office of the State Auditor for North Carolina School of Science and Mathematics. There were no audit findings.

The Committee was presented with the results of internal audit work performed at UNC General Administration. The projects discussed were follow-ups from previous audits by General Administration's former internal auditor and the Office of the State Auditor. The follow-up reports found that UNC General Administration has taken satisfactory action to implement the recommendations.

Finally, the Committee was presented with a Summary Report listing all associated entities and the results of their most recent audits. All audit reports had been received, and staff at General Administration, in conjunction with the campuses, was working with the associated entities to address any concerns that were identified through the audits.

REPORT OF THE BUDGET AND FINANCE COMMITTEE

Mr. Smith, Chair of the Budget and Finance Committee, stated that each year when the State budget is finalized, the Committee on Budget and Finance recommends allocation of funds made available by the General Assembly. On August 1, the Board delegated authority to the Committee on Budget and Finance to act on its behalf to allocate funds made available by the adopted state budget. On August 20, the Committee on Budget and Finance met via teleconference and approved the 2014-15 budget allocations for salaries, current operations, and capital improvements. All members of the Board were invited to participate and several members that were not on the Committee joined the meeting.

Next, Mr. Smith reported the Committee heard an update on the Millennial Campus at UNC Charlotte. UNC Charlotte was seeking approval to expand and revise the Millennial Campus boundaries. In January 2002, the Board of Governors had established 100 acres of land at UNC Charlotte as a Millennial Campus. Millennial campuses were established to enhance an institution's research, teaching, and service missions as well as enhance the economic development of the region. UNC Charlotte had grown significantly since the original creation of its Millennial Campus. Growth, along with the expansion of the light rail system, had led to strategic restructuring on the campus and the need to amend the Millennial Campus boundaries (see Appendix F).

On behalf of the Committee, Mr. Smith moved approval of seven proposed boundary changes and further moved that UNC Charlotte update its Master Plan within one year to reflect these changes. The motion carried.

REPORT OF THE COMMITTEE ON EDUCATIONAL PLANNING, POLICIES AND PROGRAMS

Mr. Souza, Chair of the Committee on Educational Planning, Policies and Programs, reported the Committee heard presentations by students from WCU – Katie Peterson, Alecia Page, and Leigh Ann Parrish – on their educational and research experiences and the enormous impact that Western Carolina University has had on their lives and career achievements.

Vice President Stewart presented recommendations for licensure of degree programs offered by East Tennessee State University, Johnson and Wales University, and Post University. The Committee approved placing the recommended programs on the Board's consent agenda.

The Committee reviewed and accepted the Annual Report of the Committee on Educational Planning, Policies, and Programs July 1, 2013-June 20, 2014 (see Appendix G). Chairman Souza noted that Mrs. Goodnight provided a brief update on the Work Group on Teacher Quality. The other members serving on the Work Group consisted of Mrs. Gage, Mr. Long, and Mrs. Wiley. An education summit is planned for January 2015.

The Committee considered forming a subcommittee to examine the important partnerships between students and their academic advisors and find ways to enhance the quality of advising during the undergraduate experience. Dr. Perry will chair the subcommittee and the members will include Mr. Hood, Ms. Maxwell, and Mr. Parrish.

At the conclusion of the Committee's Report, Mr. Souza provided the final report of Working Group on Financial Aid/ Tuition.

REPORT OF THE WORKING GROUP ON FINANCIAL AID/TUITION

Mr. Souza reported that Working Group on Financial Aid/Tuition implemented a "Freeze and Cap" policy last month designed to constrain growth in tuition for all students. It is expected that the policy would not reduce the dollar amount of aid available (see Appendix H). The Working Group also reviewed tuition surcharge and the revenues that were generated from them. The Working Group recommended looking at innovative approaches to helping students pay for college.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Holmes, Chair of the Committee on Public Affairs, reported the Committee discussed several items. First, the Committee heard a presentation from Vice President Rhinehardt on the federal Higher Education Act (HEA). The Committee would continue examining HEA for it governs many of the University's overall arching policies. Next, Vice President Moretz provided an update about the ongoing work and meetings with legislators and staff in the NC General Assembly. The Committee discussed several actions of engagement that the Board would undertake in the coming months.

The Committee had a discussion featuring Mr. Brett Keeter, congressional staffer from U.S. Rep. Patrick McHenry's office, and Senator Tom Apodaca. The discussion was very meaningful and valuable.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mrs. MacNeill, Chair of the Committee on University Governance, reported the Committee reviewed the Campus Liaisons and Assistant Campus Liaisons ("Campus Buddies") assignments (see Appendix I). Ms. MacNeill thanked the members who agreed to represent the campuses in the role as an assistant liaison.

The Committee discussed the 2015 Trustee Selection Process. A proposed timetable was established for receiving, reviewing and voting on appointments. The Committee reviewed and approved a revised Trustee Nomination Form. She encouraged the Board to complete the form and submit it to Ms. Lemmon when nominating deserving candidates for the position of University trustee.

There was a partial term that ended June 30, 2014 on the UNC Wilmington Board of Trustees resulting from the resignation of Mr. Britt Preyer. Nominations were being accepted to fill this vacancy. There are seven terms ending October 31, 2014, on the UNC Health Care System Board of Directors. Four members are eligible for reappointment. The Board of Governors appoints the members of UNC Health Care System Board of Directors upon the recommendation of the President. Nominations were being accepted for these positions. Mrs. MacNeill reported the Committee discussed plans to review and possibly amend policies related to Chancellor Selection and President Selection.

Last, Mrs. MacNeill referred to the Winter Commencement schedule. She asked the members to check their availability and sign up for one of the campus commencement ceremonies to bring greetings on behalf of the Board of Governors.

REPORT OF THE SPECIAL COMMITTEE ON MILITARY AFFAIRS

Mr. Trask, Chair of the Special Committee on Military Affairs, reported the Committee heard a presentation from Vice President Rascoff on the University's system new website and the programs for active-duty personnel. The staff was working to create a gold standard in education for our military population. He commended Vice President Stewart on the work she has done on the project.

CHAIRMAN'S REPORT

Chairman Fennebresque commended the Chancellors for their leadership. He thanked the staff for all their hard work. He thanked the Board members who attended last week's Board retreat and extended a special thanks to Mrs. Goodnight for hosting the retreat. The Board heard a presentation by former North Carolina budget director, Art Pope, on how the budget works in the context of the state budget. The Board also met the new budget director, Lee Roberts. Next, Chairman Fennebresque commended the staff at Western Carolina University for hosting the Board. He noted their hospitality was outstanding; everybody has been so welcoming and friendly; and WCU is a great institutional ambassador for the entire system.

On motion by Secretary Perry and duly seconded, the Board voted to convene in closed session.

The Board went into closed session at 10:30 a.m. and returned to open session at 11:10 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Sywassink, Chair of the Committee on Personnel and Tenure, reported the Committee reviewed and approved 63 proposed salary increases requiring advance approval. The Committee also reviewed the request for the following title changes in division of the Chief Operating Officer: title change of Senior Associate Vice President for Finance for Mr. Jonathan Pruitt to Vice President of Finance; title change of Associate Vice President for Audit Compliance for Mrs. Lynne Sanders to Vice President for Audit Compliance; and title change of Associate Vice President for University Advancement for Mr. Timothy Minor to Vice President for University Advancement. These title changes are the results of a re-organization within the division of the Chief Operating Officer, which results in a reduction of direct reports, improvements to operating efficiencies, and will create a net recurring savings that will be repurposed.

President Ross shared his recommendations for title changes to some of his direct reports. This would result in title changes of Mr. Charlie Perusse from Chief Operating Officer to Senior Vice President and Chief Operating Officer; Mr. Kevin FitzGerald from Chief of Staff to Senior Vice President and Chief of Staff; Mr. Thomas Shanahan from Vice President and General Counsel to Senior Vice President and General Counsel; and Ms. Joanna Carey Cleveland from Senior Associate Vice President for Legal Affairs to Vice President for Legal Affairs. These title changes will provide better consistencies across the divisions at UNC General Administration. There is no cost associated with these title changes.

On behalf of the Committee, Mr. Sywassink moved that the recommendations for the above title changes be approved. The motion carried.

The Committee reviewed revisions to Policy 1000.2.2 – *Waiver of Tuition and Fees for Faculty and Staff* – which addresses statutory changes related to the waiver of tuition and fees for University employees (see Appendix J). The revisions to Policy 1000.2.2 would allow UNC Policy 1000.2.3 – *UNC Waiver of Tuition and Fees for General Administration Employees* – to be repealed. These policies will be brought to the full Board at its next meeting for consideration.

The next meeting of the Board of Governors was scheduled for Friday, October 24, 2014, at the Spangler Center, Chapel Hill. There being no further business, the meeting adjourned at 11:35 a.m.

Secretary

APPENDICES

(All Appendices are a part of the official record of the meeting)

Appendix A	President Ross' Report	Posted Online
Appendix B	Audit Committee Charter	Posted Online
Appendix C	Internal Audit Charter	Posted Online
Appendix D	Authorization of Capital Improvements Projects – ECU, NCSU, UNC-CH, UNCC and UNCP	Posted Online
Appendix E	Request for approval of licensure for the following degree programs: <ul style="list-style-type: none"> i. East Tennessee State University has applied for a regular license to offer the following on-ground degree programs in North Carolina: <ul style="list-style-type: none"> • Master of Social Work (M.S.W.) ii. Johnson & Wales University has applied for a regular license to offer the following on-ground degree programs in North Carolina: <ul style="list-style-type: none"> • Bachelor of Science (B.S.) in Food Service Entrepreneurship • Bachelor of Science (B.S.) in Liberal Studies iii. Post University has applied for a regular license to offer the following online degree programs in North Carolina: <ul style="list-style-type: none"> • Associate of Science (A.S.) in Early Childhood Education • Bachelor of Science (B.S.) in Child Studies • Bachelor of Science (B.S.) in Human Services • Bachelor of Science (B.S.) in Sport Management • Bachelor of Science (B.S.) in Human Services 	Posted Online
Appendix F	Approval of Millennial Campus, UNCC	Posted Online
Appendix G	Annual Report of the Committee on Educational Planning, Policies and Programs, July 2013 – June 30, 2014	Posted Online
Appendix H	Working Group on Financial Aid/Tuition “Freeze and Cap” policy	Posted Online
Appendix I	UNC Board of Governors 2014-2015 Assistant Campus Liaisons	Posted Online
Appendix J	UNC Policy 1000.2.2 – Waiver of Tuition and Fees for Faculty and Staff	Posted Online