

**Board of Governors Meeting**  
**December 5, 2014**  
**Chapel Hill, North Carolina**

The Board of Governors met in regular session on December 5, 2014, at the Spangler Center in Chapel Hill. Chairman Fennebresque called the meeting to order at 9:00 a.m. He welcomed all the guests.

**INVOCATION**

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

**ROLL CALL**

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

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

The following member was absent:

Hari H. Nath

**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 abstained from Administrative Action Item 7a – *Loan Agreement – NCCU*.

## **MINUTES**

Mr. Rippy moved, seconded by Mr. Walker, that the minutes of the October 22, 2014, special meeting be approved. The motion carried. Mr. Hood moved, seconded by Mr. Sywassink, that the minutes of the October 24, 2014 meeting be approved. The motion carried.

## **PRESIDENT ROSS' REPORT**

President Ross began by thanking the members of the Board for donating so much of their time, intellect and energy to the University. Their commitment has extended beyond Board meetings to special committees, working groups, campus visits, etc. He extended his thanks to Chancellors Saunders-White and Woodson for facilitating recent visits to their campuses. President Ross recognized Chancellor Donald Reaves for this marked his last Board of Governors meeting. Chancellor Reaves will be retiring at the end of the year. He thanked him for his outstanding service to Winston-Salem State University over these past 8 years. Next, President Ross recognized Chancellor Doug Orr, who was serving as Interim Chancellor at UNC Asheville until Chancellor Grant begins her service in January. Chancellor Orr has done a remarkable job at UNC Asheville. President Ross acknowledged Chancellor Orr's landmark book *Wayfaring Strangers*. The book was published by UNC Press in September and is ranked on *The New York Times* Top 10 Best Sellers list. For President Ross' complete report, please refer to Appendix A.

## **ADMINISTRATIVE ACTION ITEMS**

Chairman Fennebresque called attention to the Administrative Action Items listed as Item #7 on today's agenda. Mr. Kotis requested that Administrative Action Item listed as 7d – *Property Lease Delegation of Authority –UNCW* and Item 7e – *Acquisition of Property by Lease–UNC-CH* be removed. Chairman Fennebresque entertained a motion to approve the remaining Administrative Action Items. Mr. Mitchell moved seconded by Mr. Grainger to approve Items 7a, 7b, 7c and 7f. The motion carried.

The Board proceeded with further discussion related to Item 7d. Mr. Kotis spoke about his concerns related to the item. There being no further discussion, Mr. Fennebresque entertained a motion to approve Item 7d. Mr. McMahan moved seconded by Mr. Bissette to approve the item. Mr. Kotis voted against the motion. The motion carried.

The board proceeded with further discussion related to Item 7e. Mr. Kotis spoke about his concerns related to the item. There being no further discussion, Mr. Fennebresque entertained a motion to approve Item 7e. Mr. Smith moved seconded by Mr. Bisette to approve Item 7e. Mr. Kotis, Mr. Parrish, and Mr. Taylor voted against the motion. The motion carried.

- a. (B&F) Loan Agreement – NCCU
- b. (B&F) Establishment of an Associate Entity – UNC-CH
- c. (B&F) Authorization of Capital Improvements Projects – ECU, NCSU, UNC-CH and UNCC
- d. (B&F) Property Lease Delegation of Authority – UNCW
- e. (B&F) Acquisition of Property by Lease – UNC-CH
- f. (EPPP) Request for approval of licensure for the following degree programs:
  - i. Strayer University has applied for a regular license to offer the following degree programs at Strayer's nine locations in North Carolina (Greensboro, Huntersville, North Charlotte, South Charlotte, North Raleigh, South Raleigh, Research Triangle Park, and the Verizon Wireless call centers in Wilmington and Charlotte:
    - Master of Science in Management (MSM)
    - Master of Science in Human Resource Management (MSHRM)
  - ii. South University has applied for a regular license to offer the following additional degree programs at South University's campus in High Point:
    - Associate of Science (AS) in Allied Health Science
    - Associate of Science (AS) in Occupational Therapy Assistant
    - Master of Public Health (MPH)
    - Master of Science in Nursing (MSN) in five concentration areas
    - Post Graduate Certificate in five nursing concentration areas
  - iii. University of South Alabama has applied for a regular license to offer the following degree programs online in North Carolina:
    - RN-to-BSN (Registered Nurse to Bachelor of Science in Nursing)
    - Master of Science in Nursing (MSN) in thirteen concentration areas)
  - iv. Mount Eagle University has applied for an interim permit to offer the following degree programs online in North Carolina:
    - Associate of Health Sciences (AHSc)
    - Bachelor of Health Sciences (BHSc)

## **REPORT OF THE AUDIT COMMITTEE**

Mr. McMahan, Chair of the Audit Committee, reported the Committee discussed two items. First, the Committee was presented with an annual summary of the activities of the Audit Committee for 2013-2014 (see Appendix H). The summary affirms that the Audit Committee met its responsibilities as a standing committee of the Board of Governors.

Last, the North Carolina Office of the State Auditor released seven financial statement audit reports for fiscal year ending June 30, 2014. All reports issued contained no audit findings.

He congratulated the following campuses for a job very well done – Appalachian State University, East Carolina University, NC State University, UNC Asheville, UNC-Chapel Hill, Western Carolina University, and UNC School of the Arts.

### **REPORT OF THE BUDGET AND FINANCE COMMITTEE**

Mr. Smith, Chair of the Budget and Finance Committee, remarked that the Committee discussed several items. First, the Committee discussed the University's 2015-17 Operating and Capital Budget Priorities (see Appendix I). It discussed the need for additional state funding for two of its medical schools – ECU's Brody School of Medicine and UNC-Chapel Hill's School of Medicine. The Committee proposed that \$8 million be earmarked for the Brody School of Medicine and \$2 million for UNC-Chapel Hill School of Medicine.

On behalf of the Committee, Mr. Smith moved approval of the University's 2015-17 Operating and Capital Budget Priorities. The motion carried. Mr. Kotis was opposed.

Next, the Committee discussed a proposed a Campus Security Fee (see Appendix J). Last summer, President Ross launched an initiative to assess the public safety capabilities on the 17 campuses. A University-wide student fee of \$50 was recommended per the report on *UNC Campus Security Initiative*.

Next, Mr. Smith provided an update on Border Tuition. The Committee amended four conditions to this item as described in Appendix K. On behalf of the Committee, Mr. Smith moved approval of Border Tuition rates as amended with the expectation that the rates would be limited to only Elizabeth City State University and UNC Pembroke. Several members expressed concerns. A motion was made to approve Border Tuition rates for Elizabeth City State University and UNC Pembroke. The motion carried. Mr. Kotis and Mr. Long voted against the motion.

Last, the Committee heard discussion on the current Board approved funding model and metrics. The Committee expressed its desire to work on amendments to the funding model. A subcommittee would be appointed to address these issues.

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

Mr. Souza, Chair of the Committee on Educational Planning, Policies and Programs, reported on several items. The Committee heard a presentation by senior student, Jenny Wang, from the North Carolina School of Mathematics and Science. Ms. Wang presented a summary

of her research project on Fully Automated Computational Brain Segmentation for Cross-Modality Analysis of Neurodegenerative Diseases.

Next, the Committee considered the request for authorization to establish a Bachelor of Science degree in Environmental and Geographic Sciences at North Carolina Central University (see Appendix L).

On behalf of the Committee, Mr. Souza moved approval to establish the bachelor degree program at North Carolina Central University. The motion carried.

The Committee heard a follow-up report by Dr. Newton, Director of the North Carolina Area Health Education Centers (AHEC) Program, regarding the downward trend in the number of physicians and other health care professionals who provide primary care services. Mr. Souza remarked that this is a priority item and the Committee would discuss the matter further.

Next, Vice President Stewart shared a report on Academic Credit for Military Training (see Appendix M). Pursuant to N.C. General Assembly Senate Bill 761(SB761) of the 2013 session, the Board of Governors in conjunction with the North Carolina State Board of Community Colleges is required to submit two reports – the first report addresses Section 3 (SB761) that proposes a plan to evaluate and award credit for military training across the two systems. The second report addresses Section 4 (SB761) on job development and nondegree training programs for military students.

On behalf of the Committee, Mr. Souza moved that the report be conveyed to the General Assembly to the Committee of Jurisdiction. The motion carried.

Next, Mr. Souza reported on the review team's findings related to the nursing program at NC A&T State University (see Appendix N). The review team made several recommendations. The recommendations included specific actions to be taken with regard to the traditional BSN program based on graduates' performance on the NCLEX-RN licensing exam. Recommendations were also presented regarding potential cost-savings strategies to be considered by the School of Nursing and alignment of Board policy addressing performance of nursing education programs in the state. The Committee concurred with the recommendations.

On behalf of the Committee, Mr. Souza moved that the Board approve the review team's findings and recommendations as presented. The motion carried.

Next, the Committee heard a report by Associate Vice President Thornton regarding the Study on Establishment of New Optometry Schools (see Appendix O). The budget passed by the N.C. General Assembly in August 2014 required the Board of Governors to evaluate the

feasibility of establishing a school of optometry at one or more of eight constituent institutions designated in the legislation.

On behalf of the Committee, Mr. Souza moved that the above report regarding the Study on Establishment of New Optometry Schools be submitted to the legislature and that it included a recommendation that a new optometry school not be established at one or more of the eight constituent institutions at this time.

Last, the Committee heard a presentation from Vice President Boney on *Global Connections: UNC and the World* (see Appendix P). The presentation included ongoing campus international activities, progress toward strategic plan goals, and potential strategies going forward. The Committee would discuss the benefits of UNC global engagement in the coming months. Mr. Souza commented the Committee would hear a report on UNC Intercollegiate Athletics at its next meeting.

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

Mr. Holmes, Chair of the Committee on Public Affairs, reported the Committee welcomed a special guest – North Carolina Senator Josh Stein. Senator Stein spoke about his membership on the Higher Education Working Group. Mr. Holmes believed it was advantageous for the members of Board to work directly with the group.

The Committee reviewed the University of North Carolina's 2015 Legislative Agenda (see Appendix Q). A broad list of goals and objectives was narrowed to a workable list of priority items. On behalf of the Committee, Mr. Holmes moved the approval of the preliminary 2015 Legislative Agenda. The motion carried.

Mr. Holmes provided a brief update on the Working Group of the UNC Centers and Institutes. There was a list of 56 centers that was under further review. A two-day meeting was scheduled next week to hear presentations from those representing the centers and institutes.

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

Mrs. MacNeill, Chair of the Committee on University Governance, reported the Committee continued its discussion on the Chancellor Selection process. She thanked those for participating in the discussion. The Committee received great suggestions and input. The

Committee will evaluate all the feedback it received and make recommendations to modify the process and policies related to it. The Committee will also review policies related to the Presidential Search process. A subcommittee was formed to look at existing policies to determine if modifications should be considered. Members appointed to the subcommittee are Mrs. Gage, Mr. Hans, Mr. Powers, and Mr. Rippy.

The Committee continued its planning for the trustee selection process. Nominations were being sought and should be submitted to Secretary Lemmon. Mrs. MacNeill thanked the members for their participation in this process.

Next, the Committee reviewed and approved revisions to the Board's nondiscrimination policy to prevent discrimination based upon sexual orientation and gender identify pursuant to President Obama's executive order requiring that federal contractors not engage in unlawful discrimination based on sexual orientation or gender identify. The policy includes prohibitions against unlawful discrimination based on genetic information in order to comply with the recent change in federal law. The policy eliminates creed and keeps religion in compliance with a recent change in state law.

Mrs. MacNeill reported on vacancies on Councils and Board of Trustees. There was a term ending September 30, 2016 on the State Advisory Council on Indian Education. Bradi Brooks Davis has served since 2010 and her term expired on September 30; she is not eligible for reappointment. Dr. Ryan Emanuel, a faculty member from NC State University, has been nominated to fill this vacancy. On behalf of the Committee, Mrs. MacNeill moved the appointment of Dr. Emanuel to serve. The motion carried.

The Committee held a special meeting on November 7, 2014, to consider the performance of Mr. Victor Johnson as a member of the Winston-Salem State University Board of Trustee. Mr. Johnson served on the search committee for the recent WSSU chancellor search. The Governance Committee considered a report that he shared confidential information outside the search process and engaged in conduct not appropriate for a trustee. The Committee considered Mr. Johnson's written response. On behalf of the Committee, Mrs. MacNeill recommended that Mr. Johnson be removed from his position of a trustee at Winston-Salem State University. The motion carried.

Last, Mrs. MacNeill referred to the 2014 Winter Commencement schedule. She thanked the members who volunteered to bring greetings from the Board of Governors at this month's commencement ceremonies.

## **REPORT OF THE SPECIAL COMMITTEE ON MILITARY AFFAIRS**

Mr. Trask, Chair of the Special Committee on Military Affairs, recognized Chancellor Martin, NC A&T and Vice Chancellor Shelton, UNC Greensboro, for establishing veteran centers on their campuses. The Committee encouraged all UNC institutions to open veteran centers.

Next, the Committee heard a report by Vice President Dixon, Vice President Stewart, Director Beall, and UNC-Chapel Hill's Board of Trustee member Haywood Cochrane, on various issues regarding military students. The Committee discussed the ongoing progress of the Friday Center Initiative, in-state tuition for veterans, and adding the General Administration development team to the UNC Joining Forces Initiative.

## **CHAIRMAN'S REPORT**

Chairman Fennebresque called on Mr. Alex Parker, member of the Board of Governors and President of the UNC Association of Student Governments (UNCASG) for a brief report. Mr. Parker provided an overview of the organization. UNCASG ensures that the needs and concerns of the student body are addressed. Suggestions from students across the UNC system demonstrated that it was necessary to continue to expand on its success and address the opportunities in the Association. He thanked Chairman Fennebresque and President Ross for their commitment to the students.

Mr. Fennebresque commented on two recent campus visits that the new members participated in at NC Central University and NC State University. He encouraged all the members to participate in the campus visits. He announced the next meeting of the Board will be held on Friday, January 16, 2015. Following the meeting, the Board will visit the UNC Center for Public Television. There is an Education Summit scheduled for January 27, 2015, that will be held on the SAS Campus in Cary. The Chancellors, Provosts, Deans of Education, Deans of College & Arts, State Board of Education leaders, elected officials, and others, are all invited to attend. The Board will hold its February 26-27 meetings at UNC Charlotte. A visit to the research center at Kannapolis and a campus tour of UNC Charlotte is also scheduled.

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



The Board went into closed session at 10:45 a.m. and returned to open session at 11:35 a.m.

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

Mr. Sywassink, Chair of the Committee on Personnel and Tenure, reported the Committee heard a presentation from Senior Vice President and Chief Operating Officer Perusse on personnel and salary trends at the University. Over a ten-year period, the system has seen an 18 percent increase in total positions and 28 percent increase in average salary proposition. Those figures are compared to 27 percent increase in enrollment and 21 percent increase in the CPIU and inflation over the same period. The Committee requested additional information on the ratios of employee-type to students at its next meeting.

Senior Vice President Arden presented an informational report on the personnel actions delegated to the President. The Committee reviewed a request to establish a new senior academic administrative officer position at UNC General Administration. The position was titled Assistant Vice President for Communications. President Ross explained the proposed position is needed to facilitate the development and implementation of a comprehensive community strategy. The Committee recommended the position be approved.

On behalf of the Committee, the Mr. Sywassink moved the Board approve the proposed position of Assistant Vice President for Communications. The motion carried.

The Committee reviewed a request from UNC-Chapel Hill to establish a Senior Academic and Administrative Officer Tier I position entitled Vice Chancellor of Commercialization and Economic Development. The position would report direct to the Chancellor. The Committee approved that the position be approved as requested.

On behalf of the Committee, Mr. Sywassink moved the request from UNC-Chapel Hill to establish the position described above be approved. The motion carried.

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The next meeting of the Board of Governors was scheduled for Friday, January 16, 2015, at the Spangler Center, Chapel Hill. There being no further business, the meeting adjourned at 11:40 a.m.

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Secretary

## APPENDICES

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

Appendix A	President Ross' Report	Posted Online
Appendix B	Loan Agreement, NCCU	Posted Online
Appendix C	Establishment of an Associate Entity, UNC-CH	Posted Online
Appendix D	Authorization of Capital Improvements Projects, ECU, NCSU, UNC-CH and UNCC	Posted Online
Appendix E	Property Lease Delegation of Authority, UNCW	Posted Online
Appendix F	Acquisition of Property by Lease, UNC-CH	Posted Online
Appendix G	Request for approval of licensure for the following degree programs: i. Strayer University has applied for a regular license to offer the following programs at Strayer's: <ul style="list-style-type: none"> <li>• Master of Science in Management (MSM)</li> <li>• Master of Science in Human Resource Management (MSHRM)</li> </ul> ii. South University has applied for a regular license to offer the following additional degree programs at South University's campus in High Point: <ul style="list-style-type: none"> <li>• Associate of Science (AS) in Allied Health Science</li> <li>• Associate of Science (AS) in Occupational Therapy Assistant</li> <li>• Master of Public Health (MPH)</li> <li>• Master of Science in Nursing (MSN) in five concentration areas</li> <li>• Post Graduate Certificate in five nursing concentration areas</li> </ul> iii. University of South Alabama has applied for a regular license to offer the following degree programs online in North Carolina: <ul style="list-style-type: none"> <li>• RN-to-BSN (Registered Nurse to Bachelor of Science in Nursing)</li> <li>• Master of Science in Nursing (MSN) in thirteen concentration areas</li> </ul> iv. Mount Eagle University has applied for an interim permit to offer the following degree programs online in North Carolina: <ul style="list-style-type: none"> <li>• Associate of Health Sciences (AHSc)</li> <li>• Bachelor of Health Sciences (BHSc)</li> </ul>	Posted Online
Appendix H	Audit Report for 2013-2014	Posted Online
Appendix I	University's 2015-17 Operating and Capital Budget Priorities	Posted Online
Appendix J	University's Campus Safety Fee	Posted Online
Appendix K	Border Tuition, ECSU and UNC Pembroke	Posted Online
Appendix L	Authorization to Establish the Bachelor of Science in Environmental and Geographic Sciences, NCCU	Posted Online
Appendix M	A Plan to Implement a Uniform System of Granting Course Credits for Military Training to Students Enrolled at NCCCS and UNC	Posted Online
Appendix N	NC A&T State University Nursing Program Review Report to President Tom Ross	Posted Online
Appendix O	Study on Establishment of New Optometry Schools (SB744)	Posted Online
Appendix P	Global <i>Connections</i> : UNC and the World	Posted Online
Appendix Q	University of North Carolina's 2015 Legislative Agenda	Posted Online