

Board of Governors Meeting

October 30, 2015

Chapel Hill, North Carolina

The Board of Governors met in regular session on October 30, 2015, in the new Board Room at the Center for School Leadership Development (CSLD) in Chapel Hill. Vice Chairman Bisette called the meeting to order 9:30 a.m. and welcomed everyone to the new Board Room at the CSLD building.

INVOCATION

Vice Chairman Bisette called on Mr. Goolsby to give the invocation.

ROLL CALL

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

Roger H. Aiken	J. Alex Mitchell
W. Louis Bisette, Jr.	W.G. Champion Mitchell
Pearl Burris-Floyd	Anna S. Nelson
C. Philip Byers	R. Doyle Parrish
Walter C. Davenport	Joan Templeton Perry
Hannah D. Gage	Therence O. Pickett
Thomas C. Goolsby	David M. Powers
H. Frank Grainger	Robert S. Rippy
Henry W. Hinton	O. Temple Sloan III
James L. Holmes, Jr.	Harry L. Smith, Jr.
Rodney E. Hood	J. Craig Souza
Zack H. King	G.A. Sywassink
Joe T. Knott	William A. Webb
W. Marty Kotis III	Laura I. Wiley
Steven B. Long	Michael L. Williford
Ann Maxwell	

The following member was absent:

Scott K. Lampe (excused)	Joan G. MacNeill (excused)
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STATE ETHICS ACT

Vice Chairman Bisette 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, Vice Chairman Bisette 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 8b – *Sale of Special Obligation Bonds-ECU*; Item 8c – *Sale of Special Obligation Bonds-NCA&T*; Item 8d – *Sale of Special Obligation Bonds and Replacement of Liquidity Facility-NCSU*; Item 8e – *Sale of Special Obligation Bonds-UNC-CH*; and Item 8f – *Sale of Special Obligation Bonds-WSSU*. Mr. Mitchell abstained from Administrative Action Items 8b – *Sale of Special Obligation Bonds-ECU*; and Item 8e – *Sale of Special Obligation Bonds-UNC-CH*.

MINUTES

On motion by Mr. Grainger, duly seconded, the minutes from the September 18, 2015 meeting were approved. On motion by Mr. Byers, duly seconded, the minutes from the October 16, 2015 were approved.

PRESENTATION OF THE JAMES E. HOLSHOUSER, JR. AWARDS FOR EXCELLENCE IN PUBLIC SERVICE

Vice Chairman Bissette recognized Mr. Hood, Chair of the 2015 James E. Holshouser, Jr., Award for Excellence in Public Service, to begin the presentation. Mr. Hood recognized the other award committee members who served with him: Mrs. Nelson, Mr. Powers and Mrs. Wiley. After thoughtful and careful consideration of many qualified nominees, the Board of Governors selected two recipients.

The first recipient was Dr. Sylvia A. Flack, Executive Director of the Center of Excellence for the Elimination of Health Disparities from Winston-Salem State University. Following a short video presentation highlighting Flack's outstanding achievements, President Ross presented her with a stipend and an engraved medallion. President Ross invited Dr. Flack to make brief remarks. For a summary of the Dr. Flack's remarks, please see Appendix A.

The second recipient was Dr. Carmen Vincent Russoniello, Director and Professor in the Center for Applied Psychophysiology from East Carolina University. Following a short video presentation highlighting Dr. Russoniello's outstanding achievements, President Ross presented him with a stipend and an engraved medallion. President Ross asked him to make brief remarks. For a summary of the Dr. Russoniello's remarks, please see Appendix B.

PRESIDENT ROSS' REPORT

Vice Chairman Bissette recognized President Ross for the President's Report. For President Ross' complete report, please see Appendix C.

ADMINISTRATIVE ACTION ITEMS

Mr. Hood moved the approval of the Administrative Action Items. The motion was properly seconded. The motion carried. Mr. Long and Mr. Mitchell abstained from specific items as described on the previous page under the State Ethics Act section.

- a. (Audit) Approval of internal audit plans for 2016FY
- b. (B&F) Sale of Special Obligation Bonds – ECU
- c. (B&F) Sale of Special Obligation Bonds – NCA&TSU
- d. (B&F) Sale of Special Obligation Bonds and Replacement of Liquidity Facility - NCSU
- e. (B&F) Sale of Special Obligation Bonds – UNC-CH
- f. (B&F) Sale of Special Obligation Bonds – WSSU
- g. (B&F) Authorization of Capital Improvements Projects – ASU, ECU, NCSU and UNC-CH
- h. (B&F) Disposition of Property by Easement and Right-of-Way – NCSU
- i. (B&F) Disposition of Property by Lease – NCSU
- j. (EPPP) Request for approval of licensure for the following degree programs – Columbia College, Kaplan University, The Medical University of South Carolina, South College-Asheville, and Vanderbilt University
(See Appendix M for a complete of degree programs)

REPORT FROM THE ASSOCIATION OF STUDENT GOVERNMENTS

Vice Chairman Bissette recognized Mr. King, UNC Association of Student Governments (UNC ASG) President, for his report on the Association of Student Governments. Mr. King offered remarks concerning ASG's approach to student advocacy, the Association's five main goals, and other matters. For Mr. King's report, please refer to Appendix CC.

REPORT OF THE AUDIT COMMITTEE

Mr. Aiken, Chair of the Audit Committee, reported the Committee heard a presentation on the Annual Summary on Internal Audit Activities for 2014-15 FY, highlighting the valuable work of internal auditors across the system.

Next, the Committee heard and approved a summary of the campuses Internal Audit Plans to be completed for the 2015-16 FY (see Appendix D). The item was placed on the Board's consent agenda.

Finally, the Committee heard a presentation from Vice President Rhinehardt on the cost of federal regulation compliance in higher education.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Smith, Chairman of the Committee on Budget and Finance, reported on two items. First, the Committee reviewed and approved the University of North Carolina 2015-16 Operating Allocations (see Appendix N). Specific allocations of funding to the campuses and General Administration included – enrollment change funding, management flexibility reduction, the elimination of the academic summer BRIDGE program, UNC System Smart Funding, and resident tuition for veterans.

On behalf of the Committee, Mr. Smith moved that the Board approve the proposed allocations for 2015-16. The motion carried. Mr. Kotis and Mr. Goolsby voted against the motion.

The Committee reviewed and approved the capital improvements allocations for 2015-16 (see Appendix O). There were two allocations included in the capital improvement item. The first was the distribution of \$50 million of repairs and renovations appropriations in the recently adopted state budget. The item was removed for consideration and will be brought back to the Board at its December meeting for approval. The second capital improvements allocation was related to the recently adopted Bond bill. The General Assembly included \$45 million to be allocated to three campuses (ECSU, UNC Asheville and UNC School of the Arts) that did not receive a specific project in the bond proposal for large scale repairs and renovations projects. Once approved by the Board, these projects would be added to the bond proposal that will go before the voters in the spring.

On behalf of the Committee, Mr. Smith moved that the proposed allocations for capital improvements for 2015-16 be approved. The motion carried.

REPORT OF THE COMMITTEE ON EDUCATIONAL PLANNING, POLICIES AND PROGRAMS

Mrs. Nelson, Chair of the Committee on Educational Planning, Policies and Programs, reported the Committee reviewed the request for approval of 48 licensure degree programs. The degree programs included – four for Columbia College, 17 for Kaplan University, one for The Medical University of South Carolina, two for South College-Asheville, and 24 for Vanderbilt University (see Appendix M). The Committee received a report on the Online Learning Report 2015 (see Appendix P). Mrs. Nelson noted that 40 percent of our students are engaged in online education as well as 22 percent of our faculty.

The Committee heard a presentation on medical education in Charlotte. It also heard a presentation on supernova turbulence from Ms. Mithi de los Reyes, a senior physics and math major at NC State University and graduate of NC School of Science and Math.

The Committee received the annual report on Monitoring the Progress of Graduate Entering Primary Care (see Appendix Q). The report shows a continuing decline of primary care physicians graduating from our medical schools.

On behalf of the Committee, Mrs. Nelson moved that the Board approve acceptance of the 2015 Report on Monitoring the Progress of Graduate Entering Primary Care and that it be conveyed to the Joint Legislative Commission on Governmental Operations. The motion carried.

Next, Mrs. Nelson reported that the Committee received the following information – the University of North Carolina Transfer Student Report 2014 (see Appendix R); an update on Transfer Student Success Website; a report on the joint review of the University of North Carolina Comprehensive Articulation Agreement with the North Carolina Community College System (see Appendix S); an update on the work of the Academic Advising Subcommittee; and a report on the University of North Carolina Global Connection Report 2015 (see Appendix T).

Mrs. Nelson reported on requests for approval to establish the following four degree programs – a Bachelor of Science in Behavioral and Social Sciences at North Carolina Central University (see Appendix U); a Bachelor of Arts in Theatre at North Carolina Central University (see Appendix V); a Doctor of Nursing Practice at UNC Wilmington (see Appendix W); and a Doctor of Philosophy in Psychology at UNC Wilmington (Appendix X). The Committee reviewed a request for the discontinuation of the Master of Arts in Literature, English and American, Teacher Education at NC State University (Appendix Y).

On behalf of the Committee, Mrs. Nelson moved approval of the request to establish the above four degree programs and the discontinuation of the program at NC State University. The motion carried.

Next, Mrs. Nelson commented on UNC Wilmington's request for approval of its revised mission statement (see Appendix Z). The mission statement was revised to take into account the two new doctoral programs mentioned above. On behalf of the Committee, Mrs. Nelson moved approved of UNC Wilmington's revised mission statement. The motion carried.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Powers, Chair of the Committee on Public Affairs, reported the Committee welcomed Representative Dean Arp, a key figure in negotiating the final bond package that will be put before the voters in the primary election cycle in March 2016. Representative Arp provided an overview of the projects included in the bond package. He encouraged the members of the Board and the University community to help educate constituents across the state on the benefit and value of these investments in our state.

Next, Director of State Relations Kappler provided a presentation summarizing the legislative session and key pieces of legislation affecting the University. The University secured a favorable budget outcome.

Last, the Committee heard an update from Vice President Rhinehardt on federal legislative activities.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Ms. Maxwell, Vice Chair of the Committee on University Governance, reported the Committee received an update on the working being done to establish a UNC system-level Enterprise Risk Management program.

Next, the Committee continued its discussion regarding the election of officers. The Committee will consider changes to its current policy on the officers of the Board election procedures. The Chair of the Committee will follow up with the Vice Chairman of the Board about establishing a subcommittee to review the current policy.

Ms. Maxwell referred to the 2015 Winter Commencement Schedule and asked the members to consider signing up for one or more of the commencement ceremonies to bring greetings on behalf of the Board of Governors.

There is a partial term ending on February 28, 2020 on the UNC Press Board of Governors resulting from the resignation of Mr. Sherman James. Nominations were being sought to fill this vacancy. There is a partial term ending on the February 28, 2020, on the Vidant Medical Center Board of Trustees resulting from the resignation of Mr. Peter Lars Jacobson. On behalf of the Committee, Ms. Maxwell moved the election of Mr. James Chesnutt of Washington, NC to fill this vacancy. The motion carried.

REPORT OF THE SPECIAL COMMITTEE ON STRATEGIC DIRECTIONS

Mr. Mitchell, Chair of the Special Committee on Strategic Directions, reported the Committee reviewed a video on pharmacoengineering which highlights the collaborative work of NC State University and UNC-Chapel Hill. The pharmacoengineering lab was funded through UNC Research Opportunities Initiative (ROI). UNC-CH and NCSU Department of Biomedical Engineering are collaborating to develop novel solutions to difficult challenges in bringing therapeutic drug-delivery technologies to patients.

The Committee approved the expansion of its UNC “Duke Energy-funded” internship program. The program was expanded from six campuses to all 16 campuses beginning in January 2016. The program would intentionally focus on students who have not previously had internships and companies that have not previously offered internships, to test whether an effort with strong campus-level support can grow the available number of internships and yield positive outcomes for students not currently benefiting from internships.

CHAIRMAN’S REPORT

Vice Chairman Bisette called on Mr. Champ Mitchell who presented a resolution honoring former Chairman John Fennebresque (see Appendix AA). Next, Vice Chairman Bisette thanked Chancellor Folt for hosting the previous evening’s reception. He reminded everyone that Chancellor Robinson, Winston-Salem State University, will officially be installed today and he looked forward to attending the event this afternoon along with other members of the Board.

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 1:10 p.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Sywassink, Chairman of the Committee, reported the Committee received updates from the Academic Affairs and Human Resources departments. The Committee postponed a planned tutorial on the University's benefits until the December meeting. The Committee reviewed proposed revisions to guidelines for EHRA employee salary increase approvals. The Committee would vote on the proposed revisions at its next meeting.

Next, the Committee reviewed and approved a request from Western Carolina University (WCU) to reclassify an existing senior officer position. WCU proposed reclassifying the current position of Associate Vice Chancellor for Development and Alumni Affairs to Vice Chancellor for Development and Alumni Engagement to more accurately reflect the leadership level of the campus chief development officer reporting directly to the Chancellor.

On behalf of the Committee, Mr. Sywassink moved that the Board approve the request to reclassify the senior officer position. The motion carried.

Senior Vice President Gonzales presented an informational annual report on the University of North Carolina Performance Review of Tenured Faculty 2014-15 (see Appendix BB). He recalled that policy was amended by the Board last year and that this report does not reflect the new tenure review process. Campuses are implementing these changes now and will be evaluated on that implementation next year.

Due to the late approval of the state budget, the Board previously delegated authority to the President or his designee in consultation with the Chair of the Committee on Personnel and Tenure to develop guidelines to constituent institutions on the implementation of EHRA employee annual review process.

Finally, Mr. Sywassink mentioned that the Committee received the President's Delegated Personnel Action Report and it appointed a Faculty Appeals Subcommittee.

The next meeting of the Board of Governors was scheduled for Friday, December 11, 2015, at the Center for School Leadership Development building in Chapel Hill. There being no further business, the meeting adjourned at 1:17 p.m.

Secretary

APPENDICES

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

Appendix A	Presentation of the Governor James E. Holshouser, Jr. Award for Excellence in Public Service – Recipient Sylvia A. Flack	Posted Online
Appendix B	Presentation of the Governor James E. Holshouser, Jr. Award for Excellence in Public Service – Recipient Carmen V. Russoniello	Posted Online
Appendix C	President Ross' Report	Posted Online
Appendix D	Internal Audit Plans to be completed for FY 2015-16	Posted Online
Appendix E	Sale of Special Obligation Bonds – ECU	Posted Online
Appendix F	Sale of Special Obligation Bonds – NCA&TSU	Posted Online
Appendix G	Sale of Special Obligation Bonds and Replacement of Liquidity Facility, NCSU	Posted Online
Appendix H	Sale of Special Obligation Bonds – UNC-CH	Posted Online
Appendix I	Sale of Special Obligation Bonds – WSSU	Posted Online
Appendix J	Authorization of Capital Improvements Projects – ASU, ECU, NCSU and UNC-CH	Posted Online
Appendix K	Disposition of Property by Easement and Right-of-Way – NCSU	Posted Online
Appendix L	Disposition of Property by Lease – NCSU	Posted Online
Appendix M	Request for approval of licensure for the following degree programs at: Columbia College; Kaplan University; The Medical University of South Carolina; South College-Asheville and Vanderbilt University	Posted Online
Appendix N	University of North Carolina 2015-16 Operating Allocations	Posted Online
Appendix O	University of North Carolina 2015-16 Capital Improvements Allocations	Posted Online
Appendix P	University of North Carolina Online Learning Report 2015	Posted Online
Appendix Q	Monitoring the Progress of Graduate Entering Primary Care	Posted Online
Appendix R	University of North Carolina Transfer Student Report 2014	Posted Online
Appendix S	University of North Carolina Comprehensive Articulation Agreement with the North Carolina Community College System	Posted Online
Appendix T	University of North Carolina Global Connection Report 2015	Posted Online
Appendix U	Authorization to Establish a B.S. in Behavioral and Social Sciences – NCCU	Posted Online
Appendix V	Authorization to Establish a B.A. in Theatre – NCCU	Posted Online
Appendix W	Authorization to Establish a Doctor of Nursing Practice – UNCW	Posted Online
Appendix X	Authorization to Establish a Ph.D. in Philosophy in Psychology – UNCW	Posted Online
Appendix Y	Authorization to Discontinue the M.A. in Literature, English and American, Teacher Education – NCSU	Posted Online
Appendix Z	Revised Mission Statement – UNCW	Posted Online
Appendix AA	Resolution Honoring Former Chairman John Fennebresque	Posted Online
Appendix BB	UNC Performance Review of Tenured Faculty 2014-15	Posted Online
Appendix CC	Report from the Association of Student Governments President	Posted Online