

Board of Governors Meeting

August 7, 2015

Chapel Hill, North Carolina

The Board of Governors met in regular session on August 7, 2015, at the Spangler Center in Chapel Hill. Chairman Fennebresque called the meeting to order 9:00 a.m. He welcomed the guests.

INVOCATION

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

ROLL CALL

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

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

The following member was absent:

G.A. Sywassink (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. There were none.

MINUTES

Mr. Grainger moved, seconded by Mr. Champ Mitchell, that the minutes from the May 20, May 21, May 22, May 29 and June 25, 2015 meetings be approved. The motion carried.

ADMINISTRATION OF THE OATH OF OFFICE

Mr. Walter Davenport was unable to be sworn in the previous day with the eight new members of the Board of Governors. Mr. Davenport was officially sworn in as a member of the Board of Governors at today's meeting. The oath was administered by The Honorable Justice Cheri Beasley. Chairman Fennebresque stated that it was an honor and delight to have Justice Beasley with us to administer the Oath of Office.

PRESIDENT'S REPORT

President Ross reported the UNC General Administration staff and staff across our campuses have worked diligently all summer. There was much work to be done in the months ahead. He welcomed the new members of the Board and acknowledged their vast amount of knowledge, experience and new ideas they bring to the University. He thanked them for their willingness to serve. President Ross commented on the state budget. Budget negotiations were ongoing. He thanked the members for interacting with and speaking to our legislators. He recognized Vice President Moretz and Associate Vice President Kappler for the fine work they continue to do in representing the priorities of the University to our state legislators. For President Ross' complete report, please see Appendix A.

ADMINISTRATIVE ACTION ITEMS

Chairman Fennebresque called attention to the Administrative Action Items listed as Item #11 on today's agenda. Mr. Kotis requested that Administrative Action Item 11b – *Authorization of Capital Improvements Projects* – specifically the proposed Commons Residence Hall project for student-athletes at NC State University – be removed. Chairman Fennebresque entertained a motion to approve the remaining Administrative Action Items. Mr. Hinton moved and the motion was properly seconded. The motion carried.

The Board proceeded with further discussion related to the Commons Residence Hall project. Mr. Kotis expressed his concerns about the cost of the project. Chancellor Woodson explained that the project would be privately funded. There being no further discussion, Chairman Fennebresque entertained a motion to approve the project. Mr. Smith moved,

seconded by Mr. Grainger, to approve the project. Mr. Goolsby, Mr. Kotis and Mr. Webb voted against the motion. The motion carried.

- a. (AUDIT) 2015-16 Internal Audit Plan
- b. (B&F) Authorization of Capital Improvements Projects – NCA&T, NCSU, UNC-CH, UNCC and WCU.
- c. (B&F) Acquisition of Real Property by Lease – UNC-CH
- d. (B&F) Acquisition of Real Property by Deed NCSU
- e. (B&F) Acquisition of Real Property by Lease – UNCC
- f. (B&F) Authorization of Delegated Authority – Allocation of Funds
- g. (EPPP) Request for approval of licensure for the degree program at Central Texas College to be offered in Fayetteville, NC
 - Associate of Arts in General Studies
 - Associate of Science in Business Administration
 - Associate of Applied Science in Information Technology
 - Associate of Applied Science in Criminal Justice
 - Associate of Applied Science in Homeland Security and Emergency Management
- h. (P&T) Revision to UNC Policy 300.1.1 – *Senior Academic and Administrative Officers*
- i. (GOV) Resolution on Clearance Requirements – Board Members
- j. (GOV) Resolution on Clearance Requirements – UNC General Administration

REPORT OF THE AUDIT COMMITTEE

Mr. Aiken, Chair of the Audit Committee, reported that the Committee was joined by the Governance Committee to hear an update from Vice President and General Counsel Shanahan and Vice President Sanders on the University's Risk Management and Compliance program that is under development. The goals for the program will be to identify an initial set of risk areas, prepare a compliance calendar, propose a system level risk management policy, and adopt other system policies to support the program. The Committee will provide the Board updates and draft policies on this topic in the near future.

The Committee reviewed and approved UNC General Administration's Fiscal 2015-2016 Internal Audit Plan (see Appendix B). Chief Audit Officer Boni conducted a comprehensive risk assessment of UNC General Administration. The 2015-16 Internal Audit Plan was included on the consent agenda for the full Board's approval.

Finally, the Committee reviewed a report listing the audit results of the University's major associated entities. All entities received unqualified opinions. Fourteen entities had one or more findings that require follow up by the campus.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Smith, Chair of the Committee on Budget and Finance, reported that all of the Committee's action items were included in the consent agenda. The Committee reviewed its responsibilities, which include budget development, allocation of funds, tuition and fees, real estate, capital projects and bond financing. The Committee also discussed the state budget process and received an update on the status of the current budget as well as the state's bond proposal.

Mr. Smith stated that his intention for the coming year was for the Committee to focus on strategic financial and budgetary issues of the system.

REPORT OF THE COMMITTEE ON EDUCATIONAL PLANNING, POLICIES AND PROGRAMS

Mrs. Nelson, Chair of the Committee on Educational Planning, Policies and Programs, reported it previewed a demonstration of the UNC Data Dashboards, which provides information about students, research, educator quality, and facilities. These dashboards provide the Board, the General Assembly and the public with a transparent view into the University and allow quick and consistent responses to inquiries from our many stakeholders. Next, the Committee received a report on Prior Learning Assessments and the process for receiving academic credits for military experience. The process of rewarding credit for prior learning (CPL) is accomplished by a portfolio assessment, examination, articulation agreement, and/or third party recommendation.

Next, the Committee reviewed the request for authorization to establish the following degree program – Bachelor of Science in Psychology at UNC Greensboro (see Appendix L). The Committee reviewed the request for authorization to discontinue the following degree programs – M.S. in Vocational Evaluation at East Carolina University; B.S in Pharmaceutical Sciences at UNC-Chapel Hill; and three Masters of Art degree programs at UNC Greensboro – Romance Languages and Literatures, French; Romance Languages and Literatures, French Education; and Romance Languages and Literatures, Spanish Education (see Appendix M).

On behalf of the Committee, Mrs. Nelson moved approval to establish the Bachelor of Science in Psychology at UNC Greensboro. The motion carried. The Committee moved approval to discontinue the above mentioned Master of Science in Vocational Evaluation at East Carolina University as well as the Masters of Arts degree programs in Romance Languages and Literatures at UNC Greensboro as described above. The motion carried.

Finally, the Committee reviewed three items for acceptance – NCA&T State University requested a technical change to its list of peers as approved by the Board in November 2011 (see Appendix N); East Carolina University requested authorization to relocate academic units in the College of Human Ecology to others colleges within the institution and East Carolina University also requested the authorization to change the name of its Division of Research and Graduate Studies to the Division of Research, Economic Development and Engagement (see Appendix O).

On behalf of the Committee, Mrs. Nelson moved that the Board accept the recommendations of the above technical change to NCA&T's list of peer institutions and ECU's requests to relocate academic units in the College of Human Ecology and rename the Division of Research and Graduate Studies as described above. The motion carried.

REPORT OF THE COMMITTEE ON PUBLIC AFFAIRS

Mr. Holmes, Chair of the Committee on Public Affairs, reported the Committee hosted members from the state legislators – Representatives Mike Hager, William Brawley, and Jason Saine – for a panel discussion. The Committee discussed several topics including the budget, bonds, technology and online education. The conversations were very productive. The Committee will continue to invite members of the legislature and other government officials.

Next, Vice President Moretz provided an overview of the mission of the Committee and its charge. He presented a brief legislative update. Mr. Holmes thanked all those who have been active and participated in working with the legislature this year including members of the Board, Chancellors, campus administrators, etc. It has been a tremendous effort.

Mr. Holmes reminded the members of the Board and others working on behalf of the University that when interacting with legislators to stay focused on the legislative priority items, which were previously approved.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mrs. MacNeill, Chair of the Committee on University Governance, reported the Committee heard an overview on the role and responsibilities of the Committee. It also received the 2015-16 Annual Report of the University Governance Committee (see Appendix P). The Committee was joined by the Audit Committee for an update on the work being done to establish a UNC system level Enterprise Risk Management and Compliance program. The Committee will continue to collaborate with the Audit Committee going forward on this important work.

There is a partial term ending on February 28, 2020 on the Vidant Medical Center Board of Trustees resulting from the resignation of Peter L. Jacobson of Wilmington. Nominations are being accepted for this position.

Next, Mrs. MacNeill referred to two new resolutions. The Department of Defense requires both the Board of Governors and UNC General Administration to maintain Facility Security Clearance licenses at UNC Charlotte. The Committee approved both resolutions that reflect changes to the Board of Governors' leadership positions (see Appendix J and Appendix K).

Mrs. MacNeill reported that the Committee reviewed the list of Campus Liaison Assignments. The list was distributed to the members of Board (see Appendix Q). The Committee would be looking to identify Assistant Campus Liaisons referred to also as "Campus Buddies." Those assignments would be forthcoming.

Regarding this year's Boards of Trustees (BOT) Workshop, Mrs. MacNeill announced that the Workshop would be held on Wednesday, September 16, 2015 at Winston-Salem State University. In 2013, the Board of Governors hosted a BOT Workshop and it was very well received. She encouraged all the members to attend this year's event.

Last, the Committee will begin to invite members from our Boards of Trustees to attend its Committee meetings. This will serve as a great way to interact and get to know our Trustees. She thanked Ms. Maxwell for making this suggestion.

REPORT OF THE SPECIAL COMMITTEE ON MILITARY AFFAIRS

Mr. Long, Chair of the Special Committee on Military Affairs, stated the United States Military is critical to North Carolina's security and economic prosperity. The University is working to ensure it continues to provide strong leadership in supporting the military and our veterans. In North Carolina this is especially important given that it has approximately 114,000 active-duty personnel in state. In an effort to continue our work in supporting the military, Chairman Fennebresque reconvened the Special Committee on Military Affairs through July 1, 2016. Mr. Long commended former Chairman Raiford Trask for his leadership and accomplishments including outreach to military students, the creation of UNC Core initiative – the online courses offered through the Friday Center – and the passage of the UNC Policy on Military Student Success approved by the Board earlier this year.

Vice President Dixon presented the Committee a revised charter and recommended that the Committee coordinate efforts with the Committee on Educational Planning, Policies and

Procedures, in promoting a range of off-model education delivery systems to military students such as online education and condensed courses for military during off-duty periods. The Committee approved the charter (see Appendix R).

Last, the Committee reviewed its goals and priorities for the 2015-16 fiscal year. The Committee encourages the campuses to build a support infrastructure for military-affiliated student success. He noted that UNC Wilmington plans to open a new Military Resource Center on campus next week. The Center will symbolize the support system for all military-affiliated students and their families.

REPORT OF THE SPECIAL COMMITTEE ON STRATEGIC DIRECTIONS

Mr. Champ Mitchell, Chair of the Special Committee on Strategic Directions, reported the Committee heard a presentation by Associate Vice President Henz on the recent North Carolina Employer Focus Group survey. He thanked the members who helped recruit employers to participate in the survey. The employers provided feedback that would better prepare students for success as workers and citizens. Vice President FitzGerald reported on the progress of the University's Strategic Directions Plan. The Strategic Directions Plan activities are underway and are on track.

Next, Mr. Mitchell spoke about the Committee's goals for this year. The Committee would focus on three to four realistic and important goals. The goals would be defined soon. Ideas included efforts to reduce time to degree, improving academic and career advising, and enhancing and forming internship information.

Last, Mr. Mitchell reported that revisions to the Strategic Directions Plan would be forthcoming. The Committee approved a Strategic Directions Plan budget of \$3.4 million. The Committee gave provisional approval to \$430,000 for an Advancement budget subject to a measurable dollar achievement within specified time frames to ensure Advancement activities are profitable for UNC General Administration as well as the universities.

In closing, Mr. Mitchell thanked Senior Vice President and Chief of Staff FitzGerald, Senior Vice President and Chief Operating Officer Perusse, and Vice President Pruitt, for they work they did in carrying forward funds from the preceding fiscal year.

CHAIRMAN'S REPORT

Chairman Fennebresque welcomed the new members to their first meeting. He reminded the members of the several upcoming Chancellors' installations – Chancellor Jones' at ECSU on

September 11, Chancellor Grant's at UNC Asheville on September 19, Chancellor Bierman's at UNC School of the Arts on September 25, and Chancellor Robinson's at Winston-Salem State University on October 30. Chairman Fennebresque mentioned that the Boards of Trustees Workshop will be held on Wednesday, September 16 at Winston-Salem State University. He encouraged all the members to attend.

Chairman Fennebresque thanked President Ross and the staff at UNC General Administration for their continued hard work. He remarked the UNC Board of Governors Orientation session last month was well received. He acknowledged the Chairs of the Standing Committees and thanked them for their outstanding work.

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

The Board went into closed session at 10:25 a.m. and returned to open session at 11:45 a.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Pickett, Vice Chairman of the Committee, reported the Committee provided an orientation for the new members of the Committee. The orientation included an annual report of activities of the Committee on Personnel and Tenure and the staff members were introduced. The Committee shared ideas for tutorial topics that included human resources shared services and the competitiveness of the University's retirement and benefit programs.

The Committee reviewed and approved a proposed resolution – Recommendations for Implementation of Fiscal Year 2015-2016 Compensation Adjustment for University Employees Exempt from the State Human Resources Act Pursuant to the Appropriation Act and Approval of Senior Officers Salary Ranges (see Appendix S).

On behalf of the Committee, Mr. Pickett recommended that the Board approve the proposed resolution. The motion carried.

Next, the Committee reviewed and approved proposed salary ceilings for medical faculty at both UNC Schools of Medicine, Dentistry and Public Health and ECU's Brody School of Medicine. The Board reviewed the salary ceilings in accordance with UNC Policy 600.3.4 –

Granting of Management Flexibility to Appoint and Fix Compensation – that requires the Board, in consultation with the President, to annually review these salary ranges.

The Committee also reviewed FY 2015-16 Salary Ranges for UNC GA Tier I Senior Academic and Administrative Officers. The Committee will review this information in more detail at its next meeting unless the timing of a final state budget requires the President to act sooner using the Delegation of Authority to the President as previously described.

Finally, the Committee received three reports for information – FY 2015-16 Tier I Senior Academic and Administrative Officers for the UNC System, the Use of Funds for the Board of Governors Awards for Excellence in Teaching, and the Delegated Personnel Actions report.

There being no further business, the meeting adjourned at 11:50 a.m. The next meeting of the Board of Governors was scheduled for Friday, September 18, 2015, at the University of North Carolina School of the Arts. There being no further business, the meeting adjourned at 11:50 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	2015-16 Internal Audit Plan	Posted Online
Appendix C	Authorization of Capital Improvements Projects-NCA&T, NCSU, UNC-CH, UNCC and WCU	Posted Online
Appendix D	Acquisition of Real Property by Lease – UNC-CH	Posted Online
Appendix E	Acquisition of Real Property by Deed – NCSU	Posted Online
Appendix F	Acquisition of Real Property by Lease – UNCC	Posted Online
Appendix G	Authorization of Delegated Authority – Allocation of Funds	Posted Online
Appendix H	Approval of Licensure for degree program at Central Texas Collegte to be offered in Fayetteville, NC <ul style="list-style-type: none"> • Associate of Arts in General Studies • Associate of Science in Business Administration • Associate of Applied Science in Information Technology • Associate of Applied Science in Criminal Justice • Associate of Applied Science in Homeland Security and and Emergency Management 	Posted Online
Appendix I	Revision to UNC Policy 300.1.1 – <i>Senior Academic and Administrative Officers</i>	Posted Online
Appendix J	Resolution on Security Clearance Requirements for UNCC	Posted Online
Appendix K	Resolution on Security Clearance Requirements for UNCC with UNC General Administration Leadership	Posted Online
Appendix L	Authorization to Establish B.S in Psychology – UNCG	Posted Online
Appendix M	Authorization to Discontinue the following programs <ul style="list-style-type: none"> • M.S. in Vocational Evaluation – ECU • B.S. in Pharmaceutical Sciences – UNC-CH • M.A. in Romance Languages and Literatures, French-UNCG • M.A. in Romance Languages and Literatures, French Education – UNCG • M.A. in Romance Languages and Literatures, Spanish Education – UNCG 	Posted Online
Appendix N	Request for Technical Correction to List of Peer Institutions Approved by the Board in November 2011 –NCA&TSU	Posted Online
Appendix O	Authorization to Relocate Academic Units in the College of Human Ecology to other colleges within the institution – ECU	Posted Online
Appendix P	2014-15 Annual Report of the Committee on University Governance	Posted Online
Appendix Q	2015-16 Campus Liaison Assignments	Posted Online
Appendix R	Charter for Off-Model Education Delivery System to the Military	Posted Online
Appendix S	Resolution on Recommendations for Implementation of FY 2015-16 Compensation Adjustment for University Employees	Posted Online