

Board of Governors Meeting
December 11, 2015
Chapel Hill, North Carolina

The Board of Governors met in regular session on December 11, 2015 in the Board Room at the Center for School Leadership Development (CSLD) in Chapel Hill. Vice Chairman Bissette called the meeting to order 9:00 a.m. He welcomed the guests.

INVOCATION

Vice Chairman Bissette called on Mr. Davenport to give the invocation.

ROLL CALL

Secretary Perry called the roll. During roll call, a group of protesters interrupted. Due to the disruption, the protestors were escorted out of the meeting room. The following members were present:

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

The following members arrived after roll call:

Rodney E. Hood	Robert S. Rippy
----------------	-----------------

The following members were absent:

David M. Powers (excused)	Michael L. Williford (excused)
---------------------------	--------------------------------

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. There were none.

MINUTES

Mr. Souza moved that the minutes from the October 23, 2015, special meeting be approved. The motion carried. Mr. Hinton moved that the minutes from the October 30, 2015, meeting be approved. The motion carried. Mr. Aiken moved that the minutes from the November 13, 2015, special meeting be approved. The motion carried.

PRESIDENT ROSS' REPORT

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

ADMINISTRATIVE ACTION ITEMS

Vice Chairman Bisette called attention to the Administrative Action Items listed as Item #8 on today's agenda. Vice Chairman Bisette entertained a motion to approve the Administrative Action Items. Mr. Kotis requested that Administrative Action Item 8b – *Authorization of Capital Improvements Projects-ASU, ECU, NCA&T, NCCU, NCSU, UNCA, UNC-CH and UNCC* be removed. Vice Chairman Bisette entertained a motion to approve the remaining Administrative Action Item. Mr. Grainger moved and the motion was properly seconded. The motion carried. The Board proceeded with further discussion pertaining to Item 8b. Mr. Parrish moved to approve the item and the motion was properly seconded. The motion carried.

- a. (B&F) Sale of Special Obligation Bonds – ASU
- b. (B&F) Authorization of Capital Improvements Projects – ASU, ECU, NCA&T, NCCU, NCSU, UNCA, UNC-CH and UNCC

REPORT OF THE AUDIT COMMITTEE

Mr. Aiken, Chair of the Audit Committee, reported the Committee reviewed the Annual Report for 2014-15. Next, the Committee was presented with an update from UNC General Administration Chief Audit Officer Boni on the current status of various projects that were included on the approved internal audit plan for UNC General Administration. The Committee received a report that identified UNC General Administration's mandated reporting requirements. UNC General Administration staff, in coordination with campus personnel, will be evaluating the specific requirements.

Mr. Aiken congratulated Vice President Sanders, who was honored with the 2015 North Carolina Internal Audit Award of Excellence. The award recognizes commitment and dedication to the profession of internal auditing within state government.

REPORT OF THE COMMITTEE ON BUDGET AND FINANCE

Mr. Smith, Chairman of the Committee on Budget and Finance, reported on one item, the 2015-16 Allocations from the Reserve for Repairs and Renovations (see Appendix D).

On behalf of the Committee, Mr. Smith moved that the proposed 2015-16 Allocations from the Reserve for Repairs and Renovations 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 heard an update on the State Authorization Reciprocity Agreements (SARA) – voluntary reciprocity process among states whereby each member state agrees to verify certain conditions such as accreditation. Currently, 34 states have joined SARA. Discussions regarding SARA participation in North Carolina were ongoing. The Committee expected to bring the matter before the Board next month for a possible vote.

Next, Mrs. Nelson stated the Committee reviewed the following reports –1) the Office of State Budget and Management report regarding the University of North Carolina Academic Degree Productivity Review Process; 2) the President's Annual Report on FY 2015 University of North Carolina Research and Sponsored Programs (see Appendix E); 3) University of North Carolina Faculty Teaching Workload Report of 2014 (see Appendix F); and 4) University of North Carolina 2014-2015 Intercollegiate Athletic Report, which outlined that UNC athletes are

performing well academically based on 2014-2015 NCAA and UNC Academic Metrics (Appendix G).

The Committee heard an update from Senior Vice President Gonzales and Chancellor Martin on North Carolina A&T State University's Bachelor of Nursing Program. Mrs. Nelson recalled that in 2014 the Board voted to temporarily suspend the undergraduate enrollment in the program due to its failure to meet the system's minimum standards for passing the national licensing exam over the previous four years. A full review of the program was conducted. The institution made significant changes resulting in an 89.3 percent passing rate on the National Council Licensure Examination for Registered Nurses (NCLEX-RN) for May 2015 graduates, which exceeded the Board's 85 percent benchmark.

On behalf of the Committee, Mrs. Nelson moved approval that the suspension of admission of students to the North Carolina A&T State University Bachelor of Nursing Program be lifted for one year. The motion carried.

The Committee reviewed a request for approval to establish the following degree program – a Master of Health Administration at Appalachian State University (see Appendix H).

On behalf of the Committee, Mrs. Nelson moved approval of the request to establish the above program at Appalachian State University. The motion carried.

REPORT OF THE COMMITTEE ON UNIVERSITY GOVERNANCE

Mrs. MacNeill, Chair of the Committee on University Governance, reported the Committee received an update on two ongoing executive searches– the Chancellor search at East Carolina University and the search for a General Manager at UNC Center for Public Television.

There is a partial term ending on February 28, 2020, on the UNC Press Board of Governors. The vacancy results from the resignation of Mr. Sherman James of Atlanta. Nominations are being accepted for this position.

The Committee reviewed and recommended approval of a new UNC Policy 200.9 – *Requests for Information on Data from the General Assembly* – this policy provides a process by which the Board of Governors and its members could respond to requests for information and data from the North Carolina General Assembly. The policy will be placed on the consent agenda at the next meeting.

The Committee received a briefing on the UNC Spectrum Auction. Mrs. MacNeill called on Mr. Hinton to explain the issue. Mr. Hinton explained that the Federal Communications Commission (FCC) will conduct auctions of licenses for electromagnetic spectrum, which refers

to wireless communication signals. The auction is voluntary and could have a significant impact on the UNC Center for Public Television (UNC-TV). Mr. Hinton explained the Board of Governors is the license holder for UNC-TV and it broadcasts four digital services through the spectrum. The Committee voted to accept the staff recommendation that the University not participate in the auction. No further action is required by the Board.

Last, Mrs. MacNeill referred to the Campus Liaison list (see Appendix I). She thanked the members for agreeing to represent one of our campuses. She also thanked the members who will attend the fall commencement ceremonies to bring greetings on behalf of the Board of Governors. Mrs. MacNeill thanked the members who served on the Presidential Search Committee.

REPORT OF THE SPECIAL COMMITTEE ON MILITARY AFFAIRS

Mr. Long, Chair of the Special Committee on Military Affairs, reported the Committee discussed a key initiative in support of the University's strategic plan adopted by the Board of Governors. Chancellor Folt and Director Rob Bruce of UNC-Chapel Hill's Friday Center announced the approval of a general education certificate as part of UNC CORE – a program administered by UNC-Chapel Hill's Friday Center for Continuing Education for active military and veterans. The certificate is a first of its kind. Through the program, military members take online classes to complete general education requirements mainly through self-paced online courses. Mr. Long thanked the UNC-Chapel Hill faculty, Vice President Rhinehardt, Vice Dixon, and others who were involved in the development of the program. The goal is to position active-duty learners for entry into the UNC system degree completion programs. The Committee will provide future updates on the program. Mr. Long commented the Committee would continue its work to implement a Military Tuition Assistants program.

Last, UNC-Chapel Hill's Physician Assistant degree program geared for veterans has received accreditation and will begin its first classes in January 2016. The program is designed with veterans in mind. In the first year, there were more than 800 applications for only 20 available spots. The Committee received other reports on student structures. He commented that this is an exciting time for the University as it continues implementation of these programs.

CHAIRMAN'S REPORT

Vice Chairman Bissette called on Mrs. Hannah Gage who presented a resolution honoring President Thomas Warren Ross (see Appendix J). Mr. Henry moved to adopt the

resolution. Upon a proper motion and second, the Board unanimously approved the resolution. Vice Chairman Bissette called on Mr. King, President of UNC Association of Student Governments (ASG) President, who presented President Ross with the ASG's highest award – the William C. Friday Lifetime Achievement Award.

Next, Vice Chairman Bissette asked President Ross to assist him in the formal unveiling of the Presidential Portrait. The new portrait depicts President Thomas W. Ross, who will conclude his service as President of the University of North Carolina on January 3, 2016.

Finally, Vice Chairman Bissette spoke about establishing a Presidential Transition Committee. In addition to Vice Chairman Bissette, the following members were appointed to serve – Mr. Souza, Ms. Burris-Floyd, Ms. MacNeill, Ms. Nelson, Mr. Parrish, Dr. Perry, Mr. Sloan, and Mrs. Wiley. He thanked each for their willingness to serve. Vice Chairman entertained a motion to establish the Presidential Search Committee. Mr. Hood moved and Mr. Long seconded the motion. The motion carried.

Secretary Perry moved that the Board go into closed session to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes; consult with our attorney to protect the attorney-client privilege; establish or instruct staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract; consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee; hear or investigate a complaint, charge, or grievance by or against a public officer or employee; and Plan, conduct, or hear reports concerning investigations of alleged criminal misconduct, pursuant to Chapter 143-318.11(a)(1), (3), (5), (6), and (7) of the North Carolina General Statutes.

The motion was duly seconded, and the Board voted to convene in closed session. The Board went into closed session at 10:20 a.m. and returned to open session at 12:30 p.m.

REPORT OF THE COMMITTEE ON PERSONNEL AND TENURE

Mr. Sywassink, Chairman of the Committee, reported the Committee will defer consideration of any revisions to EHRA employee salary increase pre-authorization requirements

pending consultation with President-Elect Spellings. In the meantime, the UNC constituent institutions will continue to operate under the current pre-authorization requirements. During the committee meeting, Associate Vice President Usischon led the committee members through a presentation on the competitiveness of University benefits.

The Committee received informational reports on Management Flexibility and Personnel Actions Delegated to the President.

Mr. Sywassink reported on moving/relocation expenses related to President Ross vacating the President's Residence. The moving expenses incurred to date total \$13,882.

On behalf of the Committee, Mr. Sywassink moved that the Board authorize the reimbursement of these expenses and any additional customary and reasonable relocation expenses he actually incurs, so long that the total reimbursement for moving expenses shall not exceed \$25,000. The motion carried.

Last, the Committee discussed the need for an interim president to serve for the period between when President Ross steps down on January 4, 2016 to March 1, 2016, when the new president takes office. The Committee unanimously supported the appointment of Senior Vice President Junius Gonzales as the Interim President of the University. Dr. Gonzales would serve in this capacity effective January 4, 2016 until President-Elect Spellings assumes office. The appointment of an interim president will assure a period of seamless transition between the departure of the current president and the assumption of this office by the president-elect. For his additional duties and responsibilities, Dr. Gonzales will receive a stipend of \$15,000 per month in addition to his salary. The stipend shall end upon completion of this service.

On behalf of the Committee, Mr. Sywassink recommended that the Board of Governors approve the appointment of Dr. Junius Gonzales as the Interim President of the University of North Carolina effective January 4, 2016 until such time when President-Elect Spellings assumes office and that he receive a stipend of \$15,000 per month during this interim appointment. The motion carried unanimously.

Vice Chairman Bissette announced that members of the Legislative Black Caucus are here today at the CSLD building in the Dining Room meeting with the Chancellors from our HBCU's.

Vice Chairman Bissette indicated that the Board would now need to select a new chairman to fulfill the unexpired term created by the resignation of John Fennebresque. He turned the gavel over to Secretary Perry to preside. Secretary Perry referred to UNC Policy 200.2 – *Election Procedures* – which describes the steps for nominations and elections for all Board offices. Mr. Hinton made a motion to place the name of Winston Louis Bissette, Jr. in nomination for Chairman. Mr. Bissette’s nomination was seconded by Mr. Souza. Secretary Perry moved to suspend the rules to require a written ballot. The motion was properly seconded and it carried. Mr. Bissette was unanimously elected as the Chairman of the Board of Governors.

In closing, Mr. Bissette thanked everyone for their help and support. He appreciated their confidence in him as Chairman. He spoke about the future of the University particularly in the transitioning of a new president. He noted that the bond referendum in March was extremely important to the University and our state.

The next meeting of the Board of Governors is scheduled for Friday, January 22, 2016, at the Alumni-Foundation Event Center at North Carolina A&T State University. There being no further business, the meeting adjourned at 12:50 p.m.

Secretary

APPENDICES

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

Appendix A	President Ross' Report	Posted Online
Appendix B	Authorization of Capital Improvements Projects – ASU, ECU NCA&T, NCCU, NCSU, UNCA, UNC-CH and UNCC	Posted Online
Appendix C	Sale of Special Obligation Bonds – ASU	Posted Online
Appendix D	2015-16 Allocations from the Reserve for Repairs and Renovations	Posted Online
Appendix E	President's Annual Report FY 2015 University of North Carolina Research and Sponsored Programs Carolina Research and Sponsored Programs	Posted Online
Appendix F	University of North Carolina Faculty Teaching Workload Report of 2014	Posted Online
Appendix G	University of North Carolina 2014-2015 Intercollegiate Athletic Report	Posted Online
Appendix H	Authorization to Establish a Master of Health Administration-ASU	Posted Online
Appendix I	2015-16 UNC Campus Liaison List and Campus "Buddies"	Posted Online
Appendix J	Resolution Honoring President Thomas W. Ross	Posted Online