

## DRAFT OPEN SESSION MINUTES

January 13, 2017

University of North Carolina General Administration  
Center for School Leadership Development, Room 111  
Chapel Hill, North Carolina

### Call to Order

The Board of Governors met in regular session on January 13, 2017 in the Board Room at the Center for School Leadership Development, Chapel Hill. Chairman Bissette called the meeting to order at 9:30 a.m.

### Invocation

Chairman Bissette asked Ms. Burris-Floyd 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.	Ann Maxwell
Pearl Burris-Floyd	Anna S. Nelson
C. Philip Byers	R. Doyle Parrish
Walter C. Davenport	Joan T. Perry
Madeline Finnegan	Therence O. Pickett
Hannah D. Gage	David M. Powers
Thomas C. Goolsby	Robert S. Rippy
H. Frank Grainger	O. Temple Sloan III
Henry W. Hinton	Harry L. Smith
Joe T. Knott	J. Craig Souza
W. Marty Kotis III	Michael L. Williford
Scott K. Lampe	

The following members were absent:

James L. Holmes, Jr.	G.A. Sywassink
Joan G. MacNeill	William A. Webb
J. Alex Mitchell	Laura I. Wiley
W.G. Champion Mitchell	

### State Ethics Act

Chairman Bissette stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda, he asked if anyone had a potential conflict. Mr. Long abstained from Items 8a – *Sale of Obligation Bonds – NCA&T*, 8b – *Sale of Obligation Bonds – UNCA*, and 8c – *Refinancing of Housing Foundation Indebtedness – FSU*. Mr. Powers abstained from Item 8b – *Sale of Obligation Bonds – UNCA*.

## **Expectations of Conduct**

Chairman Bissette reminded everyone of the Expectations of Conduct during meetings of the UNC Board of Governors as set forth by the Board at its meeting in March 2016.

## **Minutes**

Chairman Bissette entertained a motion to approve the minutes for the open session of the December 2, 2016, Board of Governors meeting. The motion was made by Mr. Knott and properly seconded. The motion carried.

## **President's Report**

Chairman Bissette recognized President Spellings for her report. President Spellings reflected on the previous day's discussion of tuition and fees and the policy discussion presentation led by Dr. Daniel Greenstein, Director of Education of the Bill & Melinda Gates Foundation, and Mr. Jamie Merisotis, CEO of Lumina Foundation. Dr. Greenstein and Mr. Merisotis embraced the University's Strategic Plan and challenged the administration to build upon the themes, goals, and metrics set forth in the plan. President Spellings also noted the recent passing of Dr. Oliver Smithies, UNC School of Medicine, Professor of Pathology and Laboratory Medicine and the 2007 Nobel Prize winner in physiology and medicine. For President Spellings' complete report, please see Appendix A.

## **Chairman's Report**

Chairman Bissette congratulated Chancellor Harold Martin on being named as the No. 1 most influential president of 2016 of the nation's historically black colleges and universities by the *HBCU Digest*. Next, Chairman Bissette commented on the University's strategic plan. The plan caps several months of work by the constituents across the University as well as by faculty, staff, students, community members, and state legislators. He noted that the Board of Governors Meeting Schedule for 2017-18 was distributed. The meetings would be held in Chapel Hill with the exception of the July 2017 meeting at UNC Asheville and the March 2018 meeting at UNC Wilmington.

## **Report of the Strategic Planning Committee**

Chairman Bissette recognized Mr. Souza, Vice Chair of the Strategic Planning Committee, for his report. Mr. Souza thanked all those involved in the production of the University's Strategic Plan, including the chancellors, standing committee chairs, and President Spellings and her staff. The Strategic Plan focuses on five themes – access, student success, affordability and efficiency, economic impact and community engagement, and excellent and diverse institutions.

The Committee met on December 20, 2016, and accepted the University of North Carolina Strategic Plan Definitions, Goals, Metrics, and Targets (see Appendix B). Mr. Souza explained that the formal written document of the strategic plan would be presented at the March meeting. The document will include a preamble, an explanation of the five themes, and examples of the ongoing work.

On behalf of the Committee, Mr. Souza moved the adoption of the University of North Carolina Strategic Plan. The motion carried unanimously.

## **Administrative Action Items**

Chairman Bissette called attention to the Administrative Action Items listed as Item 8 on the consent agenda, and noted that Mr. Kotis had asked that Item 8d – *Capital Improvements Projects – ASU, NCSU, UNCA, UNC-CH, UNCC, UNCG, and WCU* be removed for a separate discussion and vote. Chairman Bissette entertained a motion to approve the remaining administrative action items by consent. Mr. Davenport moved and the motion was properly seconded. The motion carried. The Board discussed Item 8d. Chairman Bissette entertained a motion to approve Item 8d – *Capital Improvements Projects –*

ASU, NCSU, UNCA, UNC-CH, UNCC, UNCG, and WCU. Mr. Hinton moved and the motion was properly seconded. The motion carried. Chairman Bisette noted that Mr. Long and Mr. Powers abstained from the Items as aforementioned herein.

- a. (B&F) Sale of Obligation Bonds – NCA&T (Appendix C)
- b. (B&F) Sale of Obligation Bonds – UNCA (Appendix D)
- c. (B&F) Refinancing of Housing Foundation Indebtedness – FSU (Appendix E)
- d. (B&F) Capital Improvements Projects – ASU, NCSU, UNCA, UNC-CH, UNCC, UNCG and WCU (Appendix F)
- e. (B&F) Acquisition Right-of-Way – NCSU (Appendix G)
- f. (B&F) Disposition of Easement – UNCC (Appendix H)
- g. (B&F) UNC Policy for the Tuition Guarantee Program (Appendix I)
- h. (EPPP) Authorization to Discontinue the following UNC Degree Programs: (Appendix J)
  - i. Master of Electrical Engineering – NCSU
  - ii. Master of Specialized Veterinary Medicine – NCSU

### **Report of the Committee on Budget and Finance**

Mr. Lampe, Chair of the Committee, reported that at its teleconference meeting on Wednesday, January 11, the Committee considered several items and voted to place the items on today's consent agenda. The Committee also discussed and approved the 2017-2019 Budget Priorities and Legislative Agenda (see Appendix K).

On behalf of the Committee, Mr. Lampe moved that the Board approve the 2017-2019 Budget Priorities and Legislative Agenda. The motion carried.

At its meeting the previous day, the Committee discussed the 2017-18 tuition and fees proposals. There was a proposed tuition increase of two percent in the University's new guaranteed tuition plan and an increase of three percent on student fees. This item will be brought to the Board for approval at its next meeting in March.

### **Report of the Committee on Educational Planning, Policies, and Programs**

Mrs. Nelson, Chair of the Committee, reported that the Committee considered administrative items and approved the discontinuation of two degree programs (see Appendix J), which were included on today's consent agenda. The Committee also heard a report from the Subcommittee on Academic Advising.

### **Report of the Committee on Public Affairs**

Mr. Powers, Chair of the Committee, reported that Vice President Moretz provided an update on the legislative activities that have occurred during the interim. The Committee expected several recommendations impacting the University to arise in the upcoming legislative session.

The Committee received a report on the 2017 Legislative Session at the North Carolina General Assembly that convened this week. One item impacting the University was the changing of the appointment process for boards of trustees members per House Bill 17. The Committee will keep the Board apprised of all legislative activities related to the University.

### **Report of the Committee on University Governance**

Mr. Hinton, Chair of the Committee, reported that the Committee received updates on the trustee nomination process. He noted that the trustee nomination process would be different this year due to modifications in appointments of UNC boards of trustees. The University liaisons will continue working

with their campuses and the Committee expected to have a full slate of trustees for election and re-election this spring.

The Committee also heard a report on orientations for new members of the Board of Governors and for boards of trustees. The Committee discussed the format and substance of recent orientation sessions and potential changes to future sessions. The Committee will continue discussion on this topic at its next meeting. The Committee sought ideas or suggestions on developing the orientation programs.

#### **Report of the Committee on Personnel and Tenure**

Mr. Parrish, Chair of the Committee, announced that on behalf of the UNC Staff Assembly, the recipient of the 2016 Erskine B. Bowles Staff Service Award was Mr. Joe J. Rick, Assistant Dean of Student Affairs and Director of Residence Life Programs & Housing at UNC School of the Arts. Established in 2010, the award recognizes a deserving University staff member for exceptional contributions to the campus and surrounding communities above and beyond the employee's normal job responsibilities. Mr. Rick was recognized for the high-level service he provides to students and his notable service throughout his community. UNC Center for Television produced a short video highlighting Mr. Rick's service.

Next, Mr. Parrish reported that at its meeting the previous day, the Committee reviewed informational reports on recent personnel appointments at UNC General Administration as well as recent allotments from the Faculty Recruitment and Retention Fund. Vice President Brody provided an update on several human resources matters. Vice President van Noort presented an annual report on the use of funds for the Faculty Recruitment and Retention Fund (see Appendix L). The fund was created in 2006 and has received approximately \$13 million dollars in state appropriations since its inception, but now the fund has a balance of approximately \$700,000. The University faces critical faculty retention issues and has included a request of \$3 million in this year's legislative agenda to replenish the fund.

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Secretary Perry stated that the printed motion to go into closed session was in the Board members' folders. She moved that the Board go into closed session as described in the written motion, pursuant to Sections 143-318.11(a)(1), (3), (5), and (6), of the North Carolina General Statutes. The motion was properly seconded and it carried.

The Board went into closed session at 11:15 a.m. and returned to open session at 12:10 p.m.

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Resuming in open session, Chairman Bisette asked if there was any further business. Board members discussed concerns about the availability of financial information. Chairman Bisette suggested that this discussion continue at the next meeting of the Committee on Budget and Finance.

In closing, Chairman Bisette announced that the next meeting of the Board of Governors was scheduled for Friday, March 3, 2017. There being no further business, Chairman Bisette requested a motion to adjourn. Mr. Grainger moved and the motion was properly seconded. The meeting adjourned at 12:25 p.m.

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Secretary

## APPENDICES

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

Appendix A	President Spellings' Report	Posted Online
Appendix B	University of North Carolina Strategic Plan	Posted Online
Appendix C	Sale of Obligation Bonds – NCA&T	Posted Online
Appendix D	Sale of Obligation Bonds – UNCA	Posted Online
Appendix E	Refinancing of Housing Foundation Indebtedness – FSU	Posted Online
Appendix F	Capital Improvements Projects – ASU, NCSU, UNCA, UNC-CH, UNCC UNCG and WCU	Posted Online
Appendix G	Acquisition Right-of-Way – NCSU	Posted Online
Appendix H	Disposition of Easement – UNCC	Posted Online
Appendix I	UNC Policy for the Tuition Guarantee Program	Posted Online
Appendix J	Authorization to Discontinue the Master of Electrical Engineering and the Master of Specialized Veterinary Medicine – NCSU	Posted Online Posted Online
Appendix K	2017-2019 Budget Priorities and Legislative Agenda	Posted Online
Appendix L	UNC General Administration Faculty Recruitment and Retention Fund Review 2016	Posted Online