



President's Report to the Board of Governors

UNC System Interim President William L. Roper

January 17, 2020

Greetings, everyone, and Happy New Year!

After what I hope were pleasant holidays for all, the UNC System and all of the institutions are back in full force, doing the important work for the people of North Carolina--educating, discovering, innovating, and serving.

Given the ongoing State budget stalemate, not all of the news that has greeted us this week is good ... but some of it is remarkably positive and worth highlighting. I want to lead with that.

The latest data measuring our progress toward our Strategic Plan goals are in. They show that we are reaching new heights in student success and economic impact, and we have sustained our commitment to making higher education accessible and affordable for all qualified students.

- Notably, the percentage of our students who graduate in five years has climbed steadily and now stands at 71.1 percent. That number exceeds our 2022 goal and far exceeds the national average. In short, our students are progressing through our institutions more efficiently, which means they are saving tuition dollars and entering the workforce more quickly.
- We're also serving and graduating more students from low-income backgrounds than ever before—this at a time when national trends show a decline in four-year college enrollment by low-income students. This is truly an important accomplishment – it means the UNC System is providing life-transforming opportunities to North Carolinians who stand to benefit most from the earning potential that comes with a college degree.
- The economic impact of all of this work is significant. For the second year in a row, we have surpassed our annual performance targets to increase the number of critical workforce degrees we award.

We still have much work to do, but in total we have met or exceeded 10 of our 12 Strategic Plan benchmark goals.

This information is freely available on the UNC System website so that institutions and the public can monitor our efforts to improve how we serve North Carolina. This is something the UNC System has never done before, and it shows our commitment to following through on the ambitions we staked out in our Strategic Plan.

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Here at the System Office, my colleagues and I have come into the new year busily engaged in several important projects that will help keep this momentum moving forward.

- For example, we have undertaken, in concert with each of the universities, a reexamination and clarification of the mission of each constituent institution. Over the coming months we will be bringing this to the BoG for your discussion, debate and ultimately your approval. This is central to the role of the BoG and the System.
- Matt Brody and his HR team are working with Governor Kellie Blue on the implementation of the chancellor incentive compensation plan that you have approved. This will reward leadership that keeps the UNC System on track to meet its long-term Strategic Plan goals.
- Pete Brunstetter is leading our efforts to implement the terms of our agreement with Vidant Health – all directed at getting to a constructive and mutually beneficial collaboration between ECU’s Brody School of Medicine and Vidant Health. This is vital to fulfilling our joint mission to benefit the people of Eastern North Carolina.
- Clinton Carter and his team are working with Temple Sloan on an exciting proposal for an improved and consolidated process for debt issuance to the constituent institutions.
- This same team is working with the universities regarding their request for tuition and fee changes. We expect to spend more time discussing this important matter in the coming months.
- Andrew Kelly and his team will be leading our efforts to explore “Income Sharing,” a relatively new idea that is helping students around the country finance their coursework without going into debt. “Income sharing” is an innovative new finance model in which students commit to pay a share of their future income stream to their alma mater in exchange for a reduction in their up-front costs of attending the college.
- We’ve also received a \$25.7 million grant through the federal GEAR UP program, which will allow us to fund college readiness and success initiatives in economically struggling areas. This work will ensure that more students get on track at an early age to attain a college degree.

Of course, the lack of a State budget for the current fiscal year is a source of great frustration, real disappointment, and deep concern that this will hurt our institutions, our faculty, our students, and the communities we serve.

Without a new state budget in place, we will be unable to pursue major capital projects and much-needed infrastructure repairs. Enrollment growth, including future NC Promise cohorts, will go unfunded. Faculty and staff will not receive raises, which means our institutions will be much less competitive when it comes to retaining and hiring the best talent.

- I am working closely with the chancellors to help them solidify plans to try to cope with the budget shortfalls.
- Each of them has submitted institution-specific impact statements. The System Office finance team is checking these for accuracy. We want them to be “just the facts.”

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- We will be sending the BoG a full set of these impact statements in the next day or two. We also will be delivering them to the leaders of the General Assembly and the Governor.
- Everyone wants to know – when will this get dealt with? We do not know – but it is April at the earliest.
- At the same time, we are working intently on the FY21 Budget proposal to the State. Our goal is to put together a compelling Budget proposal for you to consider and that the Legislature and the Governor will support, pending your approval. In particular we want to frame a more persuasive ask regarding compensation for our faculty and staff colleagues.
- I would like to take a moment to thank Faculty Assembly Chair David Green for penning the recently published op-ed in support of UNC System 2020 budget requests. His forward-looking initiative staked out a powerful argument: securing more funds for faculty salaries and other budget priorities is the surest way for the State to get the most return out of its investment in higher education.

There is no getting around the fact that the impasse in Raleigh is going to hurt. But the UNC System is resilient. Through collaboration, we will work to find ways to make sure the current crisis does not do irreparable damage to our institutions. But let me be very clear – we do not have a reserve at the System Office to cover these issues.

Finally, I'd like to report that chancellor searches at our institutions are gathering momentum. A new chancellor should be named at the School of the Arts by May and at Fayetteville State University by this fall. Meanwhile, at UNC Charlotte, the search committee has gathered public input regarding the leadership profile and expects interviews to begin early this year. ECU's search committee has just started to hold meetings and is currently in the process of gathering public input and stakeholder feedback. In the coming months, I will continue to provide regular updates regarding the status of these searches.

As ever, we appreciate the Board's leadership and the tangible support for our endeavors that we find in this Board Room, at our institutions, and in every community.

Thank you.



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UNC System Office

The UNC System Office has been awarded a new, seven-year \$25.7 million Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) grant from the U.S. Department of Education. This is the fourth statewide GEAR UP grant that the UNC System has secured since 2000. By 2026, GEAR UP North Carolina will provide academic preparation and college exploration services to nearly 35,000 students and their families.

The UNC System's Division of Strategy and Policy will partner with the College Foundation of North Carolina, the NC Community College System, NC State Education Assistance Authority, College Foundation, Inc., and select local agencies. Based on initial criteria of the grant award, 26 education agencies, including 88 middle schools and 67 high schools, will be eligible to participate.

Appalachian State University

Appalachian State has been recognized — for the fourth consecutive year — as a national leader for the number of alumni who are National Board Certified Teachers (NBCT). The university topped the NBPTS' 2019 list of "Top 50 Alma Maters by Total Number of NBCTs," with 2,057 alumni having earned the national credential to date. Appalachian was founded in 1899 as a teachers college, and school systems in all of NC's 100 counties employ at least one graduate of Appalachian's Reich College of Education.

For 2019–20, the U.S. Department of Education has provided more than \$4 million in continued support for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) at Appalachian State. GEAR UP impacts approximately 15,000 students from 11 Western North Carolina counties: Alleghany, Ashe, Burke, Clay, Graham, Madison, Rutherford, Swain, Watauga, Wilkes and Yancey. Additionally, Appalachian has provided a \$2,748,295 matching funds commitment for the project.

Appalachian State signed an agreement with the American University of Ras Al Khaimah (AURAK) in the United Arab Emirates that establishes a 3+1 undergraduate program in hospitality management. Qualified AURAK students who have successfully completed three years of a bachelor's curriculum in business with a major in hospitality management will be accepted into the Department of Management in the Walker College of Business. The program was developed at AURAK's request to meet the human resources needs of the hospitality industry in Ras Al Khaimah, one of seven emirates.

Appalachian State's Army ROTC program, which currently enrolls 140 cadets, celebrated its 50th anniversary. The Mountaineer Battalion, launched in 1969, has commissioned 950 officers, including Lt. Gen. Robert Ashley '84, director of the U.S. Defense Intelligence Agency, and Maj. Gen. John Evans '88, commanding general of U.S. Army Cadet Command. ROTC is a leadership course that combines college curriculum with field training. Upon graduation, cadets earn the bar of a second lieutenant.

East Carolina University

ECU celebrated its 111th fall commencement on Dec. 13, with nearly 2,300 students receiving diplomas. Dr. Laura Gerald, president of the Kate B. Reynolds Charitable Trust, provided the keynote address, telling students about growing up "on the wrong side of the tracks" in Lumberton, going to Harvard, becoming a doctor and eventually state health director, and then heading a fund that provides \$24 million in grants annually to improve the health and quality of life of vulnerable residents in the state.



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The ECU Chancellor Search Committee met for the first time on Dec. 10. The search committee's chair, Vern Davenport, encouraged the committee members to embrace the importance of the work they are beginning. Interim President Roper noted the characteristics that he believed should be at the forefront as the committee looks at potential candidates: unwavering integrity and credibility, commitment to the value of public higher education, dedication to public service, and a balance of professional and life experiences that would allow them to run an organization the size of ECU. Listening sessions are planned for January, and an online survey is available for stakeholder feedback and public input about the desired qualities for the next chancellor.

Dr. Teresa Ryan, an ECU assistant professor of engineering, has received a \$370,000 grant to continue sound propagation research to help protect military personnel. The goal of the research, funded through the Office of Naval Research, is to help improve a numeric model based on the atmospheric and sea conditions that will inform commanders of an operation how close a ship can get to an enemy shoreline without being heard. That's important not only to protect the ship from enemy fire, but also to protect the lives of those onboard as well as assault personnel as they prepare to storm the beach.

Elizabeth City State University

ECSU has been awarded a \$649,566 grant from the NSF for the advancement of STEM education. According to Annemarie Delgado, director of sponsored programs at ECSU, the grant will provide scholarships to 20 rural, low-income, academically talented students. These undergraduates, majoring in biology or mathematics, will create a "Living and Learning Community" within Viking Village. The goal is to, "recruit, graduate and prepare participants for graduate degrees and/or the STEM workforce." Additional student support services include a one-week summer residential computational skills camp, peer academic coaching, and mentoring.

A group of ECSU students traveled to Oscar C. Smith High School in Virginia in December with two trunkloads of food. Christian Jones, Greg Miller, Dominick Cotton, and Kevin Caldwell unloaded the food and began helping the high school establish its own food pantry. The donation launched ECSU's Pantry Pioneer Program and is a result of an alumna's desire to help students in the school where she teaches. ECSU senior Eyricka Johnson launched a campaign to educate and register students, and she accepted an award on behalf of ECSU for the effort. The history major attended a conference in Washington D.C., where she was given a "Silver Seal" award by the ALL IN Campus Democracy Challenge. The organization promotes student engagement in elections, and ECSU was recognized for her efforts in registering at least 40 percent of the student body to vote.

Gov. Roy Cooper signed House Bill 200: 2019 Storm Recovery bill into law, giving ECSU needed aid in the wake of water damage caused by Hurricane Dorian in September. ECSU is slated to receive \$5.2 million in storm relief. According to the university's director of facilities, Dennis Leary, water infiltrated more than 11 buildings on campus through roofs, building seals, and siding.

Fayetteville State University

Chancellor Search Chair Stuart Augustine is working with the Interim President Roper to determine search committee membership with a goal to have a new chancellor named by fall 2020.



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Interim Chancellor Peggy Valentine and the president of Central Carolina Community College (CCCC) signed an agreement that permits CCCC associate degree graduates to complete an online bachelor's degree at FSU at a total cost of no more than \$10,000 in out-of-pocket expenses, or approximately \$5,000 at CCCC and \$5,000 at FSU. Students eligible for federal and state grants will likely pay less. The \$10K Pathway Plan opens the door to programs in accounting, birth through kindergarten (non-teaching), business administration (general), criminal justice, fire and emergency services administration, intelligence studies, nursing, interdisciplinary studies, psychology, and sociology.

FSU is among four other HBCUs to receive a \$300,000 grant from UNCF (United Negro College Fund) to create a Liberal Arts Innovation Center-with a STEM Focus. These funds will help the institution develop best practices to provide students with the interdisciplinary combination of soft skills and technical literacy needed for future success.

Twenty-seven students from FSU's Broadwell College of Business & Economics made history by earning BB&T Emerging Leaders Certification. They are the first at FSU to earn this credential and join the ranks of about 7,000 undergraduate and graduate students in the nation. The BB&T Emerging Leaders Certification program is a highly interactive certification program for college and university students, which focuses on self-awareness to lead others more effectively. After completing the program, students are equipped with practical tools and strategies to become more effective leaders. The BB&T Leadership Institute has 55 university partners that offer this certification training.

N.C. A&T State University

A recent report from 24/7 Wall Street places N.C. A&T among the nation's 100 colleges and universities where admissions applications have increased the most over a six-year span, defying a national trend of declining college enrollment. A&T ranked no. 68, with a near 60 percent increase in applications from 2012-13 to 2017-18. That was prior to the most recent academic year when applications shot up by an additional 6,000, resulting in an enrollment of 12,556 and A&T's continued reign as the nation's largest HBCU for the sixth consecutive year. Southern New Hampshire University topped the list, which also included such notable institutions as Georgia Tech, Rutgers, Howard, and the University of Washington.

For the third consecutive year and the fourth in the past five, the Aggies have won the black college football national championship. They beat Alcorn State 64-44 in an electrifying Celebration Bowl game in Atlanta's Mercedes-Benz Stadium. The team's academic progress rate (APR) of 981 surpasses the national average for all Division I football programs – public, private, Football Bowl Subdivision, and Football Championship Subdivision—as measured by the NCAA.

The NC Department of Transportation established the N.C. Transportation Center of Excellence in Connected and Autonomous Vehicle Technology (NC-CAV) at N.C. A&T with a \$1-million grant in December. The center recognizes A&T's national leadership as evidenced by its TECHLAV Center of Excellence in Autonomy and leading performance in the international General Motors/Society of Automotive Engineers AutoDrive Challenge, among other accomplishments. In addition to a test track that will be built for the center in Gateway Research Park, NC-CAV will have use of a road exclusively for autonomous vehicles, which will be constructed between the university and downtown Greensboro.



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North Carolina Central University

The NCCU Jazz Ensemble will perform at Lincoln Center in New York City during the debut of the Jack Rudin Jazz Championship, a two-day invitational band competition. The event will feature sets from 10 ensembles chosen from among prominent university jazz programs. NCCU is the only HBCU represented. Honoring the legacy of Jack Rudin, a longtime supporter of Jazz at Lincoln Center, the competition will provide participants with quality musical literature and a forum for celebrating their achievements, while instilling higher education methodology and philosophy to the Jazz at Lincoln Center programs. Ensembles will also participate in rehearsals, workshops, and competition. The final competition will feature performances by the top three bands, followed by an awards ceremony.

NCCU held its 134th Commencement exercises on December 14. In total, the university awarded more than 700 degrees. There were 489 bachelor's degrees, 214 master's degrees, and 11 law degrees. At the Graduate and Professional Ceremony, the university conferred 225 degrees, including 76 for Master of Science, 53 for Master of Arts, and 31 for Master of Public Administration. There were 484 bachelor's degrees were awarded, including 287 BS and 74 BA degrees.

Technology and networking hardware company Cisco Systems Inc. has contributed equipment and technical services to NCCU to enhance the university's ongoing \$5 million campus network upgrade. Network improvements, which will assure a faster and more robust internet service with lower power consumption requirements, have been a strategic priority for Chancellor Johnson O. Akinleye. The upgrade will bring seamless Wi-Fi service to classrooms and learning spaces, research facilities, residence halls, and administrative offices, as more than 3,000 new wireless access points are installed.

NC State University

Two NC State faculty members have been elected fellows of the American Association for the Advancement of Science. Carol K. Hall, Camille Dreyfus Distinguished University Professor of Chemical and Biomolecular Engineering, was elected for contributions to the field of thermodynamics. Jacqueline Krim, Distinguished University Professor of Physics, was elected for contributions to the understanding of atomic-scale friction, wetting, and surface roughening and for exemplary efforts in scientific outreach and diversity.

Three NC State faculty members have been named fellows of the National Academy of Inventors. Rodolphe Barrangou, Todd R. Klaenhammer Distinguished Professor in Probiotics Research, is a pioneer in the discovery of the adaptive bacterial immune system known as CRISPR. Kenneth R. Swartzel, William Neal Reynolds Distinguished Professor Emeritus in the Department of Food, Bioprocessing and Nutrition Sciences, has developed new food preservation processes. Carlos Pignataro, an adjunct lecturer in the Department of Electrical and Computer Engineering and a distinguished engineer at Cisco, is an expert in network architecture.

On Dec. 28, NC State alumna and NASA astronaut Christina Koch set a new record for the longest single spaceflight by a woman: 289 days. Koch is currently serving as a flight engineer aboard the International Space Station. In October, she achieved another milestone when she participated in the first all-female spacewalk in history. Koch earned a bachelor's degree in physics and both a bachelor's and a master's degree in electrical engineering from NC State. She is scheduled to remain on the station for a total of 328 days, departing for Earth in February 2020.



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UNC Asheville

UNC Asheville has launched a new merit scholarship program to recognize students with exceptional academic accomplishments, demonstrated leadership, and potential to be pace-setters in future endeavors in academic life and beyond college. The Chancellor's Scholarship is funded by the Selby and Richard McRae Foundation through a gift of \$250,000. It provides entering students opportunities to acquire skills and knowledge in problem solving necessary to pursue their goals and take their places as leaders and engaged citizens in a rapidly changing society. Each Chancellor's Scholar will receive \$10,000 in scholarship support each year for four years. Chancellor's Scholars also receive an additional \$10,000 during their four years at UNC Asheville to support study abroad, undergraduate research, and internships, which are all hallmarks of the original liberal arts and sciences education at UNC Asheville.

UNC Asheville celebrated works of students and faculty artists at the re-openings of two downtown partnership institutions—the Asheville Art Museum and the Center for Craft. The Asheville Art Museum, in partnership with UNC Asheville, launched the UNC Asheville Student Membership Initiative on January 1, 2020, offering all degree-seeking students at UNC Asheville an active student membership to the museum during their enrollment at the university. Membership includes free admission to the museum.

UNC Asheville celebrated Visiting Fulbright African Research Scholar, Florence Akua Mensah, at the culmination of her semester at the university. Visiting from her home institution of University of Education in Winneba, Ghana, she spent the semester at UNC Asheville collaborating on classes, presentations, and conferences. Mensah dedicated time to working with local nonprofit organizations and school districts focusing on curriculum provisions for inclusive education. She observed classrooms in Buncombe County schools, participated in reading training with Read to Succeed Asheville's Back to School Basic Workshop, and attended events with Mission Children Hospital Family Support Network.

UNC-Chapel Hill

In December, Kevin Guskiewicz was named chancellor of the University of North Carolina at Chapel Hill. In his first act, he announced a \$5 million investment to help the university study its past, heal from that past, and move forward together.

The Campaign for Carolina closed out 2019 by surpassing \$3 billion of its \$4.25 billion goal.

Carolina's women's field hockey team took home its second consecutive national title. Impressively, they've been undefeated for two seasons in a row.

UNC Charlotte

After gathering input from several in-person campus community listening sessions and soliciting feedback via an online forum, the chancellor search committee, chaired by trustee chair Mike Wilson '93, published the UNC Charlotte chancellor leadership profile. The profile outlines the requirements for the successor to Chancellor Philip L. Dubois, who announced his retirement, effective June 30, 2020.



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External search firm Storbeck/Pimentel Associates is assisting with the recruitment process, and the Committee expects interviews to begin in early 2020.

After the tragedy on campus last April, UNC Charlotte announced the formation of a Niner Nation Remembrance Commission to lead a comprehensive process to determine how to best memorialize the two students who were killed, how to thoughtfully remember the tragedy that occurred on April 30, and how to make a recommendation about the future utilization of Kennedy 236, the classroom where the shootings took place. After receiving the poignant feedback from the families, impacted students, and broader campus community, the Commission worked diligently to formulate the final recommendation, which was submitted to Chancellor Philip L. Dubois in December. Chancellor Dubois expects to finalize his decisions by the end of January.

A new public elementary school developed and operated by education experts at UNC Charlotte will open at the former Amay James Pre-K Center starting in August 2020. Niner University Elementary at Amay James (NUE) is the sixth school across the state created in response to the North Carolina General Assembly's UNC Laboratory School Initiative, a program created to provide enhanced educational programming to students in low-performing schools. In its first year of operation, NUE will serve 150 students in grades K-2, adding an additional grade level each year through 2024. At capacity, the school will serve 300 students in grades K-5. NUE will be operated by UNC Charlotte but will receive support services from Charlotte-Mecklenburg Schools, including transportation and meals for students.

The Association of Public and Land-grant Universities (APLU) named UNC Charlotte the winner for its 2019 Degree Completion Award, which recognizes institutions that apply innovative approaches to improving degree completion while ensuring educational quality. Since 2009, UNC Charlotte has increased its six-year graduation rate by 10 percent and four-year graduation rate by 17 percent. More than 90 percent of incoming first-time-in-college students take a course centered on building their commitment to success, developing critical thinking skills, and enhancing cultural awareness.

UNC Greensboro

UNC Greensboro was recently ranked by *U.S. News & World Report* as the No. 1 university in North Carolina for social mobility. UNCG is one of just five universities in the country with more than 50% of students eligible for low-income Pell grants and a graduation rate of more than 50%.

UNC Greensboro announced that the SERVE Center has been awarded a five-year, \$15.6 million grant from the U.S. Department of Education for a regional comprehensive center designed to improve educational opportunities and academic outcomes for disadvantaged and low-income students.

A new UNC Greensboro & Cone Health center connects immigrants and refugees to community resources. Linguistic, cultural, and socioeconomic barriers often prevent immigrants and refugees from receiving adequate health care. The Immigrant Health Access Project (IHAP) utilizes the community health worker model to reduce these barriers and promote access to care for uninsured immigrant and refugee adults in Greater Greensboro.



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UNC Wilmington

UNCW has been reclassified as a “Doctoral University: High Research Activity” by Carnegie and is now ranked among the Top 100 Best Public National Universities (# 92) by *U.S. News & World Report*.

UNCW has launched its first engineering program: Coastal Engineering. This is the only coastal engineering undergraduate degree being offered in the country.

More than \$400 million in construction on campus has just finished, is active, or is being planned for the very near future.

UNC School of the Arts

The search for the UNC School of the Arts chancellor is underway. The search committee is in the early stages of reviewing candidates with a timeline to name a new chancellor by May 2020.

The December production of *The Nutcracker* by UNCSA broke all-time records for sales and attendance. More than 16,500 people saw one of the 12 performances. The production, called “spectacular and inspiring” by the *Winston-Salem Journal*, grossed just under \$700,000, more than any other year. Proceeds support student scholarships, a pillar of the school’s *Powering Creativity* comprehensive fundraising campaign.

Evelyn Robinson, a high school senior who danced the role of the Sugar Plum Fairy in the recent UNCSA production of *The Nutcracker*, has been selected by the prestigious Prix de Lausanne international ballet competition. She is one of only 10 Americans chosen for the world-renowned competition, which takes place in February in Switzerland with a total of 84 competitors from 27 countries. Robinson was recently featured in the national publication *Pointe Magazine*. Faculty member Jenet Zerbe is her coach and will accompany her to the Prix, along with School of Dance Dean Susan Jaffe.

UNCSA placed two finalists and one merit winner in the National YoungArts, a prestigious visual, literary and performing arts competition. Finalists were Amira Oguntinyinbo from Hillsborough, a 2019 graduate of the Visual Arts Program, who entered the photography category, and Aron Stornaiuolo, a composition major from Charlotte, who entered in the voice/jazz category. Finalists had the opportunity to participate in YoungArts Week in January in Miami, a weeklong intensive offering master classes and workshops with internationally renowned leaders in the arts. Lucy Calaway, a soprano from Winston-Salem, was a merit award winner in the voice/classical competition.

Western Carolina University

WCU’s 535-member Pride of the Mountains Marching Band represented the state of North Carolina and the UNC System when it marched once again in the annual Macy’s Thanksgiving Day Parade in New York City. The band previously was selected to lead the 2014 parade, marking an unusual return trip for a participant just five years after its original appearance.



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WCU held two commencement ceremonies on Dec. 14. A total of nearly 850 graduates participated in the ceremonies, including more than 100 first-generation college students and about 200 students who received scholarship assistance to help them attend WCU.

Two members of WCU's Mathematics and Computer Science Department have been honored by the North Carolina Council of Teachers of Mathematics. Sloan Despeaux, professor of mathematics, and Nathan Borchelt, associate professor of mathematics, were recently presented the council's Innovator Award for their work in establishing and sustaining the N.C. Network of Math Teachers' Circles. The purpose of the Innovator Award is to recognize and reward those who have made an outstanding and noteworthy contribution to mathematics education.

Leaders of WCU and Haywood Community College in December signed a memorandum of understanding that guarantees admission to WCU for all graduates of the community college who satisfy specific requirements spelled out in the document. Titled the Catamount Navigator Program, the agreement builds upon the existing North Carolina Comprehensive Articulation Agreement governing the transfer of credits between the North Carolina Community College System and the University of North Carolina System. WCU previously signed similar memoranda with Asheville-Buncombe Technical College, Southwestern Community College, and Blue Ridge Community College.

Winston-Salem State University

WSSU has received nearly \$2 million in new grants from the National Science Foundation (NSF), which will expand research opportunities for undergraduate and graduate students at the university. Since May, WSSU has received six grants from the NSF. The grants will provide stipends for about 22 WSSU undergraduate students each year to conduct paid research. The grants also will support paid research for WSSU graduate students.

WSSU's Department of Rehabilitation Counseling has recently received two five-year U.S. Department of Education grants, totaling \$1.75 million, to help address a nationwide shortage of rehabilitation counseling professionals. The grants, through the DOE's Office of Special Education and Rehabilitative Services, will pay for tuition, stipends, and professional development activities, such as attending and presenting at conferences, for students in the Master of Science in Rehabilitation Counseling program.

Two WSSU business students have been selected as Forbes Under 30 scholars. Lauryn Ledyard, a senior business administration major from Gaithersburg, Maryland, and Jordan Reaves, a senior finance major from Charlotte, were among the 1,000 high-achieving undergraduate and graduate students from across the country selected to attend the Forbes Under 30 summit.

North Carolina School of Science and Mathematics

NCSSM co-hosted with Duke University the 15th annual State of North Carolina Undergraduate Research and Creativity Symposium (SNCURCS) in November. Though not yet college undergraduates, the quality of NCSSM students' original research has long allowed them to present at the symposium, and this was the first year that a high school co-hosted the event. Some 500 undergraduate scholars in all disciplines from across NC shared poster displays, presentations, exhibits, and creative performances. Nearly 60



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presentations, from explorations of machine learning to the decision-making process in baseball, were the work of NCSSM residential, online, and Summer Ventures in Science and Mathematics students.

NCSSM will host the school's 28th annual American Indian Powwow in February. American Indians from NC, Virginia, and SC will travel to Durham for a day of music, dance, arts, crafts, and food in the Charles R. Eilber Physical Education Center on NCSSM's campus, giving students, prospective students and the community the chance to learn more about and experience American Indian culture. Akwe:kon, the American Indian cultural club at the school, partners with the Office of Admissions to host the event.

Director of the National Institutes of Health, Dr. Francis Collins (a UNC-Chapel Hill School of Medicine graduate), will visit NCSSM students in January to discuss how deep knowledge of the human genome is igniting a life science revolution in precision medicine. Collins directed the Human Genome Project, the successful international effort to sequence the human genome.

Affiliates

UNC Press

The University of North Carolina Press announced the creation of the Marcie Cohen Ferris and William R. Ferris Imprint for high-profile, general-interest books about the American South. Ferris & Ferris Books will be supported by a new multimillion-dollar endowment at the Press. "The American South is the ideal canvas on which to create a better understanding of our nation and the world. These funds allow us to commission, acquire, and market books by the nation's leading authors who share that vision but who require the type of financial support normally out of reach for a university press," said John Sherer, the Spangler Family Director of UNC Press.

UNC TV

UNC-TV's multi-year "Rescan" project successfully completed 8 of the 11 required transmitter transitions in September. This complicated endeavor was aided by our multi-platform "Rescan Day" campaign, a cross-departmental effort employing extensive on-air promotional videos, digital marketing, and social media messaging. The final project will result in transitioning 11 of our 12 full power transmitters and optimal signal strength by 2020.

GSK's recent \$400,000 award, their fifth and largest, continues to support the development of the next generation of innovators through multimedia curriculum-aligned science educational materials and Sci NC programming. GSK's previous gift supported UNC-TV's Sci NC vertical that reached 4.64M viewers in less than 18 months via content initiatives including 44 feature stories, 682 social media posts, 52 web videos, and 17 live local and national presentations.

UNC-TV increased audience engagement across all platforms through original, bespoke integrations. It piloted the live, in-studio concert series as part of an extensive integrated campaign leading to the premiere of Ken Burns' latest extraordinary documentary, *Country Music*. The campaign achieved record digital traffic and social engagement, and over 1,000 people attended the three in-studio concerts and four screening events. Also, beginning in August, the Children's Media and Education Team inspired over 30,000 parents, caregivers, educators, and children through live family exhibits and workshops, including Rootle Block Party LIVE! Events in Orange, New Hanover, and Beaufort Counties.

Capital Improvement Projects – East Carolina University, Fayetteville State University, NC State, UNC-Chapel Hill, and NC School of Science and Mathematics

ISSUE OVERVIEW

UNC System institutions are required to request authority from the Board of Governors to proceed with non-appropriated projects using available funds (non-general funds). Non-appropriated capital projects are funded by the institution and include the construction, repair, or renovation of facilities such as residence halls, dining facilities, research buildings, athletic facilities, and student health buildings.

There are five UNC System institutions that have requested a total of five capital improvement projects: two for advance planning and three projects for increased authorization.

I. ADVANCE PLANNING

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
North Carolina State University					
1.	Varsity Drive Parking Lot Expansion	\$5,500,000	-	\$550,000	Transportation Receipts
<i>NC State Subtotal</i>		<i>\$5,500,000</i>	<i>\$0</i>	<i>\$550,000</i>	
University of North Carolina at Chapel Hill					
2.	McColl Addition & Renovation	\$150,020,000	\$1,000,000	\$5,200,000	Donations and Gifts
<i>UNC-Chapel Hill Subtotal</i>		<i>\$150,020,000</i>	<i>\$1,000,000</i>	<i>\$5,200,000</i>	

III. INCREASED AUTHORIZATION

Institution/Project Title		Total Project Cost (\$)	Previous Authorization (\$)	Requested Authorization (\$)	Funding Source
East Carolina University					
3.	Main Campus – Replacement Condensate Line Between Manholes RC-10 and RC-45	\$1,827,774	\$1,707,774	\$120,000	Carry-forward
<i>ECU Subtotal</i>		<i>\$1,827,774</i>	<i>\$1,707,774</i>	<i>\$120,000</i>	
Fayetteville State University					
4.	Lyons Science Comprehensive Renovation	\$12,000,000	\$11,000,000	\$1,000,000	R&R
<i>FSU Subtotal</i>		<i>\$12,000,000</i>	<i>\$11,000,000</i>	<i>\$1,000,000</i>	
North Carolina School of Science and Mathematics					
5.	NC School of Science and Math - Western Campus	\$81,367,000	\$73,000,000	\$8,367,000	Donations and Gifts
<i>NCSSM Subtotal</i>		<i>\$81,367,000</i>	<i>\$73,000,000</i>	<i>\$8,367,000</i>	
Grand Total		\$250,714,774	\$86,707,774	\$15,237,000	

RECOMMENDATION

All projects and associated funding sources are in compliance with G.S. 143C-8-12 (State Budget Act).

APPENDIX B

It is recommended that these projects be authorized and reported to the NC Office of State Budget and Management as non-appropriated projects that do not require any additional debt or burden on state appropriations.

Disposition of Property by Deed and Ground Lease (Historic Warehouse District) – East Carolina University

ISSUE OVERVIEW

East Carolina University requests the disposition of the three historic warehouse properties located on the Millennial Campus by deed, through an Estate for Years transaction, with a reversionary clause after 80 years. The transaction will include an option to extend by ground lease for 19 additional years. The properties included in the transaction are as follow:

Export Leaf Tobacco Warehouse	301 West 10 th Street	2.01 acres	75,000 SF
Hughes Warehouse	1003 Clark Street	0.5 acres	30,639 SF
American Tobacco Storage	1104 Clark Street	<u>0.5 acres</u>	<u>12,000 SF</u>
	TOTAL	3.0 acres	117,639 SF

The three properties will be sold for \$2,684,000, which is the appraised value of the property plus \$250,000. The lease rates for the ground lease option will be negotiated in Year 70.

ECU purchased the properties in 2003 and secured a North Carolina Historic Mill Rehabilitation tax credit. The tax credit is transferrable to a private developer and will sunset on January 1, 2023. ECU issued two RFPs to develop the properties and received three proposals on the second RFP. ECU selected Elliot Sidewalk's proposal as the most financially viable. The private developer proposes to renovate the Export Leaf Tobacco Warehouse first and the estimated cost of renovation is \$20 million. The historic tax credit is valued at approximately \$6 million. In addition, ECU has agreed to lease 10,000 SF of the renovated building space at \$19.50/SF for a minimum of five years.

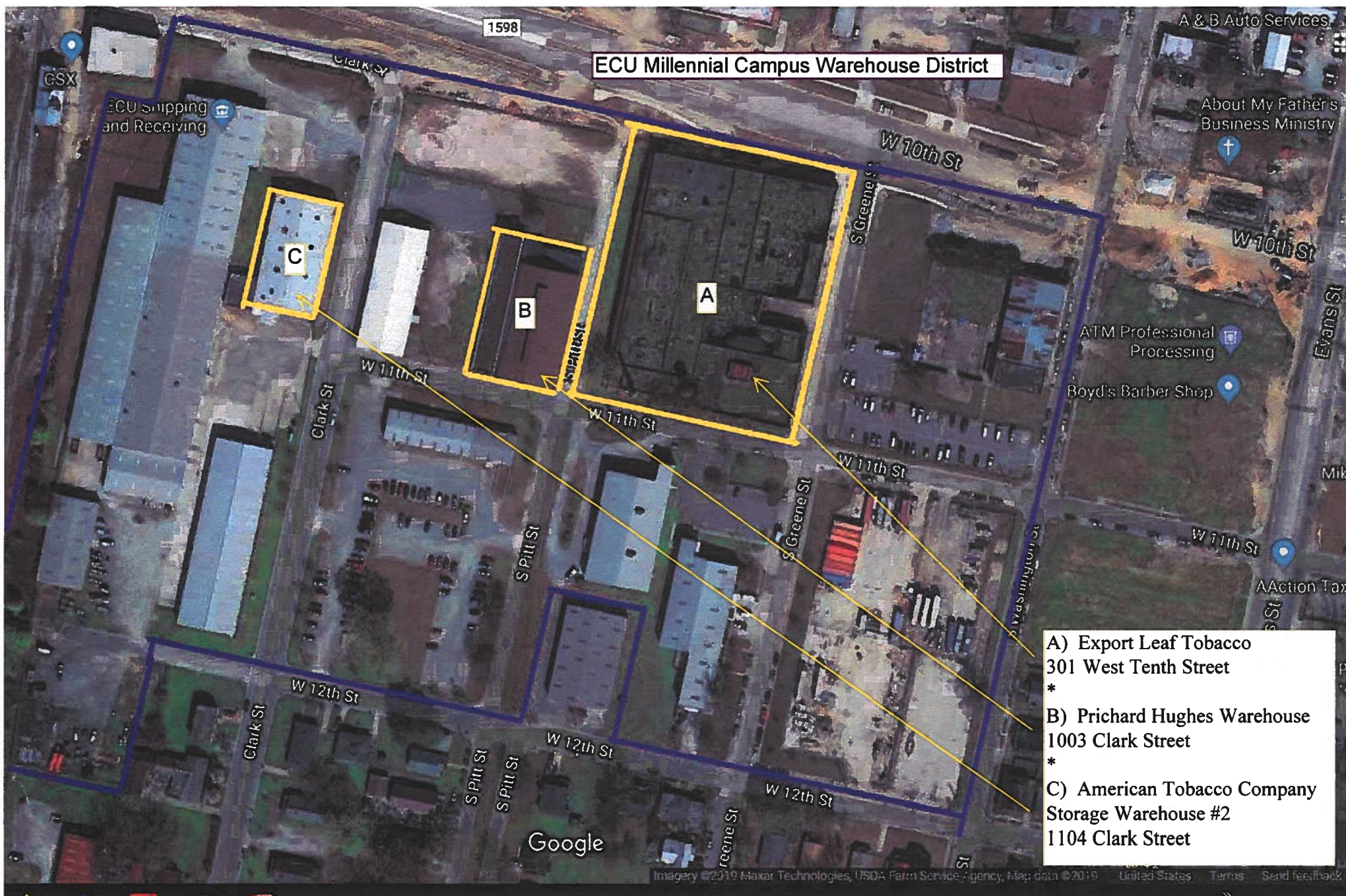
East Carolina acquired the Export Leaf Tobacco Warehouse in 2003. The building is a 70,000 SF, one-story industrial warehouse located at 301 West Tenth Street in Greenville, NC. The property is 2.01 acres and is on the Millennial Campus.

The disposition was approved on December 13, 2019, by the Board of Trustees of East Carolina University.

RECOMMENDATION

It is recommended that the Board of Governors approve the disposition of property. This item requires approval by the Council of State.

ECU Property Transaction Reference



Form PO-2
Rev. 10/01
Original and one copy to State Property Office

**STATE OF NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
DISPOSITION OF REAL PROPERTY**

Institution or Agency: East Carolina University

Date: December 13, 2019

The Department of Administration is requested, as provided by GS §146-28 et seq., to dispose of the real property herein described by *purchase, lease, rental, or other (specify)*. Deed

This disposition is recommended for the following reasons:

ECU Properties, known as the Export Leaf Tobacco Building, Prichard Hughes Warehouse, and American Tobacco Company Storage Warehouse #2 are within ECU's Millennial Warehouse Campus and are a part of Greenville's National Historic Tobacco District. ECU plans to sell via a deed with reversionary interest to Elliott Sidewalk Communities. The properties will revert back to ECU after 80 years. ECU has secured NC Historic Mill Rehabilitation Tax Credits that can be transferred with the sale of the property to create a public/private partnership. Elliott Sidewalk Communities will redevelop the properties which will lead to the revitalization of the neighborhood.

Description of Property: *(Attach additional pages if needed.)*

Dispose of properties at

- 1. 301 West Tenth Street, Greenville, NC. Property sites a ±70,000 SF one-story brick building that built in 1914 that is in declining state. The property was acquired by ECU in 2003.**

(next page->)

Estimated value: \$2,684,000

Where deed is filed, if known: Pitt County

If deed is in the name of agency other than applicant, state the name:

Rental income, if applicable, and suggested terms: N/A


Funds from the disposal of this property are recommended for the following use:

ECU's Millennial Campus Account

(Complete if Agency has a Governing Board.)

Action recommending the above request was taken by the Governing Board of Trustees and is recorded in the minutes thereof on December 13, 2019.

Signature:


Chancellor

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- 2. 1003 Clark Street, Greenville, NC. Property sites a ±19,000 SF two-story frame building that was built in 1905. The property was acquired by ECU in 2003.**
- 3. 1104 Clark Street, Greenville, NC. Property sites a ±12,315 SF one-story brick building that was built in 1905. The property was acquired by ECU in 2003.**

Disposition of Property by Ground Lease (Hotel) – East Carolina University

ISSUE OVERVIEW

East Carolina University requests the disposition by ground lease of 2.95 acres located at East Fourth Street for the purpose of developing a hotel. The initial ground lease is for 65 years with an option to renew for an additional 34 years. The property is currently used as a parking lot, which will be relocated prior to the start of construction.

ECU will ground lease the property for \$87,500 per year in Years 1 and 2, and \$65,000 for Years 3 – 65. In addition, ECU is negotiating a provision for revenue sharing beginning in Year 4, with the bonus equal to 8% of the portion of the hotel room revenue that exceeds \$4.4M when the average annual occupancy rate is at least 68%.

ECU issued a Request for Information in Summer 2019 and received proposals from two developers. ECU selected the developer Daly Seven and has executed a Letter of Intent. Construction on the hotel is projected to begin late 2021.

The disposition by ground lease was approved on December 13, 2019 by the Board of Trustees of East Carolina University.

RECOMMENDATION

It is recommended that the Board of Governors approve the disposition of property.

Millennial Campus – Hotel



Sale of Special Obligation Bonds – UNC School of the Arts

ISSUE OVERVIEW

The Board of Governors is authorized to issue special obligation bonds and bond anticipation notes for capital improvement projects that have been approved by the General Assembly. Although a specific source of funding is used by a campus when retiring these bonds, special obligation bonds are generally payable from all campus revenues excluding tuition, state appropriations, and restricted reserves.

University of North Carolina School of the Arts (UNCSA) requests that the Board issue special obligation bonds (the “2020 Bonds”) in an amount not to exceed \$46,000,000 to finance the construction, equipping, and furnishing of a new residence hall on UNCSA’s campus, and not to exceed an additional 5% of such principal amount to pay the costs incurred in connection with the issuance of the 2020 Bonds. The 2020 Bonds will be sold on a negotiated basis to Wells Fargo Bank, N.A., which was selected through a competitive RFP process. The General Assembly authorized the new residence hall project under S.L. 2019-124 (H.B. 402).

In connection with the 2020 Bonds, UNCSA expects a credit rating in the “A” category from at least one of the major credit rating agencies. As UNCSA has no outstanding special obligation bonds, UNCSA does not have any existing credit ratings. Parker Poe Adams & Bernstein LLP is bond counsel, and First Tryon Advisors is the financial advisor.

It is recommended that the president of the University, or his designee, be authorized to sell the special obligation bonds through the attached resolution.

**RESOLUTION OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTH
CAROLINA SYSTEM AUTHORIZING THE ISSUANCE OF SPECIAL OBLIGATION BONDS
FOR UNIVERSITY OF NORTH CAROLINA SCHOOL OF THE ARTS**

WHEREAS, by Chapter 116 of the General Statutes of North Carolina, the Board of Governors (the “Board”) of The University of North Carolina System (the “UNC System”) is vested with general control and supervision of the constituent and affiliated institutions of the UNC System;

WHEREAS, the Board is authorized by Chapter 116D of the General Statutes of North Carolina (the “Act”) to issue special obligation bonds to pay all or any part of the cost of a special obligation bond project, and to fund or refund any bonds previously issued by the Board to finance facilities designated as a special obligation bond project;

WHEREAS, University of North Carolina School of the Arts (“UNCSA”) has requested the Board to issue University of North Carolina School of the Arts General Revenue Bonds (with appropriate descriptions and series designations) in one or more series in an aggregate principal amount not to exceed \$46,000,000, plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional costs of the construction, equipping and furnishing of a residence hall on UNCSA’s campus as authorized by S.L. 2019-124 of the 2019 Session Laws of the North Carolina General Assembly (the “Special Obligation Bond Project”), plus any increase in the specific Special Obligation Bond Project costs authorized by the Director of the Budget pursuant to Section 3 of Chapter 124 of the 2019 Sessions Laws of the General Assembly of North Carolina (the “Bonds”);

WHEREAS, the Board has determined to issue the Bonds under the General Trust Indenture dated as of February 1, 2020 (the “General Indenture”) between the Board and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and Series Indenture, Number 1 (the “First Series Indenture”) between the Board and the Trustee;

WHEREAS, the Bonds and other obligations issued under the General Indenture are payable solely from any legally available funds of UNCSA, or of the Board held for UNCSA, in each fiscal year remaining after satisfying existing obligations of UNCSA or the Board under a trust indenture, trust agreement or bond resolution providing for the issuance of debt of the Board with respect to UNCSA, but excluding (1) appropriations by the General Assembly of the State from the State General Fund, (2) tuition payments by UNCSA students, (3) funds whose purpose has been restricted by the gift, grant or payee thereof, (4) revenues generated by Special Facilities and (5) funds restricted by law (“Available Funds”);

WHEREAS, Wells Fargo Bank, National Association (the “Underwriter”) will agree to purchase all of the Bonds pursuant to the terms of a bond purchase agreement (the “Purchase Agreement”) between the Board and the Underwriter;

WHEREAS, there have been made available to the Board forms of the following documents (the “Board Documents”), which the Board proposes to approve, ratify, execute and deliver, as applicable, to effectuate the financing:

1. the General Indenture;
2. the First Series Indenture;

APPENDIX E

3. the Purchase Agreement;
4. the Preliminary Official Statement (the “*Preliminary Official Statement*”) relating to the Bonds, which after the inclusion of certain pricing and other information will become the final Official Statement (the “*Official Statement*”) relating to the Bonds; and
5. the Bonds in the form provided in the First Series Indenture; and

WHEREAS, the issuance of the Bonds does not directly or indirectly or contingently obligate the State or any agency or political subdivision of the State to levy or to pledge any taxes to pay the cost, in whole or in part, of the Special Obligation Bond Project in compliance with Section 116D-23 of the Act;

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

Section 1. Authorization of Bonds. The Board authorizes the issuance of the Bonds in an aggregate principal amount not to exceed \$46,000,000 under the General Indenture and the First Series Indenture to finance the Special Obligation Project, plus five percent (5%) of such amount to pay issuance expenses, fund reserve funds, pay capitalized interest, and pay other related additional costs of the Special Obligation Bond Project, plus any increase in the specific Special Obligation Bond Project costs authorized by the Director of the Budget pursuant to Section 3 of Chapter 124 of the 2019 Sessions Laws of the General Assembly of North Carolina. The Bonds may be issued in one or more series of bonds, including any combination of tax-exempt bonds and taxable bonds as the Senior Vice President for Finance and Administration and CFO of the UNC System (the “*SVP-Finance*”), in consultation with the appropriate officers at UNCSCA, determine to be in the best interest of the UNC System and UNCSCA.

Section 2. Sufficiency of Available Funds. The Board finds that sufficient Available Funds are available to pay the principal of and interest on the Bonds.

Section 3. Selection of Underwriter and other Financing Team Members. The Board ratifies the selection of the Underwriter for the Bonds and authorizes the SVP-Finance, in consultation with the appropriate officers at UNCSCA, to select any other professionals necessary to undertake the financing as contemplated in this Resolution.

Section 4. Authorization of Board Documents. The form and content of the Board Documents are in all respects authorized, approved and confirmed. The Chairman of the Board, the President of The UNC System, the SVP-Finance, the Secretary and the Assistant Secretary of the Board and the Senior Associate Vice President and Secretary of The UNC System (the “*Authorized Officers*”) are each authorized, empowered and directed to execute and deliver the Board Documents for and on behalf of the Board, including necessary counterparts, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of the Board’s approval of any and all such changes, modifications, additions or deletions therein. From and after the execution and delivery of the Board Documents, the Authorized Officers are each authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Board Documents as executed.

Section 5. *Authorization of Purchase Agreement.* The Chair of the Board, the President of the UNC System and the SVP-Finance are each authorized, empowered and directed to execute and deliver the Purchase Agreement for and on behalf of the Board, including necessary counterparts, in a form and substance consistent with the terms of this Resolution. From and after the execution and delivery of the Purchase Agreement the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Agreement as executed.

Section 6. *Authorization of Preliminary Official Statement and Official Statement.* The form, terms and content of the Preliminary Official Statement are in all respects authorized, approved and confirmed. The use of the Preliminary Official Statement by the Underwriter in connection with the sale of the Bonds is in all respects authorized, approved, ratified and confirmed. The President of The UNC System and the SVP-Finance are each authorized, empowered and directed to deliver the Official Statement for and on behalf of the Board in substantially the form and content of the Preliminary Official Statement presented to the Board, but with such changes, modifications, additions or deletions therein as to them seem necessary, desirable or appropriate, their delivery of the Official Statement to constitute conclusive evidence of the Board's approval of any such changes, modifications, additions or deletions therein. The use of the Official Statement by the Underwriter in connection with the sale of the Bonds is in all respects authorized, approved and confirmed.

Section 7. *General Authority.* From and after the execution and delivery of the documents hereinabove authorized, the Authorized Officers are each hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of said documents as executed, and are further authorized to take any and all further actions to execute and deliver any and all other documents as may be necessary to the issuance and on-going administration of the Bonds. The Chancellor and the Vice Chancellor of Administration and Finance for UNCSCA are authorized to execute and deliver all documents as may be necessary to the issuance and on-going administration of the Bonds on behalf of UNCSCA. Any provision in this Resolution that authorizes more than one Authorized Officer to take certain actions will apply to the respective designees of the Authorized Officers, including any person serving in an interim capacity, and will be read to permit such persons to take the authorized actions either individually or collectively.

Section 8. *Conflicting Provisions.* All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, superseded and repealed.

Section 9. *Effective Date.* This Resolution is effective immediately on the date of its adoption.

PASSED, ADOPTED, AND APPROVED this 17th day of January, 2020.

APPENDIX F

Request for Authorization to Discontinue Academic Degree Programs

University of North Carolina at Charlotte – MA in Gerontology – (CIP 30.1101)

The Master of Arts in Gerontology program will be discontinued due to low enrollment. A program-needs assessment conducted by Hanover Research indicated low industry demand for master's-level gerontology graduates. The core content from the master's program will be offered through the existing certificate program for full-time and part-time students seeking additional gerontology-related courses.

All current students in the MA in Gerontology program are required to complete an advising teach-out plan for their program, indicating the courses needed to graduate, specific timeline to complete these courses, and semester of graduation.

No faculty or staff members will be reassigned due to the discontinuation of the program.

The University of North Carolina at Greensboro – EdS in Intermediate Recognition – (CIP 13.1102)

The Educational Specialist in Intermediate Recognition program, a counseling degree, will be discontinued because it does not meet a compelling need beyond the existing Master of Science in Counseling (CIP: 13.1102). The EdS degree has only been offered in combination with the MS, for a total of 72 credit hours. However, fewer than 30 credit hours are used for EdS courses, which does not justify its listing as an individual graduate degree.

Students currently in the second year of the program will complete the requirements within the academic year. No new students are being enrolled.

No faculty or staff members will be reassigned due to discontinuation of the program. The existing courses will be available as options for the master's degree.

**STAFF REPORT AND RECOMMENDATION FOR
SAINT ANDREWS UNIVERSITY/WEBBER INTERNATIONAL UNIVERSITY**

Background

St. Andrews University/Webber International University (OPEID 00154000) (St. Andrews), located in Laurinburg, is an existing licensee in good standing. St. Andrews is a branch of Webber International University (Webber), located in Babson Park, Florida, and is a member of the North Carolina Independent Colleges and Universities (NCICU). St. Andrews is subject to licensure by the Board for all programs initiated after its 2011 merger with Webber. The institution is regionally accredited by the Southern Association of Colleges and Schools and seeks authorization to offer a Bachelor of Science in Sports Performance, Health, and Fitness; a Bachelor of Arts in Health Services Administration; and a Bachelor of Science in Occupational Therapy Assisting. Because some of these proposed degrees rely heavily on labs and other facilities, staff and an examiner conducted a visit to St. Andrews as part of the application review.

BS in Sports Performance, Health, and Fitness

Staff Recommendation: Approval
Program Site: Laurinburg, NC
Projected start date: Upon Licensure
Projected enrollment: 20

Staff and an examiner conducted a review of the BS in Sports Performance, Health, and Fitness application. This work yielded a report that contained eight findings. The findings included issues related to the program's internship component, the amount of science courses required, and the curriculum presented on the course syllabi. St. Andrews responded to the report, and staff believes that St. Andrews' responses show that it will operate in compliance with the Rules and Standards.

BA in Health Services Administration

Staff Recommendation: Approval
Program Site: Laurinburg, NC
Projected start date: Upon Licensure
Projected enrollment: 15

This program is designed to augment St. Andrews' existing business education programs. Staff and an examiner conducted a review of the BA in Health Services Administration application. This work yielded a report that contained four findings. The findings included issues related to the amount of natural science courses required, the curriculum presented on the course syllabi, disclosures to students regarding the available pace of the program, and faculty qualifications. St. Andrews responded to the report, and staff believe St. Andrews' responses show that it will operate in compliance with the Rules and Standards.

BS in Occupational Therapy Assisting

Staff Recommendation: Approval
Program Site: Laurinburg, NC
Projected start date: Fall 2020
Projected enrollment: 20

Staff and the examiner's review of this program yielded four findings. The findings related to disclaimers that

APPENDIX G

would be displayed on the program’s marketing materials until the program became programmatically accredited, the required qualifications for the program’s director, and the institution’s plans for the program’s students if the program fails to become programmatically accredited. St. Andrews responded to those findings, and staff believe St. Andrews’ responses show that it will operate in compliance with the Rules and Standards.

Institutional Metrics and Consumer Protection Information

Metric			
8-year outcomes ⁱ	Graduated	32%	
	Transferred Out	36%	
	Withdrew	32%	
Employment Placement Rate ⁱⁱ		90.4%	
Federal Financial Composite Score (3.0 is highest, -1.0 is lowest) (Webber) ⁱⁱⁱ	2017	2016	2015
	1.6	2.1	2.6
Three-year cohort default rate (Webber) ^{iv}	Class of 2016	Class of 2015	Class of 2014
	8.3	13.9	17.4

State authorization staff did not receive any complaints regarding St. Andrews in the 2018-2019 academic year.

Recommendation

Issue St. Andrews a license to offer the BS in Sports Performance, Health, and Fitness, the BA in Health Services Administration, and the BS in Occupational Therapy Assisting.

ⁱ Unless otherwise noted, this is data reported by the institution to the U.S. Department of Education, and includes both full and part time students and first-time and transfer-in students.

ⁱⁱ This data is reported pursuant to the state of Florida’s standards, which is where Webber International University is based. “Employed” means all graduates who, six months after graduation, are employed full- or part-time, or who are pursuing an advanced degree, or who are serving the nation in the military, Peace Corps, etc.

ⁱⁱⁱ This is a general measure of the institution’s financial solvency. A score of 1.5 or greater means the institution does not face additional federal restrictions on operating because of financial solvency concerns.

^{iv} Three-year cohort default rate (“CDR”) is the percentage of graduates who borrowed federal loans and who defaulted on those loans within three years of graduating. For example, a CDR for a cohort graduating in 2015 can be calculated three years later, in 2018.

**STAFF REPORT AND RECOMMENDATION FOR
THALES COLLEGE**

Background

Thales College, Inc. (Thales), to be located in Wake Forest, is a first-time applicant. Thales seeks to offer a liberal arts and sciences education through a Great Books and cohort-based model. It is affiliated with Thales Academy, a network of private, non-sectarian primary and secondary schools. Thales will not seek accreditation, and students who attend will not be eligible for Federal Student Aid.

Staff and a team of examiners conducted a site visit to Thales on March 12, 2019. Because Thales has not operated in another state for two years, it is eligible only for an Interim Permit, which will expire two years after the Board issues it. During that time, if Thales demonstrates compliance with the Rules and Standards, the Board may issue it a regular license.

Bachelor of Arts in Liberal Arts and Sciences

Staff Recommendation: Approval
Program Site: Wake Forest, NC
Projected start date: Fall 2020
Projected enrollment: 20

Thales intends to offer one program, a Bachelor of Arts in Liberal Arts and Sciences. The site visit and our review of the application led to sixteen findings. In particular, because Thales will not seek accreditation, it is unlikely that credits earned at Thales will transfer to accredited institutions. Thales agreed to provide students a prominent disclaimer to that effect in its course catalog, and the course catalog must be provided to students at least five days prior to Thales' receipt of non-refundable money in accordance with the Rules and Standards. Other initial concerns would be alleviated by: requiring additional disclosures in Thales' course catalog and promotional materials; ensuring faculty stability; establishing procedures to monitor conflicts of interest on Thales' Board of Directors; guaranteeing access to appropriate library resources; ensuring that Thales' has a plan for students who are unable to remain with their cohort; and obtaining additional information and projections regarding the institution's financial solvency.

Thales provided a response to each of these questions in November 2019. Based on those responses, staff believes Thales has demonstrated that it will operate according to the Rules and Standards during the term of its Interim Permit.

Recommendation

Issue Thales an Interim Permit to offer the Bachelor of Liberal Arts and Sciences.

STAFF REPORT AND RECOMMENDATION FOR WALDEN UNIVERSITY

Background

Walden University (OPEID 00154000) (Walden), located in Minneapolis, Minnesota, is an existing licensee in good standing. The institution is regionally accredited by the Higher Learning Commission and seeks to authorization to offer a Doctor of Nursing Practice (DNP). Walden seeks to offer the DNP at clinical sites only and does not anticipate a brick-and-mortar presence in North Carolina.

Doctor of Nursing Practice

Staff Recommendation: Approval

Program Site: Clinical sites throughout North Carolina

Projected start date: Upon Licensure

Projected enrollment: 20

Staff and examiners reviewed this program and made findings regarding the curriculum, faculty qualifications, and methods for selecting and evaluating appropriate clinical sites and preceptors. Walden adequately responded to these questions and demonstrated that it would operate the program in compliance with the Rules and Standards. Walden's DNP is programmatically accredited by the Commission on Collegiate Nursing Education.

Institutional Metrics and Consumer Protection Information

Metric			
8-year outcomes ⁱ	Graduated	22%	
	Transferred Out	35%	
	Withdrew	42%	
Employment Placement Rate ⁱⁱ		Does not report – not required by accreditor	
Federal Financial Composite Score (3.0 is highest, -1.0 is lowest) ⁱⁱⁱ	2018	2017	2016
	2.6	2.9	3.0
Three-year cohort default rate ^{iv}	Class of 2016	Class of 2015	Class of 2014
	6.9	7.3	7.5

State authorization staff did not receive any complaints regarding Walden in the 2018-2019 academic year.

Recommendation

Issue Walden a license to offer the Doctor of Nursing Practice.

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ⁱ Unless otherwise noted, this is data reported by the institution to the U.S. Department of Education, and includes both full and part time students and first-time and transfer-in students.

ⁱⁱ Unless otherwise noted, this data is reported by the institution to its accreditor according to its accreditor's standards and definitions. It is the most recent data available for the program under consideration.

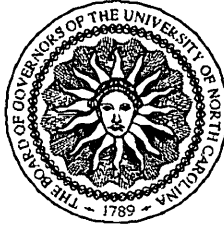
ⁱⁱⁱ This is a general measure of the institution's financial solvency. A score of 1.5 or greater means the institution does not face additional federal restrictions on operating because of financial solvency concerns. In Walden's case, the Department of Education agreed to provide Walden these unofficial scores based on Walden's finances separated from the finances of its parent company.

^{iv} Three-year cohort default rate ("CDR") is the percentage of graduates who borrowed federal loans and who defaulted on those loans within three years of graduating. For example, a CDR for a cohort graduating in 2015 can be calculated three years later, in 2018.

Requests for Limited License

The following institution, located in a jurisdiction which is not a member of the National Council for State Authorization Reciprocity Agreements, seeks limited licensure to conduct postsecondary activity for a limited period of time.

West Coast Ultrasound Institute, a private, nationally accredited for-profit institution located in California, seeks limited licensure to allow one student to participate in a clinical rotation in North Carolina. The student is the spouse of a military member being transferred to North Carolina. Staff recommends issuing a limited license to the institution allowing its student to conduct the clinical rotation, with the license expiring on May 31, 2021.



**RESOLUTION OF
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA
January 17, 2020**

WHEREAS, the State of North Carolina does not have an enacted budget for the FY 19-21 biennium;
and

WHEREAS, the UNC System is experiencing record enrollment, serves more than 240,000 students across the state, is graduating students at the fastest rate in state history, and employs nearly 47,000 North Carolinians; and

WHEREAS, the current proposed budget, House Bill 966, includes funding for several critical and time-sensitive University investments, including but not limited to:

- \$630,000,000 in authorized capital projects, including funding for the new Brody School of Medicine at East Carolina University,
- New health sciences building at UNC Pembroke,
- New steam plant for Western Carolina University,
- New library and crime laboratory at Elizabeth City State University;
- \$130,000,000 in much needed repairs and renovations; and

WHEREAS, House Bill 966 also provides funding for several major projects and initiatives across the University System, including but not limited to:

- Operating funds needed to facilitate the opening of the new Morganton campus of the North Carolina School of Science and Math in the Fall of 2021;
- Funding for the N.C. Promise Program, which reduces the cost of tuition to \$500 per semester tuition at Elizabeth City State University, UNC Pembroke and Western Carolina University;
- Funding for N.C. A&T State University's designation as a doctoral program; and

WHEREAS Senate Bill 354 provided approximately four percent raises over the next two years to university faculty and staff, who are critical to our mission to serve the state; and

WHEREAS the absence of an enacted state budget for FY 19-21 hurts UNC System institutions, faculty, students, and the communities we serve, and threatens the ability of the University to serve the citizens of the State and contribute to the economic vitality of North Carolina;

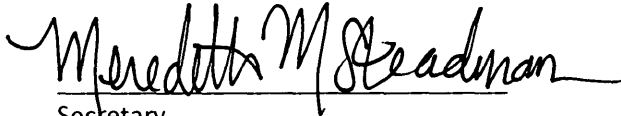
APPENDIX H

NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the University of North Carolina strongly encourages all elected leaders who support and value the world class higher educational systems in North Carolina to move swiftly to enact House Bill 966 and approve with the provisions originally included in Senate Bill 354. Further, we call on all boards of trustees to create and approve a concurring resolution as soon as practical.

Adopted this 17th day of January, 2020.



Randy Ramsey, Chairman



Meredith M. Steadman
Secretary