

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
July 24, 2014

The Board of Trustees met in regular session on Thursday, July 24, 2014 at The Carolina Inn, Chancellor's Ballroom. Chair Caudill presided and convened the meeting at 8:00 a.m.

ROLL CALL

Secretary Sallie Shuping-Russell called the roll and the following members were present:

W. Lowry Caudill, Chair	Charles G. Duckett
Sallie Shuping-Russell, Secretary	Peter T. Grauer
Jefferson W. Brown	Kelly Matthews Hopkins
Phillip L. Clay	Steven J. Lerner
Haywood D. Cochrane	Dwight D. Stone
Donald Williams Curtis	Andrew H. Powell

J. Alston Garner was not in attendance.

ELECTION OF OFFICERS

Trustee Stone presented the slate of officers to the Board. Trustee Lerner moved approval of the following slate of officers for the term July 2014 to July 2015. Trustee Clay seconded the motion and it carried.

W. Lowry Caudill - Chair
J. Alston Gardner - Vice Chair
Sallie Shuping-Russell - Secretary
Dwayne L. Pinkney - Assistant Secretary

Chair Caudill read the following statement regarding the State Government Ethics Act:
"As Chair of the Board of Trustees, it is my responsibility to remind all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any Board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time."

CONSENT AGENDA

Approval of Minutes and Mail Ballots

On motion of Trustee Cochrane and duly seconded by Trustee Lambden, the minutes of the meeting of May 2014 were approved as distributed; as was the ratification of mail ballots dated June 3rd, June 18th, and June 18th.

(ATTACHMENT A)

CHAIR'S REMARKS

Chairman Lowry Caudill presented the following remarks:

- Thanked the Nominating Committee chair, Trustee Stone, along with Trustees Duckett and Curtis for their work on the committee.
- Reiterated the four goals set last July:

- Ensure a smooth and effective transition for Chancellor Folt and the new members of her senior leadership team.
 - Build stronger relationships with the University's key external constituencies.
 - Create a sustainable approach to Enterprise Risk Management for the University.
 - Mature and consolidate our work on innovation and entrepreneurship so we can quantify and effectively communicate the impact in North Carolina and beyond.
- To build on these four goals, the goals for the 2014-2015 year are as follows:
 - Support Chancellor Folt and her senior leaders as they become a highly effective operational team.
 - Accelerate, measure and communicate the growth and economic impact of our innovation and entrepreneurship initiatives.
 - Tell our story: Carolina improves the lives of people across North Carolina, our nation, and our world; and
 - Implement the work of our two trustee task forces on enterprise risk management and external relations.
- Committee structure will stay the same as 2013-2014. The following members of the board will serve on each committee:
 - Trustee Lerner will again chair Finance and Infrastructure, which covers a wide array of functions and units related to budget, IT, facilities, security and campus operations. Trustee Stone will serve as vice chair.
 - Vice Chair Gardner will chair University Affairs, which covers academic areas along with the multiple units serving and supporting students, faculty and staff, diversity and athletics. Trustee Duckett will serve as vice chair.
 - Trustee Curtis will chair External Relations, which covers communications, government affairs, alumni, the Board of Governors, the business side of athletics, the Research Triangle Park, and town-gown relations. Trustee Cochrane will serve as vice chair.
 - Finally, Trustee Clay will continue to lead the Innovation and Impact Committee, which brings together innovation and entrepreneurship activities. The focus is to facilitate a rapidly growing list of our innovation activities in order to maximize their positive impact in North Carolina and beyond. Trustee Lerner will serve as co-chair.
- As a board, they have decided to continue the work of the two task forces:
 - Vice Chair Gardner will again chair the External Relations Task Force, which is identifying, developing and implementing a strategy to educate key audiences about the impact and value of the University's people and programs.
 - Board Secretary Shuping-Russell will chair the Enterprise Risk Management Task Force, which is developing a sustainable approach to risk management that is incorporated into ongoing campus operations. The goal is to identify a handful of key strategic opportunities to seize, as well as significant existing or potential risks that we can either mitigate or eliminate.
- Chair Caudill thanked everyone for their work and agreeing to serve in these roles for this year.
- Recognized Chancellor Folt and her colleagues who have brought the board closer to the students, faculty and staff at UNC through the new change in format.
- Thanked Chancellor Folt for her leadership over the past year and all she has done to support the board.
- Acknowledged that Chancellor Folt's transition was smooth and fast. She hired a number of senior leaders to fill key positions. The most recent is Matt Fajack, Vice Chancellor for Finance and Administration. Chair Caudill welcomed Matt to the meeting.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

REMARKS FROM THE STUDENT BODY PRESIDENT

Andrew Powell, Student Body President presented remarks on the following:

- Since the last meeting, Mr. Powell has taken the time to get to know the trustees and learn about his new role as Student Body President.
- Mr. Powell was invited to the White House earlier in the summer along with other students across the country to talk about college affordability.
- Along with Vice President Kyle Villemain, Mr. Powell has worked on a number of projects for the year ahead. His most significant amount of time has been spent on blended learning and course redesign related initiatives. He is confident with the work being done by the online task force, and looks forward to presenting it to the Board this Fall.
- Mr. Powell has also spent time meeting with Graduate and Professional Student Federation President Shelby Dawkins-Law and Faculty Chair Bruce Cairns.
- This summer, Mr. Powell also spent time meeting with State representatives in Raleigh to talk about the value of Carolina. His focus was keeping tuition down and retaining our best faculty.
- On a personal note, Mr. Powell shared information about two faculty members who have impacted his time at UNC: Dr. Jeremy Petranka and Dr. Russell Mumper, who will be leaving UNC.
- Acknowledged the passing of one of his classmates, Harris Pharr, class of 2015.
- Shared information about his team who are currently spending their summers around the world. Kyle is working in Switzerland, Linda is working for Google in Senegal, Neel is doing sports media consulting in New York, Allie just returned from Uganda, and Brent is leading his own multi-person company in Nebraska.
- Lastly, he mentioned his opportunity to speak to most of the first-year orientation sessions throughout the summer.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

CHANCELLOR'S REMARKS

Chancellor Folt spoke on the following:

- Reflected on her first year as Chancellor, and thanked members of the Board for their help over the past year.
- Welcomed Matt Fajack, the new Chief Financial Officer to his first meeting of the Board.
- Acknowledged the Wainstein and NCAA investigations. Mr. Wainstein updated the Board of Governors last month. Chancellor Folt is committed to moving forward and looks forward to receiving Mr. Wainstein's report.
- As the university has reflected on our student-athletes' academic experience, a new degree completion program has been created called Complete Carolina. This program is designed to facilitate degree completion for UNC's past and future athletes. The program will begin with the 2015-2016 academic year.
- Complete Carolina will provide financial support, academic advising, and career counseling to all eligible returning student-athletes – those who were scholarship athletes and withdrew from the university in good academic standing – as they work toward completion of their undergraduate degree.
- This aid will be commensurate to the athletics aid they received while enrolled, including tuition, fees, room, board, and books. This means that Carolina is among the first schools to formally offer financial support for all former student-athletes who received

any form of aid.

- In addition to financial support, we are in the process of developing a new cross-campus collaboration to provide all returning students a strong program of academic advising and career counseling before, during and after returning to Carolina.
- The overall goal is to ensure that no student feels a restriction on who they can be or what they can accomplish. The university is currently reaching out to former student-athletes directly to ensure they are aware of the program. There is also a website where interested student-athletes can learn more about the program.
- Thanked Athletic Director Bubba Cunningham and his team for their leadership and efforts to get Complete Carolina off the ground.
- A few weeks ago, a Carolina-led global health consortium called MEASURE Evaluation was awarded \$180 million from the U.S. Agency for International Development, the second largest award in University history. In total, MEASURE Evaluation has received nearly \$600 million in federal funding over the last 17 years.
- The program is led by the Carolina Population Center, a preeminent population research organization known in particular for its collaborative and multidisciplinary approach.
- This new award will help fund another five years of a project that is helping to solve some of the world's toughest health challenges. This includes helping to reverse the global trajectory for a number of infectious diseases – including HIV/AIDS, malaria and tuberculosis.
- Chancellor Folt thanked Dr. Jim Thomas and his colleagues for their leadership and achievements.
- The fundraising total for fiscal year 2014 is the second-highest in history, at \$297.5 million in private gifts and grants. That is 9 percent higher than the previous year's total.
- This figure includes a \$3 million gift to the School of Education – the largest in its history – in memory of former faculty member Donald G. Tarbet. The bequest from his estate will help to establish the Donald G. Tarbet Endowment Fund for Faculty Support.
- Also included is a \$3 million gift to UNC's School of Medicine from the William R. Kenan, Jr. Charitable Trust. This gift will help fund a scholarship program aimed at inspiring North Carolina's best medical students to pursue careers in primary care medicine in rural and urban underserved areas of the state.
- Chancellor Folt then introduced the three presenters for the meeting. Today's focus is on UNC's global programs and their impact viewed through teaching and research.
- Chancellor Folt introduced Barbara Entwisle, Vice Chancellor for Research, to introduce Professor Jim Thomas presenting on MEASURE Evaluation.
- Introduced Ron Strauss, Executive Vice Provost and Chief International Officer, to introduce Professors Steve Walsh and Jill Stewart to present on the Galapagos Lab and Science Center.
- Introduced Senior Associate Dean of Undergraduate Education, Abigail Panter, who introduced Professor Jim Leloudis to present on the Honors Study Abroad Program.

[A copy of these remarks is located in the Office of the Assistant Secretary and at bot.unc.edu.]

THE MEASURE PROJECT

Barbara Entwisle, Vice Chancellor for Research, introduced Jim Thomas, Director of MEASURE Evaluation. MEASURE Evaluation is a program within the Carolina Population Center. Their goal is to reverse the global trajectory of numerous infectious diseases. The program has a cooperative agreement with USAID, and partners with multiple organizations across the country. The reach of the program extends globally, but is mostly in Africa. MEASURE Evaluation serves six functions: innovating, system building, capacity building, evaluating, leading and sharing. These functions ultimately lead to better information, decisions, programs and health. Professor Thomas explained how the program won the recent \$180 million grant – through

consistent excellence, innovation, resilience and adaptability, and planning. To conclude his presentation, Professor Thomas entertained questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and is on file in the Office of the Assistant Secretary.]

GALAPAGOS LAB AND SCIENCE CENTER

Ron Strauss, Executive Vice Provost and Chief International Officer, introduced Stephen Walsh, Director for the Center for Galapagos Studies and Jill Stewart, Deputy Director for the Center for Galapagos Studies to present on the Galapagos Lab and Science Center. The Galapagos Initiative was created through partnerships by offices at UNC including the Office of the Provost, Office of the Vice Chancellor for Research, College of Arts and Sciences, Renaissance Computing Institute, Center for Galapagos Studies, and the Galapagos Science Center on San Cristobal Island along with Universidad San Francisco De Quito, Ecuador, and Galapagos National Park. The Galapagos Science Center aims to improve the scientific understanding of the social, terrestrial, and marine sub-systems of the Galapagos Islands. The Science Center is home to multiple research and teaching libraries, a community classroom, conference room, student, faculty and staff offices, IT server and communications, and terraces for outside teaching and physical experiments.

Professor Stewart then took time to explain her two experiments related to water studies on the Island. First, they are evaluating the sanitary quality of tap water through treatment and distribution. Second, they are evaluating if human sewage discharge is affecting recreational water quality and the levels of antibiotic resistant bacteria.

To conclude their presentation, Professors Thomas and Stewart entertained questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and on file in the Office of the Assistant Secretary.]

THE HONORS STUDY ABROAD PROGRAM

Abigail Panter, Senior Associate Dean for Undergraduate Education, introduced Jim Leloudis, Associate Dean for Honors Carolina. Dr. Leloudis was joined by three UNC students: Rucca Ademola, Levent Calikoglu, and Paul Ashton.

Dr. Leloudis began by explaining the Honors Study Abroad program. Each program is led by a UNC faculty director, and is fully integrated into the UNC curriculum. They are also built around experiential learning, and are open to all students with a B average. About 15-18% of students applying to study abroad are doing so with Honors Carolina. Honors Carolina runs programs in Cape Town, London, Rome, and Singapore. Honors London is the oldest study abroad program and is located at Winston House in London. Winston House was created through a partnership with King's College in London. In addition to these programs there are Burch Field Research Seminars, Weir Honors Fellowships in Asian Studies, and Burch Fellowships. After Dr. Leloudis spoke, each of the students shared their Honors study abroad experiences with the Board. Rucca interned with the Desmond Tutu HIV Foundation, Levent at the Royal National Throat, Nose and Ear Hospital, and Paul at Blue Ocean Network, China's first privately owned television network, Beijing.

To conclude their presentation, Dr. Leloudis and the students entertained questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and is on file in the Office of the Assistant

Secretary.]

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

There were no action items for this Committee in open session. Trustee Curtis presented a review of the External Relations Committee meeting. A communications update was given by Joel Curran, Vice Chancellor for Communications and Public Affairs, an update on the North Carolina General Assembly was given by Jennifer Willis, Director of State Relations, and the fundraising report was given by Mark Meares, Director of Corporate and Foundation Relations. A presentation on the UNC Hospitals Content Communications program was given by Jennifer James, Director of Medical Center News. A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

The action items regarding WUNC, Board of Visitors Class of 2018, and recommendations from the Chancellor's Advisory Committee on Naming will be reviewed during the board's closed session.

REPORT OF THE FINANCE AND INFRASTRUCTURE COMMITTEE

Trustee Lerner presented the report from the Finance and Infrastructure Committee. The items requiring action by the board were reviewed as follows:

- Approval of Allocations from the Endowment's Distribution for the Investment Fund

A motion was made from committee to approve the allocation, it was seconded by Trustee Duckett and it passed.

- Annual Audit Certification Letter

A motion was made from committee to approve these items, they were seconded by Trustee Clay and passed.

- Designer Selections

A motion was made from committee to approve these items, they were seconded by Trustee Clay and passed.

Chair Lerner briefly reviewed the items presented to committee for information only. These included the following items:

- Semi-Annual Capital Report given by Bruce Runberg, Associate Vice Chancellor for Facilities Services
- Semi-Annual Lease Report given by Gordon Merklein, Executive Director for Real Estate Development
- Financial Update given by Matt Fajack, Vice Chancellor for Finance & Administration
- Development Report given by Mark Meares, Director of Corporate and Foundation Relations
- Presentation on Research Computing given by Chris Kielt, CIO and Michael Barker, Associate Vice Chancellor for Research Computing and Learning Technology.

A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

REPORT FROM THE INNOVATION AND IMPACT COMMITTEE

There were no action items for this Committee in open session. Dr. Maryann Feldman, Henerger Distinguished Professor of Public Policy, presented to the committee on "The Logic of

Economic Development: Definitions, Measurement and Metrics”. The committee was unable to reach the second agenda item, and will discuss it at the September 24th meeting. A copy of the PowerPoint presentation made during this committee meeting and the memo discussed is available at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Trustee Duckett, committee chair, presented the report from the University Affairs Committee. There was one action item for this Committee in open session:

- Proposed Faculty Rank Title Change from “Master Lecturer” to “Teaching Professor”
- A motion was made from committee, seconded by Trustee Lerner and passed.

Trustee Duckett reviewed the items presented to the committee for information only. That included brief remarks from:

- Bruce Cairns, Chair of the Faculty
- Jim Dean, Executive Vice Chancellor and Provost
- Charles Streeter, Chair of the Employee Forum
- Shelby Dawkins-Law, Graduate and Professional Student Federation President

Personnel and compensation actions presented during the committee’s closed session will be reviewed during today’s closed session. A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary, and at bot.unc.edu.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Shuping-Russell, and duly seconded, the Board voted to convene in closed session pursuant to North Carolina General Statutes Section 143-318.11 (a) (1) (to prevent the disclosure of privileged information under Section 126-22 and the following); and also pursuant to Section 143-318.11 (a) (2), (3), (5), and (6).

CLOSED SESSION

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

Recommendations from the Chancellor’s Naming Committee

Trustee Curtis presented the naming recommendations which were previously presented to the External Relations Committee and approved by the committee. A copy of the report is filed in the Office of the Assistant Secretary. A motion was made to approve the naming items, it was seconded and the motion passed.

Board of Visitors Class of 2018 Addition

Since the last meeting there has been two openings left on the Board of Visitors Class of 2018. Trustee Curtis suggested two names to fill these spots who were previously approved in committee. A motion was made to approve the names, it was seconded and passed.

Davie Award Update

Dwayne Pinkney, Assistant Secretary to the Board, updated the members on Davie Award nominees. The members agreed to move forward with seven nominees for awards in November 2014. A motion was made to approve the names, it was seconded and passed.

LEGAL ADVICE

Vice Chancellor and General Counsel Leslie Strohm advised the Board on several legal

matters.

DEEP CLOSED SESSION

Chair Caudill convened the Board in Executive Closed Session to discuss legal and personnel matters.

RECONVENE MEETING IN OPEN SESSION

Chair Caudill reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Committee Chair Chuck Duckett referred the members to the personnel matters submitted for review. A motion to approve the actions was called, it was seconded and passed.

(ATTACHMENT B)

Chair Caudill stated that the personnel and salary actions voted on in open session have been distributed.

CAMPUS SAFETY

The Board made a statement that the safety of UNC faculty, staff and students is their highest priority. In light of recent events on campus, the Board asked Chancellor Folt to schedule a meeting with Chapel Hill Mayor Mark Kleinschmidt to discuss campus safety. A motion was made by the Board, it was seconded by Trustee Curtis and passed. Chancellor Folt agreed and will follow up with the Board accordingly.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 1:50 p.m.

Dwayne Pinkney, Assistant Secretary