

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill

The Board of Trustees met in regular session on Thursday, November 15, 2012, at The Carolina Inn, Hill Ballroom, North & Central, at 8:05 a.m. Chair Hargrove presided.

ROLL CALL

Assistant Secretary Erin Schuettpez called the roll and the following members were present:

Wade H. Hargrove, Chair	H. Kel Landis
Barbara R. Hyde, Vice Chair	Steven J. Lerner
Phillip L. Clay, Secretary	Sallie Shuping-Russell
W. Lowry Caudill	John L. Townsend III
Donald Williams Curtis	Felicia A. Washington
J. Alston Gardner	Will Leimenstoll
Peter T. Grauer	

Chair Hargrove 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

On motion of Mr. Townsend and duly seconded, the minutes of the emergency meeting of September 19, 2012, were approved as distributed.

(ATTACHMENT A)

On motion of Mr. Townsend and duly seconded, the minutes of the regular meeting of September 27, 2012, were approved as distributed.

Ratification of Mail Ballots

On motion of Mr. Townsend and duly seconded, the following mail ballot dated October 15, 2012, was approved as distributed:

- Personnel actions and actions conferring tenure, compensation actions, and items for information.

(ATTACHMENT B)

CHAIR’S REMARKS

Chair Hargrove then commented on the following:

- **Davie Awards Dinner-** Many thanks to the trustees for helping with last night’s dinner to honor this year’s recipients of the William Richardson Davie Award. It’s the highest honor this board can bestow for extraordinary service to the University or to society, and we are pleased to have recognized these outstanding women who have contributed so greatly to the Carolina’s success over the years:

- **Barbara Fordham**, wife of the late Chancellor Christopher Fordham, who served from 1980 to 1988.
- **Barbara Russell Hardin**, wife of Chancellor Emeritus Paul Hardin, who served from 1988 to 1995.

- **Sara Hart McCoy**, wife of Acting and Interim Chancellor Emeritus Bill McCoy, who served from 1999 to 2000.
- **Susan Dickerson Moeser**, a current faculty member and wife of Chancellor Emeritus James Moeser, who served from 2000 to 2008.
- **Diane Jackson Taylor**, former assistant to the dean of the College of Arts and Sciences and wife of the late Chancellor Ferebee Taylor, who served from 1972 to 1980.
- **Julia Sprunt Grumbles**, former corporate vice president of Turner Broadcasting, a longtime University supporter and our current interim vice chancellor for university advancement; and
- **Brenda Kirby**, who retired last spring as secretary of this board and of the University after 40 years of service, including 32 years in South Building.

Thanks to everyone who helped make last night a great event for the Board of Trustees and the University.

- **Shirley Ort**. We're also very proud that Shirley Ort, Director of the Office of Scholarships and Student Aid, has been selected to serve a two-year term as vice chair of the Board of Trustees of the College Board, the national nonprofit organization that oversees Advanced Placement classes and SAT exams. She is a member of the national Commission on Access, Admission and Success in Higher Education and has developed a national training workshop for young student aid officers. She also was instrumental in our own Carolina Covenant program, which was the impetus for more than 90 similar programs across the nation.

[A copy of Chair Hargrove's remarks is located in the Office of the Assistant Secretary.]

CHANCELLOR'S REMARKS

Chancellor Thorp spoke about the following:

- **Faculty Honors/Institute of Medicine**. Professors Myron Cohen and Terry Magnuson were recently elected to the Institute of Medicine, the health and medicine branch of the National Academy of Sciences. That's considered one of the highest honors in the fields of health and medicine and recognizes individuals who have demonstrated outstanding professional achievement and commitment to service. Professors Cohen and Magnuson push Carolina's total number of institute members elected from a variety of health-related disciplines since 1979 to 22. We also recently announced that Professor Cohen will be our December Commencement speaker.
- **Faculty Honors/Packard Fellow**. In the Department of Chemistry, Assistant Professor David Nicewicz just received a Packard Fellowship for Science and Engineering. The fellowship is worth \$875,000 over five years in unrestricted grants from the David and Lucile Packard Foundation. Sixteen award winners are picked from all sciences. It's a wonderful honor and very important in the career path of a young faculty member. David is just the third Carolina faculty member to be selected for a Packard fellowship.
- **Administrative Search Updates**. We have decided to re-launch the search process for the Executive Vice Chancellor and Provost, and start the process to fill the position of Vice Chancellor for University Advancement, our chief fundraising officer. Our objective is to move the process along during the spring semester to give the new chancellor an opportunity to provide input and be involved in the interview process and final selections. This will accelerate the transition process within the administration and, I think, help my successor be in the best possible position to hit the ground running. Kristin Swanson has agreed to remain chair of the provost committee with the help of Trustee Gardner. Trustee Lowry Caudill has agreed to lead the committee to recommend a vice chancellor for advancement. We'll announce more information about the membership of the search committees and the process when we have those details finalized.
- **Attainment Metrics**. Last week, I was pleased that our Faculty Executive Committee took a position on attainment metrics in response to the strategic planning process underway for the UNC system by the Board of Governors and President Ross. I support General Administration's

goal of raising the number of North Carolinians who have at least a four-year degree to 31 or 32 percent from 28 percent by 2018. I'm grateful to the FEC for weighing in and keeping this council informed about the issue.

- **Online Education Announcement.** Later this morning, colleagues from a group of leading major universities will be announcing a consortium with some exciting news about a for-credit online education program.
- **Tuition Deliberations.** Today's agenda includes consideration on a set of tuition and fee recommendations that will be presented by Provost Carney.
- **Gender Non-Specific Housing.** This is an important project for the university and it is vital for protecting the safety of our students. I fully support the proposal brought to me a year ago and I am pleased that the committee passed a resolution in support of moving forward with Gender Non-Specific Housing.

STUDENT BODY PRESIDENT'S REMARKS

Mr. Leimenstoll spoke about:

- The Chancellor Search Committee and student involvement
 - Campus tragedies and the loss felt by the Carolina community
 - Progress by Student Government on their platform goal completion: money.unc.edu, endowment forum, reduced tuition increase for out-of-state undergraduate students
 - Engagement with BOG regarding proposed changes to the drop policy
 - Proposal for Gender Non-Specific Housing
 - Lobbying efforts with University administration, students and parents
- [A copy of Mr. Leimenstoll's remarks is located in the Office of the Assistant Secretary.]

TUITION AND FEES PROPOSALS

Bruce Carney, Executive Vice Chancellor and Provost, presented recommendations from the tuition and fees advisory task force. Based on the deliberations of the Task Force, the proposed 2013-2014 tuition increase is as follows:

- Resident Undergraduate- \$600, a 10.3% increase (previously approved in 2011)
- Non-Resident Undergraduate- \$1630, a 6.1% increase
- Resident Graduate- \$509, a 6.5% increase
- Non-Resident Graduate- \$1630, a 6.8% increase

School-based tuition increases will be implemented in a number of schools and there are no prohibitions imposed by the Board of Governors. Provost Carney concluded his remarks by providing a summary of fees certain students pay and explained changes in those fees.

Committee Chair Shuping-Russell moved to approve the tuition and fees proposal as set forth by the Tuition Task Force Advisory. The motion was duly seconded and it carried.

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/
A copy of the presentation is also filed in the Office of the Assistant Secretary.

CHANCELLOR'S SEARCH UPDATE

Chair Hargrove thanked the trustees involved with the excellent progress to date with the Chancellor Search Committee. Two subcommittees have been working productively on public forums, an online survey and a draft leadership statement. We held four public forums last week for staff, the community, faculty and students. This week, we launched a brief five-question online survey and are targeting students, faculty, staff, alumni, parents, friends and community members. We've set a December 15 deadline to complete that part of the information-gathering process.

Our committee interviewed three firms at our first meeting on October 8th. We were unanimous in our decision to engage R. William Funk & Associates to recruit candidates on behalf of the Board of Trustees and the University. Funk & Associates specializes in conducting searches at the senior leadership level for major colleges and universities, especially those that, like Carolina, are members of the prestigious Association of American Universities.

Bill Funk spoke about:

- The context of university searches. There are a number of ongoing searches across the country for college and university leaders. There is a lot of turnover, but there are a number of great candidates out there to consider.
- Challenges of the search. Searches have become more difficult because nearly 60% of all sitting presidents are 60 years old or older (graying of the presidency) and there are not many in the next generation who are aspiring to be educational leaders. Only 30% of Provosts aspire to be a president.
- The process of the search. It takes time to build a structure and get as much input as possible from all stakeholders. Then there are a number of steps to take before starting the candidate selection process and scheduling interviews, and follow-up interviews.

After the December 3rd Chancellor's Search committee meeting, the ad will be complete and will be placed in a number of higher education publications.

INNOVATION & THE ROLE OF DIVERSITY: KEYS TO SUCCESSFUL ENTREPRENEURSHIP

Joe DeSimone, Director of the Kenan Institute of Private Enterprise and professor of Pharmacy, Pharmacology, Biomedical Engineering, and Chemistry spoke about how innovation is needed now more than ever. Research alone is not enough. Trends show a decline in researchers, scientific publications and research & development investments. Therefore, diversity is a fundamental tenet of innovation. There are key ingredients for going from invention to innovation. They are:

- The best design teams are the most diverse;
- Mentorship and apprenticeships are essential;
- Strategy is all about being different;
- The most fertile ground for innovation lies between fields;
- Partnerships with domain experts are critical- we learn the most from those we have the least in common with; and
- This is a contact sport.

Dr. DeSimone concluded his presentation by highlighting the benefits of academic entrepreneurship.

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/

A copy of the presentation is also filed in the Office of the Assistant Secretary.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- **Faculty Chair Remarks.** Jan Boxill spoke about:

8 Week Drop Period. General Administration's proposal to alter the drop/add policy to make it consistent with the other 16 campuses in the UNC System. This proposal has not been well accepted by our campus. A 8 week drop period, instead of the 2 week drop period proposed by GA, is in the best interest of this campus. [A copy of Ms. Boxill's remarks is located in the Office of the Assistant Secretary.]

- **Massive Open On-line Courses (MOOCs) and Other On-line Educational Options.** Provost Carney reported on MOOCs. Three organizations: Udacity, edX, and Coursera are quickly developing critical mass to bring on-line education, at a university level, to the world. It will have a significant impact on undergraduate education. It is designed to enhance and augment how large introductory courses are taught. Two major obstacles are authenticating students and their work, and continued funding to remain self-supporting.

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Gender Non-Specific Housing: An Issue of Student Safety.** Kevin Claybren, Student Coordinator of the Student GNH, and Terri Phoenix, Director of UNC LGBTQ Center, educated the committee on what GNH is and why it is important for student safety.

Ms. Hyde moved approval of a resolution, brought out of the University Affairs Committee, in support of implementing gender non-specific housing at the University of North Carolina at Chapel Hill in a manner and timing to be determined by the Chancellor and the Vice Chancellor for Student Affairs.

Mr. Grauer seconded the motion and it carried.

Chancellor Thorp announced GNH will be implemented beginning in the Fall of 2013.
(ATTACHMENT C)

A copy of the report presentation is located at: www.unc.edu/depts/trustees/
A copy of the report is also filed in the Office of the Assistant Secretary.

BUILDINGS AND GROUNDS COMMITTEE OF THE WHOLE

Bruce Runberg, Associate Vice Chancellor for Facilities Services, gave each of the trustees a book, authored by David Godschalk and Jonathan Howes, entitled The Dynamic Decade: Creating the Sustainable Campus for the University of North Carolina at Chapel Hill, 2001-2011.

Carolyn Elfland, Associate Vice Chancellor for Campus Services presented the following action item to the committee:

- **Carolina Inn Lease Amendment.** Committee Chair Clay moved approval to amend the existing lease of the Carolina Inn property to the Board of Trustees of the Endowment Fund of The University of North Carolina at Chapel Hill. The lease provides for a rent of one dollar per year, terminates on June 30, 2041, and incorporates approximately 5.71 acres. The 5.71 acres is comprised of the Carolina Inn building, the Whitehead building and the surrounding grounds and parking areas. This request is to amend the lease to incorporate an additional .75 acres adjacent to the Whitehead site as shown on the attached map. This .75 acres was formerly occupied by Miller Hall and is now vacant. The additional property will initially be used for surface parking to serve the Carolina Inn

Mr. Townsend seconded the motion and it carried.
(ATTACHMENT D)

REPORT OF THE EXTERNAL RELATIONS & UNIVERSITY ADVANCEMENT COMMITTEE

Committee Chair Don Curtis reported on:

- **University Relations Update.** Nancy Davis, Associate Vice Chancellor for University Relations, spoke about UNC in the news.

A copy of the PowerPoint presentations is located at: www.unc.edu/depts/trustees/
A copy of the presentations is also filed in the Office of the Assistant Secretary.

- **Election Update & Legislative Outlook.** Jennifer Willis, Director of State Relations, spoke about how important it is for the trustees and Carolina supporters to have relationships with the legislators and continue getting our messages across in a positive manner.

A copy of the PowerPoint presentations is located at: www.unc.edu/depts/trustees/
A copy of the presentations is also filed in the Office of the Assistant Secretary.

REPORT OF THE BUDGET, FINANCE & AUDIT COMMITTEE

Ms. Shuping-Russell, Committee Chair, moved ratification by the Board of the following item which was previously approved by the committee. Mr. Curtis seconded the motion and the item carried.

- **Proposed Salary Ranges for EPA Non-Faculty Senior Academic and Administrative Officers (SAAO) Tier II Positions.** Brenda Malone, Vice Chancellor for Human Resources, presented a proposal to establish and implement a competitive, market-based compensation structure for University EPA Non-Faculty SAAO Tier II positions, effective January 1, 2013. Positions with the titles of Chancellor, Provost, Vice Chancellor or Dean are not covered by these ranges. They are considered SAAO Tier I positions – with ranges set entirely by GA.

(ATTACHMENT E)

Ms. Shuping-Russell, Committee Chair, presented the committee's report on the following items, which were presented previously to the committee for information only (no formal action was requested at that time).

- **Remarks from Employee Forum Vice Chair.** Dan Barmmer spoke about Forum meetings, Forum communications, staff development funds, and the employee appreciation fair and University Day. [A copy of Mr. Barmmer's remarks is located in the office of the Assistant Secretary.]

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Budget Update.** Karol Gray, Vice Chancellor for Finance and Administration, provided an overview of the State Biennial Budget process. The State Biennial Budget process begins on the even number years. Each campus in the UNC system prepares and submits biennial budget requests to UNC General Administration. Board of Governors approves UNC budget and submits final recommendation to the Governor. Once approved by the Governor, the NC General Assembly considers the UNC budget request along with the Governor's recommendations. The budget is broken into three components: Continuation Budget, Capital Budget, and Expansion Budget.

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/
A copy of the presentation is also filed in the Office of the Assistant Secretary.

- **Development Update.** Julia Grumbles, Interim Vice Chancellor for University Advancement, provided an update on Development.

FY 2012 Progress Report

	<u>11/5/12</u>	<u>11/5/11</u>	<u>% change</u>
New commitments	\$87,464,137	\$86,541,939	1%
Gifts Received	\$75,028,146	\$67,579,538	11%

Pipeline

\$214,121,950 proposals in the pipeline

A copy of the PowerPoint presentation is located at: www.unc.edu/depts/trustees/
A copy of the presentation is also filed in the Office of the Assistant Secretary.

MOTION TO CONVENE IN CLOSED SESSION

On motion of Secretary Clay, 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 BUDGET, FINANCE & AUDIT COMMITTEE

Report of the Committee on Honorary Degrees & Special Awards

Committee Chair Shuping-Russell moved approval of the nominees for Distinguished Alumna/Alumnus Awards to be presented on University Day, October 12, 2013. All nominees were previously presented to the Budget, Finance and Audit Committee and approved by the committee. Ms. Hyde seconded the motion and it carried. [A copy of the Report of the Committee on Honorary Degrees & Special Awards is filed in the Office of the Assistant Secretary.]

Committee Chair Shuping-Russell moved approval of a nominee for an Honorary Degree to be conferred at May Commencement 2013, to the Commencement Speaker. The motion was duly seconded and it carried.

Honorary Degree Candidate Selection

Julia Grumbles presented candidates for an Honorary Degree to be conferred at May Commencement 2014. The trustees discussed the candidates and will present their nominee to the Committee on Honorary Degrees & Special Awards.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated November 5, 2012, for the Board's consideration. The actions will be voted on in open session.
(ATTACHMENTS F-G-H)

LEGAL ADVICE

Vice Chancellor and General Counsel Leslie Strohm advised the Board on several legal matters, and brought forth a request for approval of non-salary compensation. The actions will be voted on in open session.

(ATTACHMENT I)

EXECUTIVE CLOSED SESSION

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

DEEP EXECUTIVE CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chair Hargrove reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Mr. Gardner moved approval by the Board of the following personnel actions dated November 5, 2012, which were discussed earlier in closed session. Ms. Hyde seconded the motion and it carried.

- Personnel Actions & Actions Conferring Tenure.
(ATTACHMENT F)

- Compensation Actions.
(ATTACHMENT G)

- For Information- no items.
(ATTACHMENT H)

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

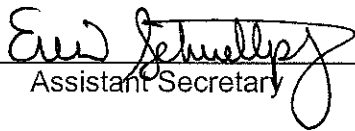
WALK-ON ITEM— APPROVAL OF NON-SALARY COMPENSATION

Dr. Clay moved approval of the Chancellor's Cabinet and the Deans being eligible, at the Chancellor's discretion, to receive non-salary compensation in the form of tickets to athletic events in an annual amount not to exceed \$2500, subject to appropriate reporting of any personal use as taxable income. This approval is given pursuant to the University's Policy on Deferred and Non-Salary Compensation. Dr. Lerner seconded the motion and it carried.

(ATTACHMENT I)

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 2:02 p.m.


Assistant Secretary