

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

The Board of Trustees met in regular session on Thursday, January 24, 2013, at The Carolina Inn, Hill Ballroom, at 8:00 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 was absent.

Chair Hargrove opened the meeting by reading 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 seconded by Ms. Shuping-Russell, the minutes of the regular meeting of November 14-15, 2012, were approved as distributed.

**Ratification of Mail Ballots**

On motion of Mr. Townsend, and seconded by Ms. Hyde, the following mail ballot dated November 20, 2012 was approved as distributed:

- Matters related to the Endowment Fund.

(ATTACHMENT A)

On motion of Mr. Townsend, and seconded by Ms. Hyde, the following mail ballot dated December 10, 2012, was approved as distributed:

- Personnel actions and actions conferring tenure, Compensation Actions, and items for information.

(ATTACHMENT B)

**CHAIR’S REMARKS**

Chair Hargrove thanked Trustee Lerner for hosting dinner at his house last night. President Tom Ross and BOG Chair, Peter Hans joined the Trustees for dinner. He also welcomed Peaches Blank, a member of the Board of Governors and former Chair of the NC State Board of Trustees. He then reported on the following:

- **National Academy of Inventors-** Congratulations to Chancellor Thorp and Dr. Oliver Smithies for recently being named charter fellows of the National Academy of Inventors. The academy is a nonprofit organization that recognizes investigators who translate their research

findings into inventions that make a tangible impact on quality of life, economic development and the welfare of our society. The academy recognized Chancellor Thorp for launching the “Innovate@Carolina: Important Ideas for a Better World” initiative on campus and co-authoring “Engines of Innovation— The Entrepreneurial University in the 21st Century,” a UNC Press book that makes the case for research universities as agents of societal change. He holds 12 U.S. patents and co-founded Viamet Pharmaceuticals, which is developing drugs for prostate cancer and fungal infections. Dr. Smithies, the Weatherspoon Eminent Distinguished Professor of Pathology and Laboratory Medicine. In 2007, he received the Nobel Prize in Medicine for discoveries that laid the foundation for today’s research into gene therapy. He holds six U.S. patents, is a member of the National Institute of Medicine and the National Academy of Science and received the Albert Lasker Award, often called the U.S. equivalent of the Nobel Prize. Holden Thorp and Oliver Smithies represent the very best of academic research at Carolina, and we are enormously proud of their accomplishments.

- **Chancellor Search Update-** Since our last meeting, the Chancellor Search Committee has met twice this month, including last Friday, and we’re scheduled to meet again on February 4<sup>th</sup>. We’re pleased with the progress of the search, and we will keep the board informed.
- **Sexual Abuse on Campus-** The Board is aware of allegations that the University has not been sufficiently sensitive to alleged sexual abuse on campus. We take this quite seriously and we are working with the chancellor, campus and legal counsel. I want to encourage everyone to reserve final judgment until all the facts are in. Because these allegations have been presented for independent review with the Office of Civil Rights, it would be premature and inappropriate for any of us to comment at this point on much of these allegations. Be assured that the campus community is taking this very seriously and we will deal with it in a responsible and timely manner.
- **UNC/N.C. State Trustees Joint Meeting-** This afternoon we’ll meet with members of N.C. State University’s Board of Trustees to talk about the many ways in which our campuses collaborate and can do even more together in the future. Bob Winston is responsible for establishing the tradition of meeting together, and it’s proven to be a very valuable investment of time. We’re delighted that Chair Barbara Mulkey and her colleagues have been receptive to continuing these trustee-level conversations. One current example of collaboration between the two campuses is through the Blackstone Entrepreneurs Network, a five-year initiative to help the Research Triangle become headquarters for high-growth companies with the greatest potential to create new jobs. In addition to UNC and N.C. State, other partners include N.C. Central, Duke and the Council for Entrepreneurial Development. There is a long list of other partnerships between just the two campuses, and quite often with many other partners from higher education, nonprofits and the private sector. I encourage the trustees, along with faculty, staff and students, to continue conversations with your counterparts at N.C. State about we can expand our collaborative efforts. There’s tremendous value in working with our sister UNC campuses and other partners for the common good, especially in the current economic climate. It’s good for our campuses and the state.

### **CHANCELLOR’S REMARKS**

Chancellor Thorp reported on the following:

- **UNC/NC State Joint Meeting-** Provost Bruce Carney and Provost Warwick Arden from N.C. State will give us an update on current partnerships, and then Chancellor Woodson and I will lead the discussion on creating new ones in the context of the strategic directions committee appointed by President Ross and the Board of Governors. Collaboration among the UNC sister campuses is an important part of the current discussion about the future of higher education in North Carolina. Here’s one snapshot of what our faculty’s research with their counterparts at N.C. State has produced to date:

- 23 U.S.-issued patents
- 6 U.S. patent applications
- 8 foreign-issued patents
- 66 foreign patent applications
- 5 commercialization agreements; and
- 5 start-up companies

We're incredibly fortunate to have such strong relationships with our colleagues at N.C. State, and I look forward to the discussions this afternoon.

- **Kiplinger's ranking-** Kiplinger's ranked UNC the #1 value in public higher education -- "stellar academics" at a bargain price. 12<sup>th</sup> time in a row we've been #1; 5 other UNC campuses are in the top 52. Access and affordability allow us to attract great students from a broad range of backgrounds with diverse interests and career goals. No aspect of this University is more crucial to who we are as a campus. It's the marriage of that with academic excellence that creates the unique environment here. This ranking is great recognition for the University and affirms our core values. Thank the trustees for their support of our tuition policy and the University's approach to need-based financial aid.

- **State Budget Outlook-** Jennifer Willis, our state liaison, reported to the External Relations and University Advancement committee yesterday. While we aren't going into this biennium facing the \$2 billion operating budget shortfall we did in 2011, we don't expect much opportunity for expansion funds. There has been a lot in the news about the fiscal cliff. Congress took a step back with its January 1 vote to address tax provisions, and that's good news for things like research and development tax credits.

- **Personnel and search updates-**

- Nursing Dean Kristen Swanson is leading the search for the next executive vice chancellor and provost. She will convene the first meeting of that committee next week. Trustee Gardner is representing the Board for that search.

- Trustee Lowry Caudill is chairing the search for the vice chancellor for development. That committee met for the first time on Tuesday. We faced a similar personnel situation with vacant provost and vice chancellor for finance and administration positions in 2000. Initiating these searches now will help accelerate the transition process and put my successor in the best possible position.

- Larry Conrad, our vice chancellor for information technology and chief information officer, is heading to the University of California – Berkeley to become chief information officer. Larry has done so much in the last five years to advance information technology. Through his efforts, our IT infrastructure that supports teaching and research is stronger than ever and our systems are more secure and stable. And he has worked to reduce recurring IT costs by about \$12 million. Chris Kielt is serving as interim vice chancellor and assume the CIO responsibilities until my successor can make a decision about a permanent successor. Chris has been the associate vice chancellor for administrative systems and business transformation. He came from Stony Brook University, where he served as CIO. He has 25 years of higher education administrative experience, including more than two decades at Yale.

- **Sexual Assault Response Plan/Gina Maisto Smith-** We're closely monitoring developments involving a complaint about how we handle sexual assault reports that was filed last week with the Office for Civil Rights (OCR) in the U.S. Department of Education. We have not seen the complaint. The Office for Civil Rights is evaluating the allegations, and that process typically takes up to a month. If the Office for Civil Rights determines that an investigation is warranted, we will cooperate fully with their independent, outside review. From a policy perspective, media reports suggest the allegations focus on our past practices – not what's in place now. Because of federal and state privacy and personnel laws, we can't talk publicly

about specific cases involving individual students or the job performance of a former employee, but we can comment on the allegation appearing in media stories that we underreported sexual assault cases. Leslie Strohm, our vice chancellor and general counsel, will address that issue in a few minutes. A year ago, the OCR issued the “Dear Colleague” letter about the responsibilities of campuses under Title IX of the Education Amendments of 1972. As a result, many campuses including ours launched an extensive review of policies and procedures for addressing and responding to sexual assault allegations. Those guidelines were the basis for what we’ve implemented this academic year. Student well-being is one of the biggest issues facing colleges and universities. It’s a daunting responsibility to get this right.

I’ve been talking to colleagues around the country because we can always learn from other campuses. Especially helpful was a conversation with President Carolyn Martin at Amherst, which has faced some similar challenges and responded to them thoroughly and positively. As a result, I’m pleased to announce that we have talked with Gina Maisto Smith, who has been helping the Amherst community more fully discuss these topics, and are seeking the required approvals to retain her. Gina is a nationally recognized lawyer who consults with colleges and universities about sexual misconduct issues including campus responses to the “Dear Colleague” federal guidelines. Previously, Ms. Smith was a prosecutor for sex crimes cases. In talking with her, we feel she has excellent ideas and experience that could bring a healthy outside perspective to where we are on our campus today. I’m appealing to everyone who believes this work is important to participate. We feel good about the changes we’ve made this year and the deliberative process from which they originated. But we’ll welcome all additional feedback.

In the meantime, it’s important to recognize the extent to which so many people at Carolina have been working diligently to overhaul our previous process. I commend all of the campus departments, including Student Affairs, the Office of University Counsel and the Equal Opportunity/ADA Office, that have been part of those efforts. Vice Chancellor Crisp and I have talked with students about sexual assault response and interpersonal violence regularly during my open house sessions with students. The Faculty Council passed a resolution last spring supporting the need for changing our policies. Those discussions and that process produced a policy that we believe complies with the new federal guidelines and is fair and supportive to students.

Vice Chancellor and General Council, Leslie Strohm, presented a clarification on the allegations regarding sexual assaults on campus. All UNC Counsel has on these allegations are what has been published in the newspaper and has not been provided the content of the complaint. Therefore, it is possible that it contains additional information that hasn’t been reported. Also, allegations, even those printed on the front page of a popular newspaper, can be false. The allegations about under reporting are false and they are wrong.

Ms. Strohm then reported on the process for the Campus Security Report:

- It is a document we are required to prepare by federal law. It has to be publically posted each year by October.
- The Office of General Counsel begins preparing the document in January, gathering data from student affairs, human resources, campus police, Chapel Hill police, Carrboro police, and any and all jurisdictions in and around campus, UNC Hospitals, and all university property.
- The document is usually over fifty pages.
- Once the data is compiled, it is organized and reviewed extensively.

Ms. Strohm provided the BOT with two handouts (a memo and a report) which compares the allegation memo that lists 12 reported incidents and the UNC Counsel report which covers these 12 plus 7 additional sex offenses that are not mentioned in the memo. Some false allegations are result of misunderstanding. Conversations about sexual violence are worth having. The attention these allegations bring to OCR will certainly bring light to a situation which needs attention at a national level and UNC Counsel will be participating in those discussions.

Vice Chancellor for Student Affairs, Winston Crisp, noted that, historically, sexual assaults are under reported. This issue is of utmost importance to the office of Student Affairs. Sexual violence and other forms of violence are a real problem in our society and on this campus. We have the responsibility to provide all the support and access to services to those victims. We also have a responsibility to provide a fair and equitable adjudicative process on these issues. Much hard work will continue to take place in this area. We have been working for well over a year to overhaul the processes and policies so that they are consistent with federal and state guidelines, and with our desire for what we want our campus to be. That work is ongoing and includes input from a wide variety of people, including some of those behind this complaint. We have a number of resources available and there are new positions that specifically support student complaints about violence and assault. There is always work to be done, and we will continue to do the work and do it well.

#### **STUDENT BODY PRESIDENT'S REMARKS**

Mr. Leimenstoll thanked Leslie and Winston for addressing the difficult challenge of the sexual assault allegations. He acknowledged their hard work for students over the years and the integrity and care with which they have acted towards all students that come to them. He then spoke about the following:

- Safety Student Task Force
- 5 Year Strategic Plan through the Association of Student Governments
- Student Body President campaigning is underway

A copy of Mr. Leimenstoll's remarks is located in the Office of the Assistant Secretary.]

#### **REPORT ON INVESTMENT FUNDS**

Jonathon King, President and Chief Executive Officer of the UNC Management Company, Inc., presented this report to the Board:

- UNC Investment Fund Summary.
  - 1) Market Value of the Investment Fund at June 30, 2012- \$3.18 Billion, a 2.1% increase from last year.
  - 2) We are confident that the UNC Investment Fund will continue to produce attractive long-term returns with a relatively low level of volatility.
- UNC Chapel Hill Foundation Investment Fund Summary.
  - 1) The market value of UNC CH Foundation Investment Fund at June 30, 2012- \$2.14 Billion, an \$80 million decrease from last year, but there has been a 5.5% return in the first six months of FY 2013.
  - 2) \$119 million was distributed from the Endowment Fund for spending in 2012.

Mr. King also detailed the investment fund objectives and implementation. He also highlighted the challenges and successes in the investment market over the last year and significant SIPP changes. Following his report, he entertained questions from the Trustees.

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)

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

The Buildings and Grounds Committee met as a Committee of the Whole.

**REPORT OF THE BUILDINGS AND GROUNDS COMMITTEE**

Committee Chair, Phillip L. Clay called on Bruce Runberg, Associate Vice Chancellor for Facilities Services, to present the following action items to the committee:

- **Design Approval- South Road Pedestrian Bridge.** Committee Chair Clay mentioned that this item has been removed from the agenda and will come back to the committee at a later time.

- **Designer Selection- Odum Village Replacement.** Ms. Hyde moved approval to replace the existing Odum Village housing units with a new 500 bed suite or efficiency style apartment units. Various on-campus sites will be considered as part of the advance planning effort. The project budget is \$25M and will be funded by Student Life and Residential Education. The committee recommended the selection of three firms in the following priority order:

1. Clark Nexsen Raleigh, NC
2. O'Brien Atkins / Mitchell Matthews Durham, NC
3. Pierce Brinkley Cease + Lee / Ayers Saint Gross Durham, NC

Clark Nexsen was recommended because of the strength of its team and its recent and relevant experience.

Mr. Curtis seconded the motion and it carried.

(ATTACHMENT C)

- **Designer Selection- General Storeroom Reroofing.** Mr. Hargrove moved approval to replace the existing roof of the 97,000 SF General Storeroom Building which is located within the Giles F Horney Complex. The project budget is \$879,000 and will be funded by the 2011-2012 Repair and Renovations Appropriations. The committee recommended the selection of three firms in the following priority order:

1. REI Engineers Raleigh, NC
2. Falcon Engineering Raleigh, NC
3. Atlas Engineering Raleigh, NC

REI Engineers was recommended because of the strength of its team and its recent and relevant experience.

Mr. Curtis seconded the motion and it carried.

(ATTACHMENT D)

Mr. Runberg presented the following item for information only; no formal action was required by the committee.

- **Semi-Annual Capital Report.** Mr. Runberg reported that seven projects were finished. \$107 million worth of projects are still under construction and design. We still have a healthy backlog for the year to come. He asked if there were any questions.

(ATTACHMENT E)

Gordon Merklein, Executive Director of Real Estate Development, presented the following item to the committee for action.

- **Property Acquisition by Lease- Office Space for UNC Center for Developmental Sciences.** Ms. Hyde moved approval to acquire approximately 11,026 SF of office space located at 100 E. Franklin St. in Chapel Hill for use by the UNC Center for Developmental

Sciences. The lease term will be five years, with a renewal option for an additional five years, at an initial annual rate of \$245,000 with 2% annual escalation. Riddle Commercial Properties Inc. was selected as the lessor through a public bid process. Board of Trustees approval is required because the annual rent for this lease exceeds \$150,000.

Ms. Shuping-Russell seconded the motion and it carried.  
(ATTACHMENT F)

Gordon Merklein, Executive Director of Real Estate Development, presented the following item to the committee for information only; no formal action was required by the committee.

- **Semi-Annual Lease Report.** Mr. Merklein directed the committee to the attachment and asked if there were any questions.

(ATTACHMENT G)

Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Construction, presented the following item for information only; no formal action was required by the committee.

- **Carolina North Update.** Anna Wu provided an update to the committee. She spoke about the conservation areas and finalizing our third-party monitor. The restrictive covenants have been approved by the trustees and by the council of state in December of 2012. We have identified some signage to identify those areas. They will be installed around the edges of the conservation areas to let the users of the forest know they are entering those areas. A public information session will be scheduled for the neighbors to introduce our third-party monitor. We have completed a land stewardship policy, available on our website. This policy documents the management practices for the conservation areas and development areas.

#### **REPORT OF THE EXTERNAL RELATIONS & UNIVERSITY ADVANCEMENT COMMITTEE**

Committee Chair, Don Curtis, reported on the following:

- **Legislative Session Update.** Jennifer Willis reported that there is a lot going on in the General Assembly and that there has a lot of new membership.

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)

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

- **UNC Press Update.** John Sherer, Director of UNC Press, gave the update.

#### **REPORT OF THE BUDGET, FINANCE & AUDIT COMMITTEE**

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).

- **Comprehensive Annual Financial Report for FY 2010-2011.** Dennis Press, University Controller, presented an overview of The University's Comprehensive Annual Financial Report (CAFR) for FY 2011-12.
  - The University's financial position at June 30, 2012 remained solid.
  - The financial statements received an unqualified audit opinion issued by the State Auditor. Also, there were no financial audit findings and no audit adjustments were required.
  - Net assets increased \$131 million in 2012, less than the \$391 million increase in 2011. Major factors include a reduction in state appropriations support of \$100.8 million for FYE 2012 and the lower return on the long-term investment fund of 2.1 percent in 2012 compared

to 15.3 percent for 2011. Continued strength in contracts and grants funding and private fundraising and additional tuition revenues provided important resources.

- The state appropriations net decrease was \$48.2 million, or 9.0%, as funds were received for additional student enrollment, operating funds for new buildings, and restoration of non-recurring budget reductions.
- Operating expenses remained essentially flat with an increase of 0.7% and a total of \$2.4 billion. The only significant increases in the major expense categories reported in the income statement were in depreciation of capital assets which increased by 10.5% and in scholarships and fellowships which increased by 6.3%. The remaining expense categories had very slight or negative changes from the prior year.

(ATTACHMENT H)

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)  
 A copy of the presentation is also filed in the Office of the Assistant Secretary.  
 A copy of the Report is located at <http://www.unc.edu/depts/trustees/>

- **Review of First Half Fiscal Year 2012-2013 Budget Status.** Karol Gray, Vice Chancellor for Finance and Administration, reported on the status of the budget to actual for the first half of the fiscal year ending December 31, 2012. Overall there were no significant variances to both the revenue and expenditures that warrant attention. Revenues for the first six months of the fiscal year was \$1.793 billion compared to budget of \$1.8 billion, a difference of \$14,726 million less than a 1% difference. The expenditure budget is under budget by \$115 million or 7.1%. Compared to the two fiscal years actual, expenditures are higher than the two previous years.

- **Review of Outlook Fiscal Year 2013-2014 Budget.** The Budget Committee is planning on a potential budget cut of 2% or 5% cut which could mean \$9.5 million or \$24 million to the University. The State's economy is expected to continue the trend of slow, yet steady, economic growth. The University has received the \$8.8 million and just received spending authority from the Office of State Budget Management (OSBM) on Friday. We are in the process of spending the project funds promptly.

- **Update on Carolina North Update.** Bruce Runberg, Associate Vice Chancellor for Facilities, presented the funding and phases of the work accomplished to date on Carolina North. The University has invested \$7.15M toward planning Carolina North over the last ten years.

- **Internal Audit Report.** Phyllis Petree, Director of Internal Audit, presented a summary of internal audit projects completed or in progress between August 26, 2012 and December 16, 2012. Two projects, the review of the Office of the Executive Director for the Arts and of Advancement expenses, identified significant control weaknesses issues which have been corrected.

(ATTACHMENT I)

- **Development Update.** Julia Grumbles, Vice Chancellor for University Advancement, provided an update on Development. She highlighted the following:

- FY 2013 Progress Report

	<u>1/14/13</u>	<u>1/14/12</u>	<u>% change</u>
○ New Commitments	\$137,854,704	\$153,980,473	-12%
○ Gifts Received	\$129,436,357	\$140,204,777	-8%
○ Pipeline	\$241,915,792 proposals in the pipeline		

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://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, University Affairs 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 by Jan Boxill.** Faculty Chair, Jan Boxill mentioned:
  - **Governor Martin Report.** While the faculty understands the need to move forward, some faculty are concerned that the Martin Report misrepresents a discussion about independent study courses and that the report implies the Faculty Athletics Committee knew and let academic fraud continue under the guise of academic freedom.
  - **2013-2018 UNC Strategic Plan.** We have seen the full draft of the Strategic Plan, entitled, "Our Time, Our Future: The UNC Compact with North Carolina" which was distributed last Thursday January 17th. The Board of Governors listened to the faculty's concerns and implemented a number of changes.
  
- **Executive Officers Update & Student Enrichment Fund.** Will Leimenstoll, Student Body President, has his Student Government Cabinet present updates on:
  - The Student Advisory Committee to the Chancellor (SACC).
  - Money.unc.edu and its database search information on scholarships and student aid, as well as public information on financial aid websites. This website centralizes all the financial websites available to UNC students.
  - UNC Mobile App development and expansion.
  - "Tarheel Certified". This program offers training for student organizations which would be required in order for them to become 'certified' by UNC. This pilot program is in the development and preliminary testing phases.
  - Student government's review of MOOC's. This online possibility allows UNC to essentially educate the world and "flip" the classroom approach. It could shorten the diploma program and lessen the financial burden of higher education.
  - Jon Curtis Student Enrichment Program which provides grant funding for expanded educational experiences.

A copy of the PowerPoint presentation is located at: [www.unc.edu/depts/trustees/](http://www.unc.edu/depts/trustees/)  
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- **Applied Sciences.** Karen Gil, Dean of the College of Arts and Sciences, reported on the new Applied Sciences Program in the College of Arts and Sciences. It is the first new science department at UNC-CH in forty years. The plan is to strengthen the basic sciences while being even more applied. The Department of Applied Physical Sciences and the expansion of the Biomedical Engineering Department connects the UNC School of Medicine and the College of Arts and Sciences with the NCSU College of Engineering which is allowing expansion of research, increase in academic exposure and provides both undergraduate and graduate opportunities. The Department of Applied Physical Sciences is also seeking to expand and combine academics, research and entrepreneurship at an interdisciplinary and interdepartmental level.

- **Global Visiting Students at UNC.** Ron Strauss, Executive Vice Provost and Chief International Officer, spoke about global visiting students on UNC campus. Carolina is looking at a program which will allow international students to study for up to one year on our campus.

This program allows students who are well-qualified to continue their international college degree while studying on our campus, and includes both graduate and undergraduate opportunities. Brazil's Science Without Borders Program will pay full out-of-state tuition for their students to participate in this UNC program. This benefits both the international student as well as our homeland students.

(ATTACHMENT J)

- **Provost's Remarks.** Provost Carney reported that he has appointed a committee to review distance learning (MOOCs) that will be headed by Carol Tresolini.

#### **MOTION TO CONVENE IN CLOSED SESSION**

On motion of Secretary Clay, and seconded by Ms. Hyde, 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 Naming Committee**

Ms. Shuping-Russell presented naming recommendations which were previously presented to the Budget, Finance & Audit Committee and approved by the committee. Ms. Shuping-Russell, Committee Chair, moved ratification. Mr. Townsend seconded the motion and it carried. [A copy of the Report of the Naming Committee is filed in the Office of the Assistant Secretary.]

##### **Shared Audit Services**

Director of Internal Audit, Phyllis Petree, reported to the committee on a plan to centralize internal audit services.

#### **REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE**

Mr. Gardner, Committee Chair, presented the personnel and salary approvals dated January 14, 2013, for the Board's consideration. The actions will be voted on in open session.

(ATTACHMENTS K-L-M)

#### **LEGAL ADVICE**

General Counsel Leslie Strohm advised the Board on several legal matters.

#### **EXECUTIVE CLOSED SESSION**

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

#### **DEEP EXECUTIVE CLOSED SESSION**

Chair Hargrove convened the Board in Deep Executive Closed Session to discuss 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, Committee Chair, moved approval by the Board of the following personnel actions dated January 14, 2013, which were discussed earlier in closed session. The motion was duly seconded and the motion carried.

- Personnel Actions and Actions Conferring Tenure.  
(ATTACHMENT K)
- Compensation Actions.  
(ATTACHMENT L)
- For Information.  
(ATTACHMENT M)

**ADJOURNMENT**

There being no further business to come before the Board, Chair Hargrove adjourned the meeting at 12:37 p.m.

  
Assistant Secretary