

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
January 22, 2015

The Board of Trustees met in regular session on Thursday, January 22, 2015 at The Carolina Inn, Hill 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:

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

Vice Chair Alston Gardner and Trustee Peter Grauer were not in attendance.

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 Lerner and duly seconded by Trustee Hopkins, the minutes of the meeting of November 2014 were approved as distributed; as were the ratifications of mail ballots dated November 20th and December 8th.

(ATTACHMENT A)

CHAIR'S REMARKS

Chairman Lowry Caudill presented the following remarks:

- Chair Caudill started by reminding everyone of the four goals set for the year:
 - Support Chancellor Folt and her senior leaders as they become a highly effective operational team
 - Tell our story of how Carolina improves the lives of people across North Carolina, our nation, and our world
 - Accelerate, measure, and communicate the growth and economic impact of our innovation and entrepreneurship initiatives
 - Implement the work of our two trustee task forces on enterprise risk management and external relations
- Remarked on Governor McCrory’s comments at the Board of Governor’s meeting about the critical need to commercialize the research efforts of our Universities.
- Thanked Trustee Sallie Shuping-Russell for her leadership with the creation of the Carolina Research Venture Fund.
- Kiplinger’s Personal Finance magazine ranked the University #1 for the 14th time in a row as the best value in U.S. public higher education. Such recognition is a tremendous source of pride for our alumni, donors, and friends because accessibility and affordability have been a core value for UNC-CH for much of its history.
- Chair Caudill also recognized North Carolina State University and several other UNC-system universities that appear prominently on Kiplinger’s list.
- Earlier in the month, U.S. News and World Report announced that the Kenan-Flagler Business School MBA@UNC program ranked #1 in its first ranking of online programs. The program started three and a half years ago, enrolls over 600 students in 47 states and 35 countries, and partners with 2U Inc., a cloud-based technology provider in the higher education sector.
- He also congratulated Dean Doug Shackelford and his colleagues for their work on this new initiative.
- Acknowledged the passing of alumnus Stuart Scott. Throughout his 21 year career at ESPN, Stuart provided wonderful examples of innovation – and humanity – to the sports broadcasting industry.
- Last week it was announced that UNC President Tom Ross will be stepping down as of January 2016. Chair Caudill recognized his service to the citizens of North Carolina, and

the University.

- Earlier this week, the University publicly released its report responding to a request for information about compliance with accreditation standards from the Southern Association of Colleges and Schools Commission on Colleges. Chancellor Folt was commended for the manner in which she engaged her senior leadership team in this important process.

[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:

- Mr. Powell thanked Chancellor Folt and the Board for their leadership throughout last semester.
- Also thanked Vice Chancellor Winston Crisp for his presentation to the University Affairs Committee yesterday, and for the work he does every day here at Carolina.
- Following the November 2014 meeting, Sarah Bufkin was named UNC's 49th Rhodes Scholar. Around the same time, Sasha Seymore and Thomas Golden were named Mitchell Scholars. He congratulated these three on their accomplishments.
- Thanked Jim Holmes, the chair of the BOG Centers and Institutes Working Group, for allowing him to share the many ways centers and institutes benefit students.
- Mentioned the visit yesterday by the Board to the "I Have a Dream" exhibit that was created by Tafadzwa Matika and the "I Have a Dream" Campaign team.
- Mr. Powell challenged the student body to find ways to demonstrate and celebrate Carolina's diversity. He mentioned that Student Government will be working hard to facilitate some important conversations in the coming months regarding campus issues – particularly those around race, inclusivity, and community.
- In addition to student government's efforts to strengthen the University community, they are also working in Raleigh to engage elected representatives – discussing the vital role our Universities play in the state's economy, and the importance of continued state support.
- Mr. Powell ended by expressing his concerns for contextualized grading and how he believes it will negatively influence students' learning experience. With faculty at UNC working to redesign the classroom and create active learning models, Mr. Powell thinks that contextualized grading will hurt the collaborative culture being created through these new classroom initiatives.

[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:

- This week on and off campus there have been many events honoring Dr. Martin Luther King, Jr. This past Sunday was the 30th annual MLK Celebration Banquet, and yesterday the Board of Trustees visited the student-created "I have a Dream" photo exhibit.
- Just last week, the response to SACSCOC was delivered, and then made public on Tuesday. There were more than 200 pages, including 400 pages of exhibits.
- Recently, the University has retained the law firm Skadden, Arps, Slate, Meagher & Flom. They will represent the University with respect to various ongoing legal matters.
- There continues to be progress on the reforms and initiatives announced immediately following the release of the Wainstein report. Those include a new Integrity Working Group who will ensure there are clear, consolidated and confidential channels people can use to share concerns. Provost Jim Dean also initiated a review of the African, African-American and Diaspora Studies (AAAD) department.
- Last week, the Chancellor attended the annual NCAA Convention. This was the first meeting of the Power 5 conferences to vote on autonomy.
- Last week it was announced that UNC President Tom Ross will be stepping down as of January 2016. Chancellor Folt took the opportunity to thank President Ross for his support and commitment to Carolina. She also indicated that she looks forward to working with the Board of Governor's during this time of transition.
- Governor McCrory gave a presentation last week to the Board of Governors entitled "Moving Forward on the Innovation Triangle". He outlined how universities can encourage innovation in the state.
- Chancellor Folt announced the creation of a new, cabinet-level position to help the University maximize its potential in the areas of economic development and commercialization. Judith Cone has agreed to serve as interim Vice Chancellor for Commercialization and Economic Development.
- Yesterday, the Board of Trustees announced the creation of the Carolina Research Venture Fund. The Chancellor thanked both Trustee Shuping-Russell and Trustee Lerner for their work to make this happen.
- The Chancellor indicated that there were many things to celebrate since the last meeting

in November:

- o The \$100M gift from Dr. Fred Eshelman; the largest from any individual in the University's history.
- o This was the 10th consecutive record for first-year applications – an increase of 2 percent over last year.
- o Kiplinger's ranked Carolina #1 best value in American public higher education for the 14th consecutive year. UNC-CH has been #1 since they first issued the rankings in 1998.
- Lastly, Chancellor Folt asked Mr. Lynn Roundtree and University Librarian, Sarah Michalak, to present a copy of the first book ever owned by the University. It was titled "The Works of the Right Reverend Father in God Thomas Wilson, D.D." by Rev. C. Crutwell, published in 1782. The UNC Trustees acknowledged receipt at a meeting in December 1792. The original copy disappeared sometime around 1870. The book being donated by Mr. Roundtree is from the same printing as UNC's original copy.
- Chancellor Folt then introduced Vice Chancellor for Research Barbara Entwisle to introduce Rick Luettich, Director of the Institute of Marine Sciences and Tom Carsey, Director of the Odum Institute for Research in the Social Sciences; Vice Chancellor for Student Affairs Winston Crisp to introduce Christi Hurt, Director of the Carolina Women's Center; and Executive Vice Provost and Chief International Officer, Ron Strauss, to introduce Joseph Jordan, Director of the Stone Center for Black Culture and History.

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

INSTITUTE OF MARINE SCIENCES

Vice Chancellor for Research Barbara Entwisle introduced Rick Luettich, Director of the Institute of Marine Sciences (IMS) located in Morehead City, NC. Mr. Luettich described the impact and value of IMS on the state of North Carolina through their teaching and interdisciplinary research. He also spoke about their world-class faculty and opportunities for undergraduate and graduate students, including opportunities to study at the Morehead City Field Site. Mr. Luettich brought two students, Jenny Hughes and Avery Paxton, to discuss their experiences with IMS. To conclude his presentation, Mr. Luettich and the students entertained questions from the trustees. [This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.]

HOWARD W. ODUM INSTITUTE FOR RESEARCH IN SOCIAL SCIENCE

Vice Chancellor Entwisle introduced Dr. Tom Carsey, Director of the Odum Institute for Research in Social Science. The mission of the Odum Institute is to help grow and lead a world-class social science research infrastructure at UNC-CH. Dr. Carsey described the use of data science to help researchers all over campus. Current projects at the Institute include Dataverse, MEASURE Evaluation, and Software Citation. Dr. Carsey brought a graduate student, Elizabeth Menninga, who discussed her experiences with the Odum Institute and how they shaped her future career path. To conclude his presentation, Dr. Carsey and Ms. Menninga entertained questions from the trustees. [This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.]

CAROLINA WOMEN'S CENTER

Vice Chancellor for Student Affairs, Winston Crisp, introduced Christi Hurt, Director of the Carolina Women's Center, and Assistant Vice Chancellor for Student Affairs and Chief of Staff. Ms. Hurt shared information on the programs that the Women's Center that include: campus interpersonal violence prevention, individual support for survivors of interpersonal violence, student leadership, and a faculty scholars program. There are also various staff training programs, seminars, and parenting support. To conclude her presentation, Ms. Hurt entertained questions from the trustees. [This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.]

SONYA HAYES STONE CENTER FOR BLACK CULTURE AND HISTORY

Executive Vice Provost and Chief International Officer, Ron Strauss introduced Joseph Jordan, Director of the Stone Center. The Stone Center was created in 1988, and supports the campus in all aspects of African American and diaspora lives, cultures and histories. The Stone Center staff supports over 3,000 faculty, staff and students each year with over 50 programs and initiatives. They also collaborate and co-sponsor projects and programs with over 42 campus and community partners each year. To conclude his presentation, Dr. Jordan entertained questions from the trustees. [This presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.]

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

Trustee Curtis presented a review of the External Relations Committee meeting. There were no action items for this Committee in open session. A communications update was given by Joel Curran, Vice Chancellor for Communications and Public Affairs, and the development report was given by David Routh, Vice Chancellor for University Development (ATTACHMENT B). 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.

(ATTACHMENT B)

REPORT OF THE FINANCE AND INFRASTRUCTURE COMMITTEE

Trustee Lerner presented the report from the Finance and Infrastructure Committee. The following item was approved as part of the consent agenda:

- Property Acquisition by Lease - Office Space for School of Medicine and School of Education (ATTACHMENT C)

A motion was made from committee to approve the property acquisition; it was seconded by Trustee Clay, and passed.

Trustee Lerner then discussed the following item for action:

- Designer Approval – Improvements to the pedestrian, bicycle and vehicular access from Franklin Street to Cameron Avenue (Porthole Alley). (ATTACHMENT D)

After discussion, a motion was made from committee to approve the design, it was seconded by Trustee Cochrane, and passed. Trustee Shuping-Russell voted in opposition.

Trustee Lerner then briefly reviewed the items presented to committee for information only:

- UNC Chapel Hill Investment Fund Update by Jonathan King, CEO for the UNC Management Company
- Development Report given by David Routh, Vice Chancellor for University Development
- Comprehensive Annual Financial Report for FY 13-14 given by Dennis Press, University Controller (ATTACHMENT E)
- Update on ConnectCarolina ERP Implementation given by Chris Kielt, Vice Chancellor for Information Technology

The following items were received for information by the board:

- Internal Audit Report (ATTACHMENT F)
- Semi Annual Capital Report (ATTACHMENT G)
- Semi Annual Lease Report (ATTACHMENT H)

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

Trustee Clay presented the report from the Innovation and Impact Committee. There were no action items for this committee in open session. A report on the Governor's Task Force for Innovation-to-jobs was given by co-chair Clay Thorp. Professor Randy Myer gave a presentation on angel investing and venture capital availability in North Carolina and the southeast region, as compared to other US regions. To conclude, Trustee Shuping-Russell announced the launch of the Carolina Research Venture Fund. This fund will help University startup companies overcome funding gaps and accelerate growth.

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 OF THE UNIVERSITY AFFAIRS COMMITTEE

Trustee Hopkins presented the report from the University Affairs Committee. She reviewed the items presented to the committee for information only. That included brief remarks from Bruce Cairns, Chair of the Faculty and Winston Crisp, Vice Chancellor for Student Affairs. To conclude, Chancellor Carol Folt gave an update on the response submitted to the Southern Association of College and Schools Commission on Colleges (SACSCOC).

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).

RECONVENE MEETING IN OPEN SESSION

Chair Caudill reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

RECOMMENDATIONS FROM THE CHANCELLOR'S NAMING COMMITTEE

A motion was made from committee to approve the recommendations from the Chancellor's Naming Committee; it was duly seconded and passed.

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Trustee Hopkins referred the members to the personnel matters submitted for review. A motion to approve the actions was made, it was duly seconded, and passed. Chair Caudill stated that the personnel and salary actions voted on in open session had been distributed.

(ATTACHMENT I)

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 2:30 p.m.



Dwayne Pinkney, Assistant Secretary

