

**BOARD OF TRUSTEES MEETING**  
**The University of North Carolina at Chapel Hill**  
**November 20, 2014**

The Board of Trustees met in regular session on Thursday, November 20, 2014 at The Paul J. Rizzo Conference Center, Magnolia Room. 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
J. Alston Gardner, Vice Chair	Peter T. Grauer
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	

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 Hopkins and duly seconded by Trustee Clay, the minutes of the meeting of September 2014 and the special meeting of October 2014 were approved as distributed; as were the ratifications of mail ballots dated October 8<sup>th</sup> and 15<sup>th</sup>. Also approved were the consent agenda items presented to the Finance and Infrastructure Committee.

(ATTACHMENT A)

**CHAIR'S REMARKS**

Chairman Lowry Caudill presented the following remarks:

- Last evening a dinner was held 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. Seven outstanding alumni and friends who have made a profound impact on the life of our University were recognized.
- The honorees were:
  - Rusty Carter, of Wilmington, a former two-term trustee, and president of Atlantic Corporation, one of the top privately held companies in North America.
  - John Ellison, Jr., of Greensboro, another two-term trustee whose family has a long history of service at Carolina. Ellison is president and CEO of the Ellison Company, Inc.;
  - Michael Kennedy, of Atlanta, a former Board of Visitors chair, a senior executive with Korn Ferry, and chair of the Federal Retirement Thrift Investment Board;
  - Sallie Krawcheck, of New York City, a successful and influential leader in the financial services industry and chair of The Ellevate Network, a global professional woman's network;
  - Donald and Billie Stallings of Rocky Mount, who have served in multiple volunteer roles at Carolina for over 50 years – including as a two term trustee (Don) and chair of the McAlister Heart Institute Advisory Board (Billie), and supporters of sports medicine; and
  - Dr. Michael Zollicoffer, of Baltimore, who was inspired by his father, Lawrence, (among our first African-American medical school graduates) to practice in the inner city, and now mentors medical students.
- Chair Caudill thanked everyone who helped make the dinner a great event for the Board of Trustees and the University
- He especially wanted to acknowledge Trustees Clay, Curtis, Duckett, Gardner, Grauer, Shuping-Russell and Stone for their help in presenting the awards.
- Acknowledged two key leadership transitions in the Office of General Counsel and College of Arts and Sciences. Vice Chancellor and General Counsel Leslie Strohm has accepted a vice president appointment at the University of Louisville, and Dean Karen Gil has decided to return to teaching and research in the Department of Psychology at

- the end of the academic year.
- To date, Chancellor Folt has appointed the provost, five vice chancellors as well as a new chief of staff and secretary of the university, all who serve on her cabinet.
- One of the four major goals of the Board this year is to support Chancellor Folt and her senior leaders as they become a highly effective operational team. Chairman Caudill remarked that he looked forward to working with the Chancellor and her team.
- Thanked Kenneth Wainstein and his associates, Joseph Jay and Colleen Kukowski, for their professionalism in conducting a thorough independent investigation of irregular classes.
- As trustees, we also appreciated the opportunity to meet jointly with President Ross, Chair Fennebresque and the Board of Governors in demonstrating our collective commitment to protecting the academic integrity of our University for the students of today and tomorrow.
- Commended Chancellor Folt for the superb leadership she is providing to our great University. The Board fully supports the decisions she announced last month. They are completely consistent with the decisive actions she has taken since arriving in Chapel Hill.
- Despite the nature of the content in Mr. Wainstein's report, Chairman Caudill is proud of how the Chancellor and her team have handled this situation – with full transparency and openness, along with the proper balance of accountability and humility.
- Chancellor Folt has been working tirelessly around the clock to fully connect with our key constituencies here on campus and among our devoted alumni and friends across our State and the nation.
- The Chancellor has kept Chairman Caudill and this board fully apprised of the University's efforts to make sure nothing like this ever happens again.

Chair Caudill called upon Secretary Sallie Shuping-Russell to read the resolution of appreciation for Vice Chancellor and General Counsel Leslie Strohm.

**RESOLUTION OF APPRECIATION  
VICE CHANCELLOR AND GENERAL COUNSEL LESLIE CHAMBERS STROHM  
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL  
November 20, 2014**

**WHEREAS**, Leslie Strohm served the University of North Carolina at Chapel Hill for 11 years as general counsel and as vice chancellor for nine years, providing outstanding legal and strategic advice to the Board of Trustees, administrators, faculty, staff and students on a wide range of issues, policy matters and initiatives;

**WHEREAS**, Vice Chancellor Strohm developed and led a group of dedicated lawyers who work every day with clients across campus to find creative, resourceful solutions to further the mission of the University;

**WHEREAS**, under her leadership, the Office of University Counsel successfully teamed with the School of Law on a U.S. Supreme Court brief highlighting the importance of diversity to the educational experience at Carolina, negotiated the development of a new research center in the Galapagos, and worked with the Kenan-Flagler Business School to create the innovative MBA@UNC online degree program;

**WHEREAS**, the members of the Board of Trustees benefitted immeasurably from her counsel on a variety of issues;

**WHEREAS**, Vice Chancellor Strohm departs for the University of Louisville, where she will become the vice president for strategy and general counsel;

**NOW, THEREFORE, BE IT RESOLVED THAT** Members of the Board of Trustees of the University of North Carolina at Chapel Hill expresses their deepest appreciation for Ms. Strohm's loyal service and wishes her the very best in the future.

Chairman Caudill called for a motion to accept the resolution. A motion was made by Trustee Grauer, seconded by Trustee Clay and passed. 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:

- His first priority when he took office was to recruit a diverse team of students from many different parts of campus. Knowing that the Wainstein report would be perhaps the most significant event during his time as student body president, he hoped to include student-athletes in student government.

- Mr. Powell and his team revamped their outreach plan, and found that many student-athletes were eager to be involved. He asked Allen Champagne, a football player, to join his leadership team; Houston Summers from the track team joined the Student Advisory Committee to the Chancellor; Benton Moss, a baseball player, began working closely with the Faculty Athletic Committee, and a number of others joined a variety of other committees - working on wide range of issues
- Closer to the release of the report, Mr. Powell had conversations with student-athletes and their experiences on campus.
- After the release of the report, there was an event on the steps of South Building to discuss race at UNC. At the student forum hosted by Student Government, many of the same issues, emotions, and concerns arose in the Q&A.
- Mr. Powell called upon his fellow students to show their support for student-athletes. On December 2<sup>nd</sup>, he invited everyone – student, faculty, staff and alumni – to wear Carolina blue for a day of support for our student-athletes.

[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:

- Chancellor Folt indicated that a lot has happened since the last meeting in September.
- She has met with seven different alumni groups in six cities – Chapel Hill, Charlotte, Atlanta, NYC, San Francisco and Palo Alto.
- She has spoken with students and faculty from across campus during several events. These included the Faculty Council, and Town Hall event sponsored by the Black Student Movement's and Carolina NAACP.
- Overall, she is very proud with the way the community has responded. The Chancellor and her team understand that there is a significant amount of interest in how the University is responding which is why the University is operating with a new level of transparency and openness.
- The Chancellor noted that now is a difficult time to speak about personnel actions due to various stages of lawsuits and adjudication, and also fairness in protecting individuals' personal privacy.
- The new public records website received more than 1,200 unique visitors during the first 24 hours after it went live. Since then, the site has been viewed more than 16,400 times. UNC General Administration has asked whether the university can assist other UNC system schools in adopting a similar approach.
- A faculty group to review student-athlete eligibility and certification is being created. The details are still being worked out.
- The University is also working on building clear, consolidated, and confidential channels through which people can raise their hands and share concerns.
- "Thrive@Carolina" will include several initiatives to help support student success at Carolina. Examples are equipping "math help centers" with STEM (Science, Technology, Engineering and Math) advisors and learning specialists, creating a new coordinator position to oversee the Carolina Firsts Program and providing course-release funding for two faculty members per semester to work with the Learning Center and the Office of Undergraduate Retention to develop high-impact practices that will encourage student success.
- The University is developing and implementing an expanded process for the systematic, consistent evaluation and review of every unit and department. This summer, every department chair submitted an annual report which in turn has been reviewed and approved by a Senior Associate Dean. Every department chair in the College of Arts and Sciences now has an "up-to-date" post-tenure review.
- The Provost has also initiated a planning discussion with the African, African American, and Diaspora Studies department.
- The Carolina Commitment site has been updated with more information.
- The investigation with the NCAA continues, but there are no new developments.
- Chancellor Folt spoke with the Southern Association of Colleges and Schools (SACS), and the University has received a letter from them. The letter indicated they have questions about the University's compliance with a range of standards. She is in the process of responding, and accreditation remains unchanged.
- Other updates from campus include:
  - 148 students who were inducted into Phi Beta Kappa
  - Kenan-Flagler Business School jumped five spots in Bloomberg Businessweek ranking of full-time MBA programs
  - First-year application numbers are up 5% from last year
  - Two of our professors, Dr. Joe DeSimone and Dr. Bryan Roth were elected to the Institute of Medicine. This is the third time Dr. DeSimone has been named a member of a U.S. national academy.
  - The Carolina Covenant celebrated its 10<sup>th</sup> anniversary

- CBS News interviewed Jeff Powell, an undergraduate student who used a 3-D printer in our Biomedical Engineering Lab to create prosthetic hands for handicapped children.
- A few weeks ago, the women's cross-country team won the ACC championship for the first time since 2003
- Vice Chancellor for Student Affairs, Winston Crisp is being honored with the 2014 Hortense K. McClinton Outstanding Faculty Staff Award
- In closing, the Chancellor recognized Vice Chancellor and General Counsel Leslie Strohm and Dean Karen Gil for their service to the University. Chancellor Folt plans to name an interim General Counsel soon and launch a national search for Mrs. Strohm's replacement.

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

### **INTRODUCTION OF PRESENTERS**

Executive Vice Chancellor and Provost Jim Dean introduced the speakers: Lauren Stephenson, Jacob Hinton, and Lieutenant General Jim Campbell.

### **A DAY IN THE LIFE OF A CADET**

UNC senior and Army ROTC cadet Lauren Stephenson presented on her life as a cadet at Carolina. Her presentation detailed how she incorporated her military service into her educational requirements at Carolina. There was a pre-recorded video of her presentation. That presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary. To conclude her presentation Ms. Stephenson entertained questions from the trustees.

### **A VETERAN'S PERSPECTIVE**

UNC senior and US Army Veteran Jacob Hinton presented on his life as a veteran UNC student. Mr. Hinton is also president of the Carolina Veterans Organization. He was unable to make it to the meeting, but there was a pre-recorded video of his presentation in which he stressed the special needs of student veterans which need addressing. That presentation can be found on bot.unc.edu and on file in the Office of the Assistant Secretary.

### **LEADERSHIP TRAINING FOR SENIOR MILITARY**

Lieutenant General Jim Campbell, US Army (retired) and current Senior Advisor to the Chief of Staff, Army presented to the board on Kenan-Flagler's leadership training for senior military officers. Lt. General Campbell served 37 years in the US Army. He first thanked the Chancellor and Board for their continuous support of education. Kenan-Flagler Business School started working with the Army in 2008 on the Strategic Army Leadership Development Program. Lt. General Campbell introduced Kirk Lawrence from KFBS Executive Development who helps with trainings here at UNC. Since conception, there have been about 540 generals who have come through the KFBS program. To conclude his presentation, Lt. General Campbell and Mr. Lawrence entertained questions from the trustees.

### **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, 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)

The action items regarding Honorary Degrees for May 2016 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 following items were approved as part of the consent agenda:

- Designer Selection – Phillips Hall Renovation and Murray Hall Laboratory Up-fit (ATTACHMENTS C-D)
- Construction Manager at Risk Selection – Power Generation and Chilled Water Plants at Manning Steam Plant (ATTACHMENT E)
- Design Approval – Student Housing Phase III (ATTACHMENT F)
- Annual Endowment Fund Report (ATTACHMENT G)
- Withdrawal from the Quasi Endowment (ATTACHMENT H)
- University Square Lease Acquisition – Carolina Population Center and School of Public Health Departments of Biostatistics and Epidemiology (ATTACHMENTS I-J)

A presentation was made by Provost Jim Dean on the Administration's recommendations for 2015-16 and 2016-17 tuition and fees. Since the Board of Governor's limited the percentage that tuition could increase this year there was little discussion. A motion was made from committee to approve the tuition and fees proposal; it was seconded and passed.

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

- Preliminary Design Review given by Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Design (ATTACHMENT K)
- Campus Master Plan Update given by Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Design (ATTACHMENT L)
- University Square Update given by Gordon Merklein, Executive Director for Real Estate Development
- Development Report given by David Routh, Vice Chancellor for University Development
- Financial Update given by Matt Fajack, Vice Chancellor for Finance & Administration (ATTACHMENT M)
- ConnectCarolina: "Where We've Been and Where We're Headed" given by Chris Kielt, Vice Chancellor for ITS

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. A report on Carolina Kickstart was given by Director Don Rose. Kickstart is part of the TraCS program which helps finance new companies from Carolina's medical research. Vice Chancellor for Research Barbara Entwisle gave an update on research, Judith Cone, Special Assistant to the Chancellor for Innovation and Entrepreneurship gave an update on space needs at the University, and Trustee Clay facilitated a discussion on the memo dated June 2014. A copy of the memo and report discussed is available at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

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.

(ATTACHMENTS N-O)

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

Trustee Duckett, committee vice chair, presented the report from the University Affairs Committee. He reviewed the items presented to the committee for information only. That included brief remarks from:

- Bruce Cairns, Chair of the Faculty
- Charles Streeter, Chair of the Employee Forum
- Jim Dean, Executive Vice Chancellor and Provost

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**

##### **Honorary Degrees Considerations for May 2016**

Sallie Shuping Russell joined Vice Chancellor David Routh to present names to be added to the Honorary Degree nomination list. Mr. Routh reviewed several candidate bios and opened the floor for additional names from the committee. These nominees are being considered for degree presentation in May 2016. The Board members agreed that the names be added to the current list.

#### **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 Vice Chair Chuck Duckett referred the members to the personnel matters submitted for review. A motion to approve the actions was called, it was seconded by Trustee Clay and passed. Chair Caudill stated that the personnel and salary actions voted on in open session have been distributed.

(ATTACHMENT P)

**SACSCOC LETTER ACKNOWLEDGEMENT**

Chancellor Carol Folt acknowledged that during the course of today's meeting she had received a letter from SACS regarding their previous investigation. She noted that they will update later on the timeline for response.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting adjourned at 2:00 p.m.

  
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Dwayne Pinkney, Assistant Secretary