

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
January 23, 2014

The Board of Trustees met in regular session on Thursday, January 23, 2014 at The Carolina Inn, Chancellor's Ballroom East & West. Chair Caudill presided and convened the meeting at 8:02 a.m.

ROLL CALL

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

W. Lowry Caudill, Chair	Donald Williams Curtis
J. Alston Gardner, Vice Chair	Charles G. Duckett
Sallie Shuping-Russell, Secretary	Kelly Matthews Hopkins
Jefferson W. Brown	Steven J. Lerner
Haywood D. Cochrane	Dwight D. Stone
	Christopher David McCartney Lambden

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 Mr. Lerner and duly seconded by Mr. Stone, the minutes of the meeting of November 2013 were approved as distributed; as was the ratification of mail ballots dated December 12, 2013 and December 17, 2013.

(ATTACHMENT A)

Sallie Shuping-Russell, BOT Secretary, reads a resolution acknowledging Erin Culbreth Schuettpez's service to UNC. Ms. Schuettpez is resigning from her position as Chancellor's Chief of Staff effective February 2014.

**RESOLUTION OF APPRECIATION
FOR ERIN C. SCHUETTPELZ**

WHEREAS, Erin C. Schuettpez has served as Chief of Staff to the Chancellor and Assistant Secretary of the University's Board of Trustees since 2012, capping an impressive career serving the interests of the University of North Carolina system and the University of North Carolina at Chapel Hill;

WHEREAS, Ms. Schuettpez served as director of state relations and communications, helping Carolina leaders understand the legislative world and legislators understand Carolina; and for

seven years before that as director of state government relations at the UNC system, though always remaining a true Tar Heel; and,

WHEREAS, Ms. Schuettpelz staffed the chancellor's search that resulted in the appointment of Carol Folt as the University's 12th chancellor; and skillfully managed operations through the transition to a new chancellor, provost and board chair, assuring a continuity of informed leadership for the University;

WHEREAS, Ms. Schuettpelz helped the Trustees to develop strong relationships with University administrators, faculty, staff and students; and provided critical counsel on numerous issues;

WHEREAS, Ms. Schuettpelz was recognized by the Graduate School with the 2012 Dean's Award for helping students communicate the importance of graduate education to the University and the state; and,

WHEREAS, Ms. Schuettpelz leaves to become Associate Provost for Operations at Washington University in St. Louis;

NOW, THEREFORE, BE IT RESOLVED THAT Members of the Board of Trustees of the University of North Carolina at Chapel Hill hereby express their deep gratitude and appreciation for her service to her alma mater and wish her the very best in her new endeavors.

Mr. Lerner presented the motion to approve this resolution, seconded by Mr. Lambden, and passed. The Board of Trustees and all others present rose to applaud Ms. Schuettpelz.

CHAIR'S REMARKS

Lowry Caudill, Chair presented the following remarks:

- Acknowledged Chancellor Folt's recent visit to the White House in a national leadership role with the Education Summit. Chancellor Folt, along with Chancellor Randy Woodson (NCSU) and President Carol Quillen (Davidson), attended the summit with their counterparts from across the country to discuss how to make college more accessible to students, especially those from low-income families.
- Tom Meyer has recently been collaborating with NCSU to develop a process which will convert solar energy to hydrogen, an innovation that will be of significant benefit to energy conservation and reduction in pollution. It also serves to recognize the importance of the new Department of Applied Physical Sciences in the College of Arts & Sciences.
- At the November 2013 meeting we heard a presentation on Carolina Beats. The Carolina Beats Academy and other speakers have been selected to present at The TEDx UNC conference on February 15, 2014.
- Acknowledged the Chancellor's recent hiring of Joel Curran, Vice Chancellor of Communications and Public Affairs, and Felicia Washington, Vice Chancellor for Workforce Strategy, Equity and Engagement. Joel Curran was introduced to all present. Ms. Washington will be joining the senior leadership team in February and assuming a new position that brings together the critical functions of human resources, EEO/ADA, and diversity.
- Reminded everyone of the four primary goals of the Board of Trustees for this year –

ensuring an effective transition for Chancellor Folt and new members of the senior leadership team; building strong relationships with our key external constituencies, creating a sustainable approach to Enterprise Risk Management for the university; and to concentrate on maturing and consolidating our work on innovation so that we can quantify and effectively communicate our impact on North Carolina and the larger world.

- Acknowledged the athletics and academic improvement that have been the focus of intense work by so many people on campus over the last three years. The Board is highly supportive of the work Carolina is doing to establish best practices that will strength academic rigor. We want to compete academically and athletically at the highest levels with utmost integrity.

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

REMARKS FROM THE STUDENT BODY PRESIDENT

Christopher Lambden remarked on the following:

- The student government's recent statement of support to the University with respect to the academic success of our student athletes
- Approval of the Education Policy Committee and the Faculty Council to ensure that the changes to the new drop/add policy will be grandfathered in and will not be implemented for students currently enrolled at Carolina
- Approval of the increase in the number of pass/fail hours were increased from 11 to 16
- The work of the sexual assault task force, specifically the pending final recommendations from the task force which no doubt reflect the needs and desires of our entire community
- The availability of affordable housing for students living off-campus, as well as a review and possible policy change in the town ordinance prohibiting more than four unrelated people from living in a single residence.
- Campaigns for student body president are already underway and the new SBP will likely be introduced to the Board at the March meeting.

[A copy of these remarks are on file in the Office of the Assistant Secretary]

CHANCELLOR'S REMARKS

Chancellor Folt spoke on the following:

- A brief summary of her first months as Chancellor
- Reflections on recent events taking place on campus
- Additions to the senior leadership team and updates
- Examples of the creativity of our students and faculty
- The ways our faculty research benefits North Carolinians through service in fields with applications the improve community health and education, health and disease monitoring, injury prevention programs, nutrition and disaster planning
- The importance of commercialization and entrepreneurial activity which increases revenues and creates employment

- The White House Summit and what we are doing at Carolina to help our students which includes doubling the size of the Chancellor's Science Scholars program; providing \$4M for campus initiatives to improve graduation rates for undergraduates and focusing on low-income, first-general and underrepresented students; and expanding the Carolina College Advising Corps by adding ten new advisors to reach new rural areas of North Carolina.
- Highlights from the Gillings School of Global Health Legislative Day
- A review of the Martin Luther King Jr. celebration events held throughout campus this week which included the University/Community Banquet and the keynote address presented by actor and author, Hill Harper.

The chancellor also took a moment to address the importance of balancing academics and athletics.

“As one of a select group of leading national research universities that also have highly competitive athletic programs, what happens at Chapel Hill is also of interest nationally. We accept and welcome that scrutiny, and see it as a tremendous opportunity. Although we don't have any evidence that anomalous courses were initiated in order to benefit athletes, close to half of those who did enroll were student-athletes. This was wrong, and not reflective of the standards we expect at this great University. All of those students deserved better from us. We also accept the fact there was a failure in academic oversight for years that permitted this to continue. This, too, was wrong and undermined our integrity and reputation, while creating an unhealthy environment of distrust.”

Furthermore, she stated that “proceeding towards meaningful athletic and academic reform requires us to fully acknowledge and accept the lessons of our past. For us to move forward, we need to ensure everyone understands that we accept accountability, and have learned from this painful journey. We are already making significant changes in academic policies, procedures and practices that are making a real difference and are being validated by the Southern Association of Colleges and Schools Commission on Colleges.”

She thanked everyone for their continued hard work in addressing these issues, especially those serving on the Student-Athlete Initiative Working Group.

Before closing, she briefly reviewed the entrepreneurship and innovation speakers invited to present at today's meeting. By highlighting this students and faculty in this forum, we hope to provide helpful and inspiring on-the-ground examples of the work and people we want to continue to thrive on our campus.

[The Chancellor's remarks are on file in the Office of the Assistant Secretary.]

STUDY ON ADOLESCENT HEALTH

As part of Chancellor Folt's plan to highlight the amazing innovations that are impacting our campus and the state, Vice Chancellor for Research Barbara Entwisle introduced Kathleen Harris, a distinguished professor in the Department of Sociology.

Professor Harris presented an overview of her research on adolescent health which has received \$70M of university support at the Carolina Population Center. The findings of her research affirmed the following:

- There is an importance of social connections for health and well-being across the life course;

- Transition from adolescence into early adulthood is a vulnerable period for health that sets trajectories into adulthood;
- We can map the obesity epidemic;
- Gene—Environment interplay in health and behavior;
- Young adult health is at risk.

This study helped to uncover early life precursors of health and disease before biological, social and financial costs escalate. The NIH Review of this Add Health Study released the following statement “a ‘National Treasure’ for the ...research community. The only major study to trace the broad spectrum of health issues over the early life course in combination with the evolving human capital, family, and environmental situations of youth.”

[A copy of Professor Harris’ presentation is available at bot.unc.edu]

LIFE ON NASCAR

Dean Susan King of the School of Journalism and Mass Communications introduced Professor Dana McMahan and students, Laura Vroom, Katie McNulty, Cynthia Betubiza, Carolina Boese and Michelle Brandt who recently collaborated with FOX Sports on a marketing adventure for NASCAR. Professor McMahan explained that changing the world of communications includes competitiveness and learning to “pitch” using skills in advertising, design and entrepreneurship. A former journalism student and 2009 graduate (name) recently approached the School of Journalism regarding a unique collaboration. For the past few years, NASCAR has been trying to build its fan base to include a younger generation that will help to keep the sport relevant. This younger generation is referred to as “millennials” and includes our current student body population. Five students, coincidentally all women, joined Professor McMahan on this collaboration. They researched how the millennial generation communicates and developed a public relations and marketing plan to promote the NASCAR experience. The plan includes video, billboard holograms, and two promotional participation contests which result in winners attending NASCAR race events. This plan is one of ten that won the challenge and the team has now been invited to attend the upcoming Daytona 500.

[A copy of the presentation is available at bot.unc.edu]

INNOVATIVE AUTISM RESEARCH

Dr. Bill Roper, Vice Chancellor for Medical Affairs, Dean of the School of Medicine and President of the UNC Healthcare System introduced Professors Mark Zylka and Ben Philpott. Both these gentlemen are with the Department of Cell Biology and Physiology at the School of Medicine. Their research involves the discovery of a drug used to treat cancer which also can be used to treat autism through neuron inhibitors.

This impact of this research is significant in that 1 in 50 are diagnosed with autism, a condition which can be induced both genetically and chemically (environmental). There are many types of autism but their research focuses on Ube3a which is the most common form of autism. Further research has involved research other drug formulations that might have the same impact on neuron inhibitors. Since the focus genes are located in the synapses of the brain, more research to test the impact on the synapses and how drugs, pesticides, herbicides and fungicides affect these areas of the brain is needed.

UNC School of Medicine houses two of the twelve National Autism Centers. Through this

research, UNC has partnered with the National Angelman Syndrome Foundation to create the UNC Angelman Syndrome Clinic, the first in the United States. The clinic is currently seeing patients locally, nationally, and internationally. UNC is now ranked second worldwide for autism research and it is the goal of these researchers to help us become the leading institution in autism research.

Professors Zylka and Philpott entertained a few questions from the trustees.

[A copy of this presentation is available at bot.unc.edu]

REPORT OF THE FINANCE AND INFRASTRUCTURE COMMITTEE

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

DESIGNER SELECTION – SKIPPER BOWLES DRIVE PAVEMENT REPAIR

This project will renovate the existing pavement, associated sidewalks, curb and gutter, pedestrian crossings and bus stops on Skipper Bowles Drive. The project budget is \$2.1 million and will be funded by State appropriations.

DESIGNER SELECTION – IMPROVEMENTS TO PEDESTRIAN, BICYCLE AND VEHICULAR ACCESS TO AN AREA BETWEEN FRANKLIN STREET AND CAMERON AVENUE

This project will improve the pedestrian, bicycle and vehicular access from Porthole Alley entrance on Franklin Street to Cameron Avenue. The project budget is \$1.2 million and will be funded by University funds.

DESIGNER SELECTION – ROSENAU HALL, BEARD HALL AND OLD CLINIC BUILDING ROOF REPAIRS AND FALL PROTECTION INSTALLATION

This project will repair the roofs and install fall protection at Rosenau Hall, Beard Hall, and Old Clinic Building. The project budget is \$485,000 and will be covered by University funds.

DESIGNER SELECTION – PUBLIC SAFETY BUILDING AND GILES HORNEY BUILDING ROOF REPLACEMENT AND FALL PROTECTION INSTALLATION

This project will replace the roofs and install fall protection at Public Safety Building and Giles Horney Building. The project budget is \$715,000 and will be supported by State appropriations and University funds.

DESIGNER SELECTION – MOREHEAD CHEMISTRY BUILDING ROOF REPLACEMENT AND FALL PROTECTION INSTALLATION

This project will replace the roof and install fall protection at Morehead Chemistry Building. The project is \$663,000 and will be supported by State appropriations.

DESIGNER SELECTION – MCGAVRAN GREENBERG ROOF REPLACEMENT

This project will replace the existing roof at McGavran Greenberg Building. The project budget is \$762,000 and will be funded by State appropriations.

CONSTRUCTION MANAGER AT RISK SELECTION – HILL HALL RENOVATION

This project will renovate the auditorium, rotunda, and lobby and add a back stage area to the auditorium. In addition, the project will address deferred maintenance items which include HVAC, life safety code and accessibility issues. The project budget is \$15 million and will be funded by private gifts and University funds.

Trustee Gardner presented a motion to approve items as presented by Trustee Lerner, Trustee Lamden seconded the motion and it was passed.

SITE APPROVAL – STUDENT HOUSING PHASE III

This project will replace the existing Odum Village housing units with a new 250-bed suite style residence hall. Various on-campus sites were considered as part of the advance planning effort. This is the next phase of the Residential Housing expansion project. The project budget is \$30 million and will be funded by Student Life and Residential Education. The site is located between the Student Academic Services Building and the Rams Head complex along Ridge Road. The project is scheduled to be completed by the end of 2016.

DESIGN APPROVAL – RONALD MCDONALD HOUSE OF CHAPEL HILL INC.

This project will add a 20,000 SF long-term stay facility containing 24 private guest suites to the existing Ronald McDonald House. This facility will be used by families of children who are receiving health care at area hospitals. The project budget is \$6 million and will be funded by the Ronald McDonald House of Chapel Hill, Inc. The Board of Trustees approved the site for this project at the March 2010 meeting. The design has been reviewed by the Design Review Committee following review by the Chancellor's Buildings and Grounds Committee. Although the project is being funded by Ronald McDonald House, the property is owned by the University, thus requiring any alterations to the property to be approved by the Board of Trustees.

PROPERTY ACQUISITIONS BY LEASE – OFFICE SPACE FOR THE UNC INSTITUTE FOR THE ENVIRONMENT

Request approval to acquire approximately 12,104 SF of office space at 100 Europa Drive in Chapel Hill for use by the UNC Institute for the Environment. The lease term will be four years, with options to renew for an additional two years, at an initial rate of \$220,898 with 2.5% annual escalation. Europa Center LLC was selected as the lessor through a public bid process.

Chair Lerner briefly reviewed the items presented to committee for information only. A full review of the committee meeting may be found in the committee minutes in the Office of the Assistant Secretary.

A copy of the PowerPoint presentation is located at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

(ATTACHMENT B)

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Trustee Gardner, committee chair, presented the report from the University Affairs Committee that included brief remarks from the Executive Vice Chancellor and Provost, the Faculty Chair, and the Employee Forum Chair. Steve Farmer, Vice Provost for Enrollment and Undergraduate Admissions presented an amendment to the admissions policy which was approved by the board.

Trustee Gardner called for a motion to approve this action, it was seconded by all, and passed.

Personnel and compensation actions presented during the committee's closed session will be reviewed during today's closed session.

REPORT OF THE EXTERNAL RELATIONS COMMITTEE

Trustee Curtis presented a review of the External Relations Committee meeting. Presenters included Joel Curran, new Vice Chancellor for Communications and Public Affairs and Lynn Blanchard, Director of the Carolina Center for Public Service. The fundraising report was presented by David Routh, Vice Chancellor for Development. Details of that report are available in the committee minutes of November 20, 2013 and at bot.unc.edu.

The action items regarding Honorary Degrees and recommendations from the Chancellor's Advisory Committee on Naming will be reviewed during the board's closed session.

REPORT FROM THE COMMITTEE ON INNOVATION AND IMPACT

Trustee Steve Lerner chaired the Innovation and Impact Committee for Trustee Phillip Clay who could not attend this month's meeting. The focus of the Innovation and Impact Committee meeting was industrial relations. The committee heard from three presenters: Don Hobart, Associate Vice Chancellor for Research, addressed the committee regarding industrial relations in North Carolina; Barbara Entwisle, Vice Chancellor for Research, discussed the new metrics of research funding and commercialization at UNC; and Andy Johns, Associate Vice Chancellor for Research presented information on industrial funding growth opportunities. A copy of the PowerPoint presentations made during this committee meeting is available at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

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 Degree Candidate Selection

At the November 2013 committee meeting, Sallie Shuping Russell addressed the committee regarding BOT honorary degree recipients. In light of David Routh's recent arrival, Shuping Russell asked that nominations be deferred until the January 2014 meeting, allowing time for the trustees to further identify and consider appropriate candidates for this honor. Normally, the Board of Trustees approves one name for Honorary Degree awards, however, considering the health of two of the candidates, it was requested that the Board of Trustees allow an exception this year by approving two candidates as Honorary Degree recipients in 2015.

Trustee Cochrane motioned for the exception and the approval of two candidates submitted, motion was seconded by Trustee Stone, all agreed.

LEGAL ADVICE

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

DEEP CLOSED SESSION

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

RECONVENE MEETING IN OPEN SESSION

Chair Caudill reconvened the meeting in open session.

OPEN SESSION

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Committee Chair Alston Gardner referred the members to the personnel matters submitted for review. A motion to approve the actions came from Trustee Lerner and was seconded by Trustee Lambden, and passed.

(ATTACHMENT C)

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

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 2:48 p.m.

Erin Schuettpez, Assistant Secretary