

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
May 22, 2014

The Board of Trustees met in regular session on Thursday, May 22, 2014 at The Carolina Inn, Chancellor's Ballroom. Chair Caudill presided and convened the meeting at 8:00 a.m.

OATH OF OFFICE

James C. Stanford, Orange County Clerk of Superior Court, administered the oath of office for Student Body President Andrew Powell.

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 Cochrane and duly seconded by Trustee Lambden, the minutes of the meeting of March 2014 were approved as distributed; as was the ratification of mail ballots dated March 31st, April 28th, and April 29th.

(ATTACHMENT A)

CHAIR'S REMARKS

Chairman Lowry Caudill presented the following remarks:

- Introduced the newest Trustee, Andrew Powell. Andrew is a rising senior from Nashville, TN. He will be serving as Student Body President for the 2014-2015 year.
- Thanked the task force and committee chairs, along with the rest of the board, for continued hard work before and during the meetings over the last ten months.
- Recognized Chancellor Folt, Provost Dean and their colleagues on an exceptional Spring Commencement. 32,000 people attended this year making it one of our largest audiences in several years.
- Acknowledged Jane Smith, Associate Director of University Events, who retires this summer. This was Jane's 24th consecutive spring Commencement. She joined UNC in the fall of 1990 where she has worked on numerous events including Board of Trustees dinners and functions and 23 football seasons assisting chancellors and guests of the University. She only missed four games during that stretch.
- Commencement marked a wonderful way to conclude the Chancellor's first academic year. Chair Caudill is pleased with the progress the Chancellor and her senior team has made to strengthen the ties between the trustees and Carolina students. The presentations at each meeting have highlighted student leadership, creativity and commitment to Carolina.
- Chancellor Folt was invited back to the White House for a fourth time since arriving to Chapel Hill. This was for the second gathering of college and university leaders as part

of President Obama's Task Force to Protect Students from Sexual Assault. During the University Affairs Committee meeting on May 21, 2014, the board heard an update from Vice Chancellor Crisp on the continued progress of our own campus task force on sexual assault.

- Since the last meeting, Chancellor Folt has filled the last remaining vacant senior administrative position: Chief Financial Officer and Vice Chancellor for finance and Administration. Matthew Fajack will join us in June from a comparable position at the University of Florida.

[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:

- Acknowledged the efforts of Christy Lambden over the last year.
- The level of engagement in elections this year (both faculty and student) is a testament to the challenges we face, and the depth of this community's love for Carolina.
- Andrew commented on how honored he is to serve as a trustee and representative of the students at Carolina.
- During his campaign, Andrew talked about how Carolina has led the way since the doors opened in 1795. UNC-CH serves as a model of a university that is accessible, affordable, and empowering.
- Last semester, Andrew was enrolled in Chairman Caudill's scientific ventures course. He spoke on what he learned about innovation, translation and entrepreneurship and how it revealed an integral part of Carolina's character – an unyielding desire to innovate and to take on the most daunting challenges of our time.

[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:

- Thanked those who have helped her during her first year at Carolina.
- In thinking about how Carolina is doing, two things come to mind: the students we are sending out into the world, and the ones we're welcoming to Carolina for the first time. On both fronts, we're excelling.
- Discussed her first Commencement and how inspiring it was. Chancellor Folt signed several diplomas of "Carolina First" – students who are the first in their families to attend college. This year we graduated more than 600 first-generation college students.
- We honored 27 new ensigns and second lieutenants in the Army, Air Force, Navy and Marines at a special "Red, White and Carolina Blue" graduation ceremony. New this year were the military honor cords worn for veteran, active military and ROTC graduates.
- There were 251 members of this year's class of Buckley Public Service Scholars. On average, these students completed more than 450 hours of service during their time at Carolina. Fifteen students recorded 1,000 or more, and two recorded more than 2,000.
- The things our graduates are doing with their lives are wonderful to see. For example, with the selection this year of Joël Joseph Hage, 36 students have been named Luce Scholars, the highest number of any American university. The Luce Scholars Program funds a year of living and learning in Asia for recent college graduates.
- We had a record number – more than 31,000 – first-year applications. This makes the ninth straight year that we've broken our previous record. Carolina is on target to enroll another talented, diverse class this fall. These students will come from almost every North Carolina county, most U.S. states and more than 50 countries.
- Mentioned the Carolina Advising Corps that helped more than 4,000 high school seniors apply to college in North Carolina for the 2014-2015 year.
- In 2003, UNC was ranked 13th nationally in university research funding from the National Institutes of Health. As of 2013, UNC-Chapel Hill has jumped to 7th nationally. Many of the six schools ranked higher than UNC-CH are significantly larger.
- Kathleen Mullan Harris, the James E. Haar Distinguished Professor of Sociology, and Mike Ramsey, the Minnie N. Goldby Distinguished Professor of Chemistry, were elected this year to the National Academy of Sciences and National Academy of Engineering, respectively. These are some of the highest honors that a U.S. scientist or engineer can receive.
- Addressed the addition of Matthew Fajack, the new Chief Financial Officer and Vice Chancellor for Finance and Administration.

- Acknowledged the pending Title IX investigation and how Carolina is working to address these issues.
- More than 1,000 members of the Class of 2014 donated to the Senior Campaign this year.
- Two new gifts that will enhance Carolina's work in important areas were announced: First, we announced on May 20, 2014 that Carolina, along with Penn State and University of Maryland Baltimore County, was awarded nearly \$8 million in grant funding from the Howard Hughes Medical Institute to enhance and evaluate our Chancellor's Science Scholars program. Second, the Local Government Federal Credit Union has pledged \$7.1 million to the UNC School of Government for initiatives to support North Carolina local governments.
- In closing, Chancellor Folt introduced the presenters for the meeting: Dr. Bruce Cairns, Director of the Jaycee Burn Center; Dean Jack Richman, Clinical Instructor, Josh Hinson, and students from the UNC School of Social Work; and Dean Mike Smith and Marcia Machado Perritt, Projects Manager for the Development Finance Initiative at the UNC School of Government.

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

NORTH CAROLINA JAYCEE BURN CENTER

Dr. Bruce Cairns, Director of the Jaycee Burn Center and John Stackhouse Distinguished Professor of Surgery spoke about the Jaycee Burn Center and how it serves the state of North Carolina.

Dr. Cairns started by showing a video about the Burn Center and some of the patients they have helped. The Burn Center opened in 1981 and is the largest ICU in the hospital. They are verified to admit critically injured adults and pediatrics. The Burn Center here is the second busiest in the nation. It focuses on acute care, prevention, education, research and rehabilitation. Dr. Cairns showed that over the last ten years the Burn Center has seen a 2.5x increase in the number of patients they see. Over the years, partners like Duke Energy have helped to renovate areas of the Burn Center – including the Family Room. UNC has the only Burn Reconstruction and Aesthetic Center in the world. The Jaycee Burn Center is helping to lead the way in burn treatments with innovative laser surgeries and novel minimal perforation skin graft meshers. UNC also has a partnership with Johnson & Johnson that provides a 35-bed burn unit in Malawi. Survival in Africa from burns has increased from 20% to 40%.

After concluding his presentation, he asked former patient and recent UNC graduate, Cruz Maria Santibanez, to share her experience with the Jaycee Burn Center. After she finished, they entertained questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and is on file in the Office of the Assistant Secretary.]

REFUGEE MENTAL HEALTH & WELLNESS INITIATIVE

Chancellor Folt introduced Dean of the UNC School of Social Work, Jack Richman and Clinical Instructor, John Hinson and three UNC School of Social Work students.

Dean Richman gave an introduction before turning it over to Professor Hinson who gave background on the study. The Refugee Mental Health and Wellness Initiative is a pilot study that explores the mental health needs of newly arrived refugees in North Carolina. Professor John Hinson received a grant for \$14,000 from the School's Armfield-Reeves Innovation Fund to launch the project. The study focuses on mental health screenings in Orange and Durham counties. They only work with those who have been designated by the federal government as refugees. North Carolina sees refugees from Somalia, the Sudan, Iraq, and Southeast Asia to name a few. Each of the three students, Albert Thrower, Erin Magee, and Allie Hill gave first-hand accounts of their experience over the last year with the study interacting with refugees in the community.

Dean Richman, Professor Hinson and the students concluded the presentation by entertaining questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and is on file in the Office of the Assistant Secretary.]

UNC SCHOOL OF GOVERNMENT OVERVIEW & DEVELOPMENT FINANCE INITIATIVE

Mike Smith, Dean of the UNC School of Government, and Marcia Machado Perritt, Project Manager for the Development Finance Initiative (DFI), presented to the board an overview of

the School of Government and DFI.

Dean Smith started by presenting the mission for the school: “improve the lives of North Carolinians by helping public officials understand and improve state and local government through teaching, publishing and advising”. Last year, the school had 11,023 public officials attend 159 courses and 3,128 participants attend 9 webinars. Additionally to teaching courses, the school helps with orientation for new state legislators and assists with legislation.

DFI was funded with a \$1 million grant from Local Government Federal Credit Union and it was started to create opportunities for economically distressed communities in North Carolina by increasing their access to and use of innovative development finance instruments. Ms. Perritt presented to the board one of DFI’s projects that worked with Kinston, NC to revitalize its downtown. To conclude, Dean Smith and Ms. Perritt entertained questions from the trustees.

[A copy of this presentation is available at bot.unc.edu and is on file in the Office of the Assistant Secretary.]

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:

- Acquisition by lease – UNC Development Office (ATTACHMENT B)

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

- Internal Audit Report given by Phyllis Petree, Director of Internal Audit (ATTACHMENT C)
- Financial Update given by Interim Vice Chancellor for Finance & Administration, Kevin Seitz (ATTACHMENT D)
- Development Report given by David Routh, Vice Chancellor for University Development (ATTACHMENT E)
- Professional Development in Athletics given by Athletic Director Bubba Cunningham (ATTACHMENT F)
- Master Plan Update given by Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Design (ATTACHMENT G)

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

There were no action items for this Committee in open session. Trustee Gardner, committee chair, presented the report from the University Affairs Committee that included brief remarks from:

- Bubba Cunningham, Director of Athletics
- Jan Boxill, Chair of the Faculty
- Charles Streeter, Chair of the Employee Forum and Ms. Lorch, Education Coordinator at the Carolina Campus Community Garden
- Kevin Seitz, Interim Vice Chancellor for Finance and Administration
- Shelby Dawkins-Law, Graduate and Professional Student Federation President
- Charlie Perusse, COO at UNC General Administration (ATTACHMENT H)
- Ron Strauss, Executive Vice Provost and Chief International Officer
- Winston Crisp, Vice Chancellor for Student Affairs
- Students with the “Rename Saunders” Campaign

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.

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 fundraising report was given by David Routh, Vice Chancellor for Development. 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 I)

The action items regarding Honorary Degrees, Board of Visitors Class of 2018, Davie Awards and recommendations from the Chancellor's Advisory Committee on Naming will be reviewed during the board's closed session.

REPORT FROM THE INNOVATION AND IMPACT COMMITTEE

There were no action items for this Committee in open session. Barbara Entwisle, Vice Chancellor for Research presented a research funding update. Then Trustee Clay led a discussion on the agenda and plan for the Innovation and Impact Committee. A copy of the PowerPoint presentation made during this committee meeting and the memo discussed is available at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

(ATTACHMENT J)

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 and Special Awards

David Routh, Vice Chancellor for University Development brought forth six honorary degree recipients for the 2015 Spring Commencement proceedings. A motion was made to approve these recipients, it was seconded and the motion passed. The Chancellor will send the letters of nomination to these recipients; they must agree to attend the commencement proceedings in order to accept the degree. Should a nominee die before May 2015 Commencement, then they will be awarded the degree posthumously.

Board of Visitors Class of 2018 Selection

David Routh, Vice Chancellor for University Development approached the committee with the final list of names for the Board of Visitors Class of 2018. This list included the three additions submitted by the Board of Trustees since the last meeting. The Board was asked to approve this final list of 40 names, as well as the recommendations that Rick Margerison be appointed Chair of the Board of Visitors for 2014-15 and Tom Long serve as Vice Chair. A motion was made to approve these names, it was seconded and the motion passed.

(ATTACHMENT K)

Davie Award Nominees

The Board of Trustees usually grants four or five Davie Awards each year. The list of nine nominees was presented to the Board which selected five recipients for 2014. A motion was made to approve the five names, it was seconded and it passed. The list remains confidential until each nominee has been notified. The Chancellor's office will be responsible for contacting the nominees. Awards are presented at in November 2014 in conjunction with the Board of Trustees dinner.

Recommendations from the Chancellor's Naming Committee

David Routh, Vice Chancellor for University Development presented the naming recommendations which were previously presented to the External Relations Committee and approved by the committee. A copy of the report is filed in the Office of the Assistant Secretary. A motion was made to approve the naming items, it was seconded and the motion passed.

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 was called and was seconded by Trustee Cochrane.

(ATTACHMENT L)

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 1:30 p.m.



Dwayne Pinkney, Assistant Secretary