

BOARD OF TRUSTEES MEETING
The University of North Carolina at Chapel Hill
September 25, 2014

The Board of Trustees met in regular session on Thursday, September 25, 2014 at The Carolina Inn, Chancellor's Ballroom. Chair Caudill presided and convened the meeting at 8:00 a.m.

ROLL CALL

Assistant Secretary Dwayne Pinkney called the roll and the following members were present:

W. Lowry Caudill, Chair	Peter T. Grauer
J. Alston Gardner, Vice Chair	Kelly Matthews Hopkins
Sallie Shuping-Russell, Secretary	Steven J. Lerner
Haywood D. Cochrane	Dwight D. Stone
Donald Williams Curtis	Andrew H. Powell
Charles G. Duckett	

Jefferson W. Brown and Phillip L. Clay 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 Stone and duly seconded by Trustee Duckett, the minutes of the meeting of July 2014 were approved as distributed; as was the ratification of mail ballots dated August 13th and August 15th.

Vice Chair Alston Gardner raised concerns on the mail ballot dated September 19th. After discussion, it was decided that Vice Chancellor David Routh and Deputy General Counsel Pat Crawford would discuss other options and bring the vote back to the Board by mail ballot at a later date.

(ATTACHMENT A)

ACC GOVERNING BOARD CERTIFICATION 2014-2015

Chair Caudill read the annual ACC Governing Board Certification for the 2014-2015 school year. A motion was made by Trustee Grauer to approve the certification, it was seconded by Trustee Shuping-Russell, and passed.

(ATTACHMENT B)

CHAIR'S REMARKS

Chairman Lowry Caudill presented the following remarks:

- Welcomed Debbie Dibbert to her first meeting as the Chancellor's new Chief of Staff.
- Reiterated the four goals set in July:
 - Support Chancellor Folt and her senior leaders as they become a highly effective operational team.
 - Accelerate, measure and communicate the growth and economic impact of our innovation and entrepreneurship initiatives.
 - Tell our story: Carolina improves the lives of people across North Carolina, our nation, and our world; and
 - Implement the work of the two trustee task forces on enterprise risk management and external relations.
- Highlighted three significant events since the last meeting:
 - The successful rollout of the revised policy on sexual violence and discrimination.
 - UNC-CH came in #1 among top-flight public universities in the New York Times economic diversity ranking showing the proportion of undergraduates receiving Pell grants and net price.
 - Lastly, commented on the Chancellor's opinion column published by U.S. News and World Report on the future of American higher education.

- Thanked Trustee Stone for representing the Board at last week's C-STEP kickoff event. This program allows low- to moderate-income students who transfer to Carolina from a partner community college.

[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:

- Since the last meeting, Mr. Powell has spent time speaking at convocation, parents weekend and many other events around campus
- Commented on his student government team. He mentioned Brent Comstock who leads the student government tech team, takes classes, and runs a 15 person company back home.
- Recently, Mr. Powell, the Chancellor and other staff from the university went to Athens, Georgia on the Chapel Hill Chamber of Commerce Intercity Visit.
- Altogether, there are more than 200 students involved in student government.
- Student Government has been working closely with faculty, graduate student leadership and fellow undergraduate students on a number of things:
 - They have added a student-athlete to the Student Advisory Committee to the Chancellor
 - They have worked with Joy Renner and the FAC to have Benton Moss, a pitcher on the Carolina Baseball team, to attend those meetings
 - Lastly, they have a student from the football team leading an athletics group within student government.
- Student Government has partnered with the Royster Society of Fellows on the Stigma Free Carolina Campaign
- Spoke about funding issues with the SafeWalk program and said that it has been sustained
- Mr. Powell has commissioned a task force chaired by Student Body Vice President Kyle Villemain to document the current student landscape for innovation and entrepreneurship and recommend ways to bridge any gaps that exist for student ventures.
- Spoke about blended learning and the work of the Online Task Force
- Thanked Chancellor Folt and Steve Farmer for attending the event at the Campus Y to discuss need-based aid and Carolina's commitment to meeting 100% of demonstrated need.
- Lastly, Mr. Powell thanked Trustee Shuping-Russell and Trustee Lerner and the students from the Sierra Student Coalition for their work together to find a forward-looking solution to sustainable investment of endowment funds.

[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:

- Theme of today's presentations: innovation in the class and in the world
- Chancellor Folt shared some "behind the scenes" stories:
 - She attended the Council on Competitiveness along with NC State Chancellor Randy Woodson to talk about innovation
 - Attended the annual C-STEP kickoff event
 - Honored 20+ year survivors of HIV/AIDS
 - Ebola preparedness
 - Preparations for the release of the Wainstein report as well as implications for the NCAA investigation
 - PeopleSoft/ConnectCarolina launch on October 1, 2014
- In the news, the Chancellor commented on the recent #3 ranking for economic diversity in the New York Times
- U.S. News & World Report ranks UNC-CH as the 5th in the country among all publics
- Chancellor Folt has been facilitating a national discussion on higher education with pieces in the Wall Street Journal and U.S. News & World Report
- Carolina was mentioned in more than 1,000 positive national and global media stories. This includes Dr. Bill Fischer for his work in West Africa, Dr. Kelly Hogan and her research on flipped classrooms, and Professor Steven King who helped to create a website to track Ebola cases for the Liberian government.
- In FY 2014, faculty at Carolina brought in more than \$790 million in research contracts and grants. Nearly \$15 million more than FY 2013.
- Today, Chancellor Folt announced that the National Longitudinal Study of Adolescent

Health, or Add Health, has been granted \$28 million from the Eunice Kennedy Shriver National Institute of Child Health and Human Development. This is the nation's longest-running study on health of adolescents and their transition into early adulthood. Chancellor Folt also acknowledged principal investigator and director Dr. Kathleen Harris.

- There are at least 150 UNC-CH start-ups here in North Carolina that provide jobs to nearly 8,000 North Carolinians.
- Chancellor Folt commented on the improved, comprehensive policy on addressing sexual violence.
- There are nearly 4,000 first-year students and more than 800 transfers in this year's class. 18% are first generation college students, 14% graduated as valedictorian or salutatorian, and they represent 94 N.C. counties, 38 states, and 24 countries. There are also more than 2,300 new first-year graduate students.
- Over the past year, UNC-CH has hired 177 new faculty members.
- Chancellor Folt mentioned the Carolina Performing Arts 10th Anniversary Gala happening on Saturday and also University Day that will occur on October 12th.
- Commented on the ALS Ice Bucket Challenge.
- Introduced Dean Karen Gil to introduce the first presenters, Dr. Michael Crimmins and Dr. Kelly Hogan.
- Introduced Provost Jim Dean to introduce Dr. Susan Cates.
- Introduced Dean Bill Roper to introduce Dr. Billy Fischer.

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

ENGAGING TOMORROW'S SCIENTISTS

Dean Karen Gil introduced the first presenters: Dr. Mike Crimmins, Mary Ann Smith Distinguished Professor of Chemistry, and Dr. Kelly Hogan, Senior Stem Lecturer. Dr. Crimmins and Dr. Hogan presented on innovative teaching methods and course re-design in large gateway science courses. The goal of the AAU Undergraduate STEM Initiative: UNC-CH Project, co-directed by Dr. Crimmins, is to transition large science courses in Chemistry, Biology and Physics into high-engagement, student-centered learning environments. Since implementation of the project the achievement gap of these courses have dramatically improved across all student populations. Three students joined Dr. Hogan and Dr. Crimmins to tell of their experiences in the classes and as student mentors. To conclude their presentation Dr. Hogan, Dr. Crimmins and the students 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.]

MBA@UNC

Provost Jim Dean introduced Susan Cates, Executive Director of MBA@UNC and President of Executive Development at Kenan-Flagler Business School. Before they started the MBA@UNC program they wanted to answer one main question: "Can we create a comparable program for students who cannot come to Chapel Hill?". They made a promise to have the same level of students, same faculty, and the same Chapel Hill education. Since its inception in 2012, the program has had a 96% retention rate and enrollment has steadily risen. To conclude her presentation, Mrs. Cates entertained questions from the trustees.

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

THE STRUGGLE TO CONTAIN EBOLA

Dr. Bill Roper, Dean of UNC School of Medicine introduced Dr. William Fischer, Associate Program Director for Research in the Department of Medicine's Division of Pulmonary Diseases and Critical Care. Dr. Fischer presented on the current struggle to contain Ebola in West Africa. In June, Dr. Fischer was asked by the World Health Organization to help work on emerging pathogens and he has been sent to Guinea to work with Doctors without Borders to try and help reduce mortality from Ebola virus in rural communities. Dr. Fischer gave a comprehensive update on Ebola from how it is transmitted to the current state of Africa. More information can be found in his presentation on bot.unc.edu or on file in the Office of the Assistant Secretary. To conclude his presentation, Dr. Fischer 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 fundraising report was given by David Routh, Vice Chancellor for University 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 C)

The action items regarding WUNC and recommendations from the Chancellor's Advisory Committee on Naming 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 items requiring action by the board were reviewed as follows:

- Self-Liquidating Debt Discussion and Resolution (ATTACHMENT D)
- 2014-2015 Audit Plan for Approval (ATTACHMENT E)
- Designer Selections (ATTACHMENTS F-H)
- Designer Site Approval (ATTACHMENT I)
- Lease Acquisition (ATTACHMENT J)

A motion was made from committee to approve the actions items above, it was seconded by Trustee Cochrane and passed.

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

- Internal Audit Report for 2013-2014 given by Phyllis Petree, Director of Internal Audit (ATTACHMENT K)
- Presentation by the Sierra Student Coalition given by Tait Chandler, Anita Simha, and Jack Largess.
- Preliminary Design Review given by Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Design (ATTACHMENT L)
- Carolina North Annual Report given by Anna Wu, Assistant Vice Chancellor for Facilities Operations, Planning and Design (ATTACHMENT M)
- Financial Update given by Matt Fajack, Vice Chancellor for Finance & Administration (ATTACHMENT N)
- Development Report given by David Routh, Vice Chancellor for University Development (ATTACHMENT O)
- Presentation on Centers and Institutes given by Barbara Entwisle, Vice Chancellor for Research.

Trustee Lerner called on Trustee Shuping-Russell to read a resolution that was read during yesterday's committee meeting:

**RESOLUTION
BOARD OF TRUSTEES
Of
THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

September 24, 2014

WHEREAS, the Board of Trustees of The University of North Carolina at Chapel Hill (University) recognizes the University's role in seeking solutions to global issues using the educational, research and financial resources of the University; and

WHEREAS, through the investment of the University's endowment funds the University can influence the development of environmentally friendly alternative energy sources; and

WHEREAS, investing in the development of environmentally friendly alternative energy sources promotes economic growth, energy independence and environmental and public health.

NOW THEREFORE BE IT RESOLVED, the Board of Trustees of The University of North Carolina at Chapel Hill requests that UNC Management Company, research targeted investments for the University's endowment assets that advance environmentally friendly clean energy strategies consistent with applicable asset allocation and investment objective policies.

Trustee Lerner read a resolution for Kevin Seitz, Associate Vice Chancellor for Finance:

**RESOLUTION OF APPRECIATION FOR
ASSOCIATE VICE CHANCELLOR KEVIN SEITZ**

WHEREAS, Kevin Seitz provided eight months of steady leadership and outstanding service to the University of North Carolina at Chapel Hill as Interim Vice Chancellor for Finance and Administration and Chief Financial Officer until Matt Fajack's arrival in June 2014;

WHEREAS, the University was extremely fortunate to have, in Associate Vice Chancellor for Finance Seitz, such a capable professional in charge of finance and administration operations during a significant transition period in South Building and for the Division of Finance and Administration;

WHEREAS, Chancellor Carol L. Folt wisely determined that Associate Vice Chancellor Seitz was the right person to serve in the interim position because of the depth and breadth of his experiences at Carolina over three years and in higher education administration over an exemplary 40-plus-year career;

WHEREAS, Associate Vice Chancellor Seitz's contributions to the University have included playing a key role in the Budget Committee's resource allocation process, overseeing treasury functions, and working closely with financial leaders at UNC General Administration and the State of North Carolina's Division of Fiscal Research.

WHEREAS, Associate Vice Chancellor Seitz has guided the conversion of outdated financial systems to the ConnectCarolina enterprise resource program, including chairing the Finance Stakeholders Committee as Associate Vice Chancellor and serving as project sponsor as the Interim Vice Chancellor. Finance joins Human Resources and Payroll as applications going live next month.

NOW, THEREFORE BE IT RESOLVED that members of the Board of Trustees of the University of North Carolina at Chapel Hill express their profound appreciation for Mr. Seitz's loyal service to the University, and wish him the very best for his well-deserved retirement.

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. Judith Cone, Special Assistant to the Chancellor for Innovation and Entrepreneurship facilitated a discussion on the memo dated June 2014. A copy of the memo discussed is available at bot.unc.edu and is also filed in the Office of the Assistant Secretary.

(ATTACHMENTS P-Q)

REPORT OF THE UNIVERSITY AFFAIRS COMMITTEE

Trustee Gardner, committee chair, presented the report from the University Affairs Committee.

Trustee Gardner 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
- Shelby Dawkins-Law, Graduate and Professional Student Federation President
(ATTACHMENT R)

Presentations were given on the following:

- Intercollegiate Athletics Report given by Provost Jim Dean (ATTACHMENT S)
- Academic Performance Metrics given by Provost Dean and Ron Strauss, Executive Vice Provost and Chief International Officer
- Faculty Retention and Recruitment given by Executive Vice Provost Ron Strauss

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

Recommendations from the Chancellor's Naming Committee

Trustee Curtis 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, it was seconded and passed.

(ATTACHMENT T)

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

NON-SALARY COMPENSATION FOR FOREIGN DUTY STATION

It was recommended that the non-salary compensation for payment of the Zambian PAYE tax as detailed in the attached to be effective retroactively from April 1, 2014 through September 30, 2014, and prospectively until December 31, 2014. A motion was made from committee, it was seconded and passed.

(ATTACHMENT U)

ADJOURNMENT

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



Dwayne Pinkney, Assistant Secretary