



THE UNIVERSITY  
of NORTH CAROLINA  
at CHAPEL HILL

BOARD OF TRUSTEES  
EXTERNAL RELATIONS COMMITTEE  
MARCH 23, 2016, 2:30PM  
ALUMNI HALL I, GEORGE WATTS HILL  
ALUMNI CENTER

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**OPEN SESSION**

**FOR INFORMATION ONLY**

(No formal action is requested at this time)

1. [WUNC Public Radio - LLC Update](#)  
*Connie Walker, President and General Manager*
2. [BOG Legislative Policy Update](#) (Attachment A)  
*Jennifer Willis, Assistant Dean for Development, UNC School of Government, & Interim Director of Public Affairs*
3. [Communications Update](#)  
*Joel Curran, Vice Chancellor for Communications and Public Affairs*
4. [Development Update](#)  
*David Routh, Vice Chancellor for University Development*

\*Some of the business to be conducted is authorized by the N.C. Open Meetings Law to be conducted in closed session.

**Important Dates for the Committee:**

Spring Commencement – Sunday, May 8

University Day – Thursday, October 13

**COMMITTEE MEMBERS**

**Kelly Matthews Hopkins, Chair**

**Allie Ray McCullen, Vice Chair**

**Charles (Chuck) G. Duckett**

**William (Bill) Keyes IV**

**William (Ed) McMahan**

**Houston L. Summers**

***Administrative Liaisons:***

***David Routh, Vice Chancellor for University Development***

***Joel Curran, Vice Chancellor for Communications and Public Affairs***

UNC-Chapel Hill Board of Trustees

External Relations Committee

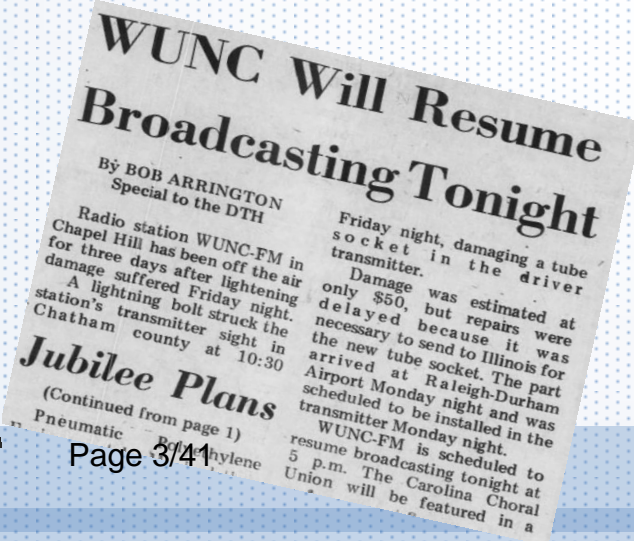


WUNC Public Radio - LLC Update

Presented by President and General Manager Connie Walker

# 1950S - 1960S

- WUNC-FM on air as a student run station
- Frank McGuire was UNC men's basketball coach
- Lightning strike knocks WUNC off air late 1960s
- \$50 repair restores service on a Tuesday in 1969
- Bill Friday on the air the following Sunday

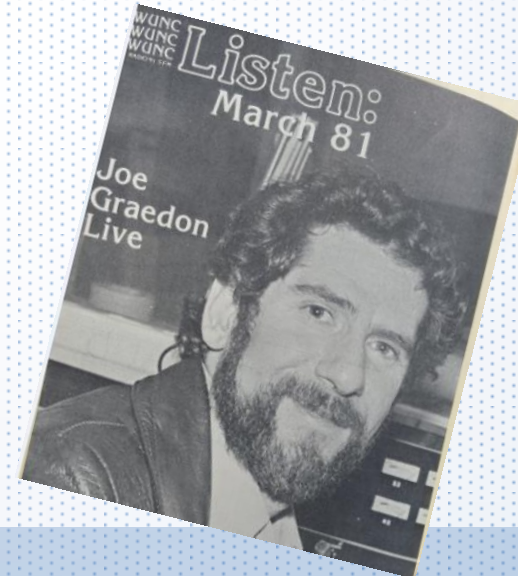




# 1970s – 1980s – 1990s



- NPR's *All Things Considered* signs on in 1971
- WUNC re-launches as a Music & NPR station in 1976
- Carl Kasell joins NPR in 1977
- *The People's Pharmacy* debuts on WUNC in 1981
- WUNC extends service to Rocky Mount & Outer Banks





# Number 1 in the 2000s

- WUNC goes all News – WCPE remains all Classical
- 9/10/01 100's call concerned about loss of Classical Music
- 9/12/01 1000's call saying "Thank you WUNC."
- *The State of Things* & *The Story* go daily
- By the end of the decade, WUNC hits #1 in Raleigh





# 2010S

- WUNC News Room expands
- First **WUNC Sustainer** begins giving monthly
- WUNC – Public Radio LLC forms in 2015
- WUNC expands service to Fayetteville, Fort Bragg & Sandhills region



# WUNC Mission and Vision

## MISSION

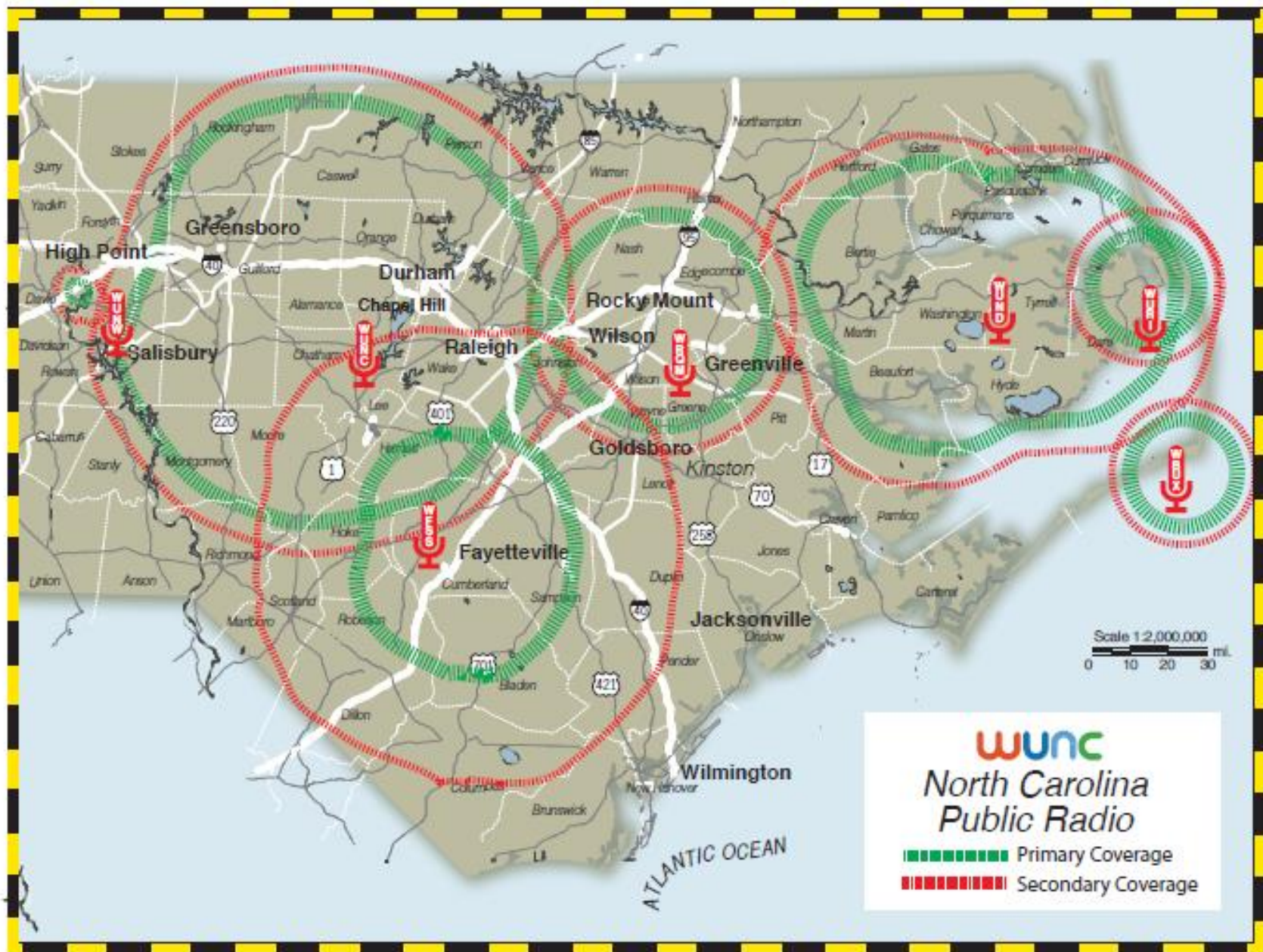
WUNC provides high-quality news, cultural and entertainment content to create a more informed and engaged community.

## VISION

WUNC is a trusted source of objective and transformational content reflecting our region and expanding our collective understanding of the global community.

North Carolina Public radio strives to influence public life by focusing on civic and cultural issues. WUNC creates original programming that reflects the diversity and range of opinion in North Carolina. Our goal is to be connected with the community. The station provides consistently high quality public service programming presented with integrity.









# Who listens to WUNC?

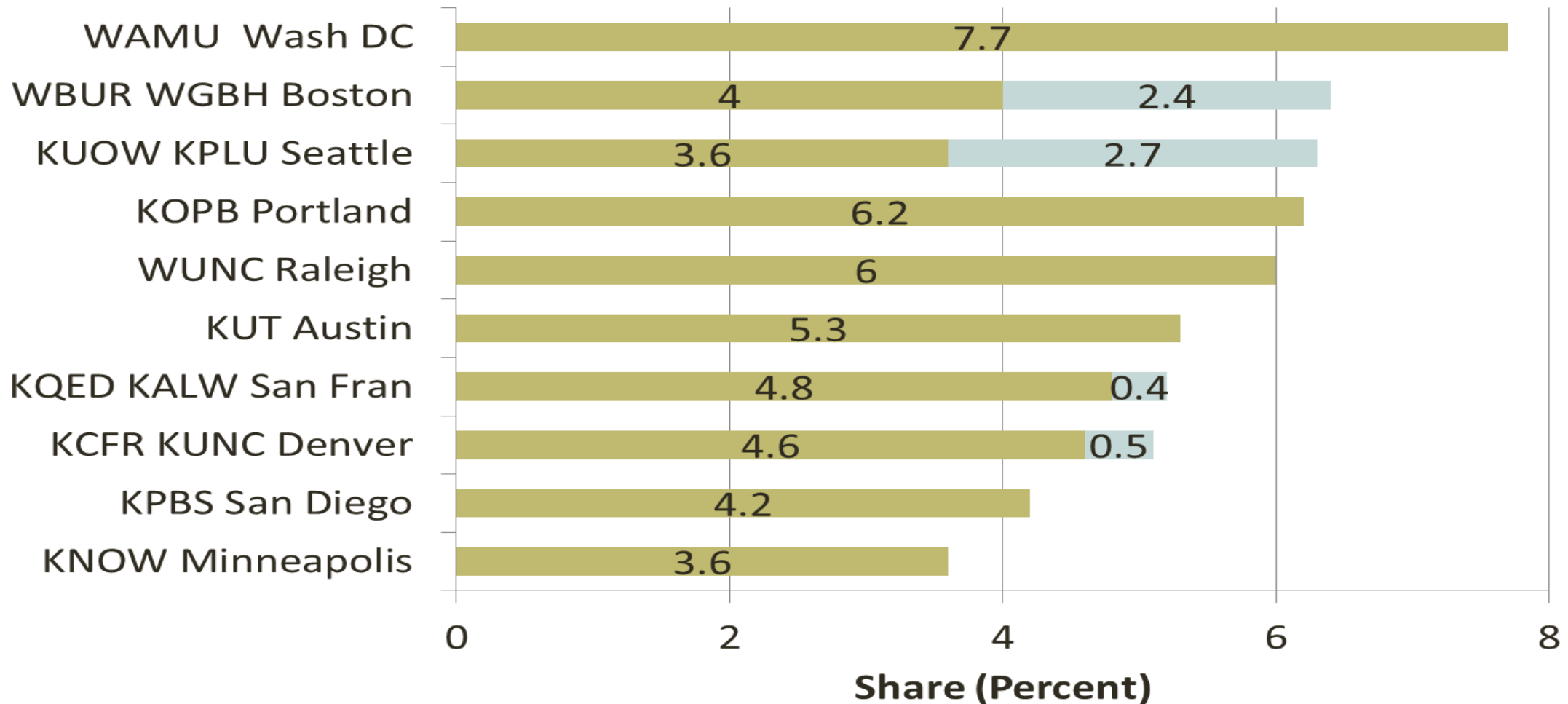


- 336,300 Weekly (Nielsen Audio Spring 2015)
- 14,400 Average Quarter Hour (Nielsen Audio Spring 2015)
- 58% Male - 42% Female
- 75% White/Other - 20% African American - 4% Hispanic
- 53% prefer WUNC over any other station
- 17% under 34 – 51% 35-64 – 65+ 32%

# Best Markets for NPR

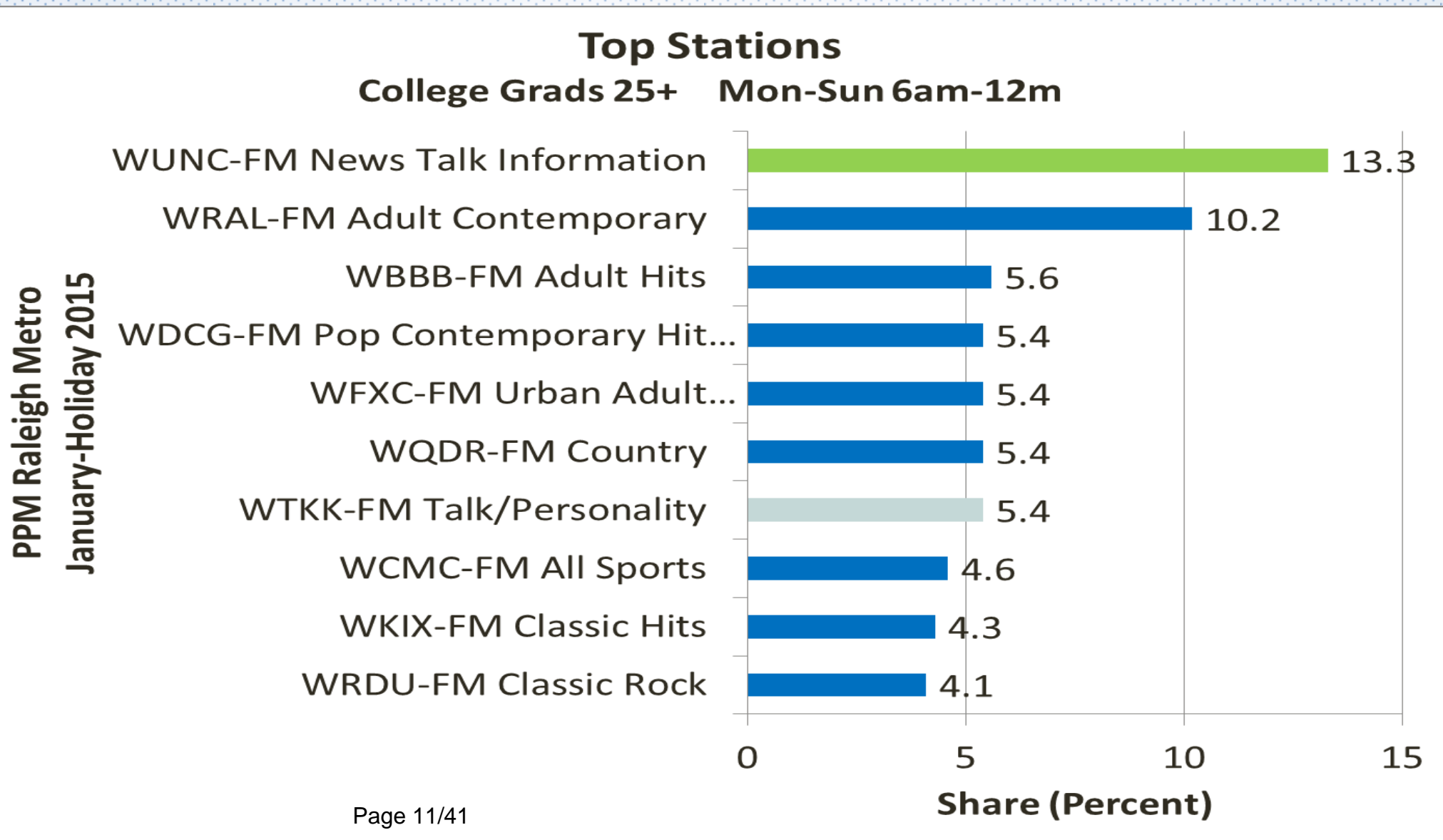
## Leading NPR Stations by Share

Persons 6+ Mon-Sun 6am-12m



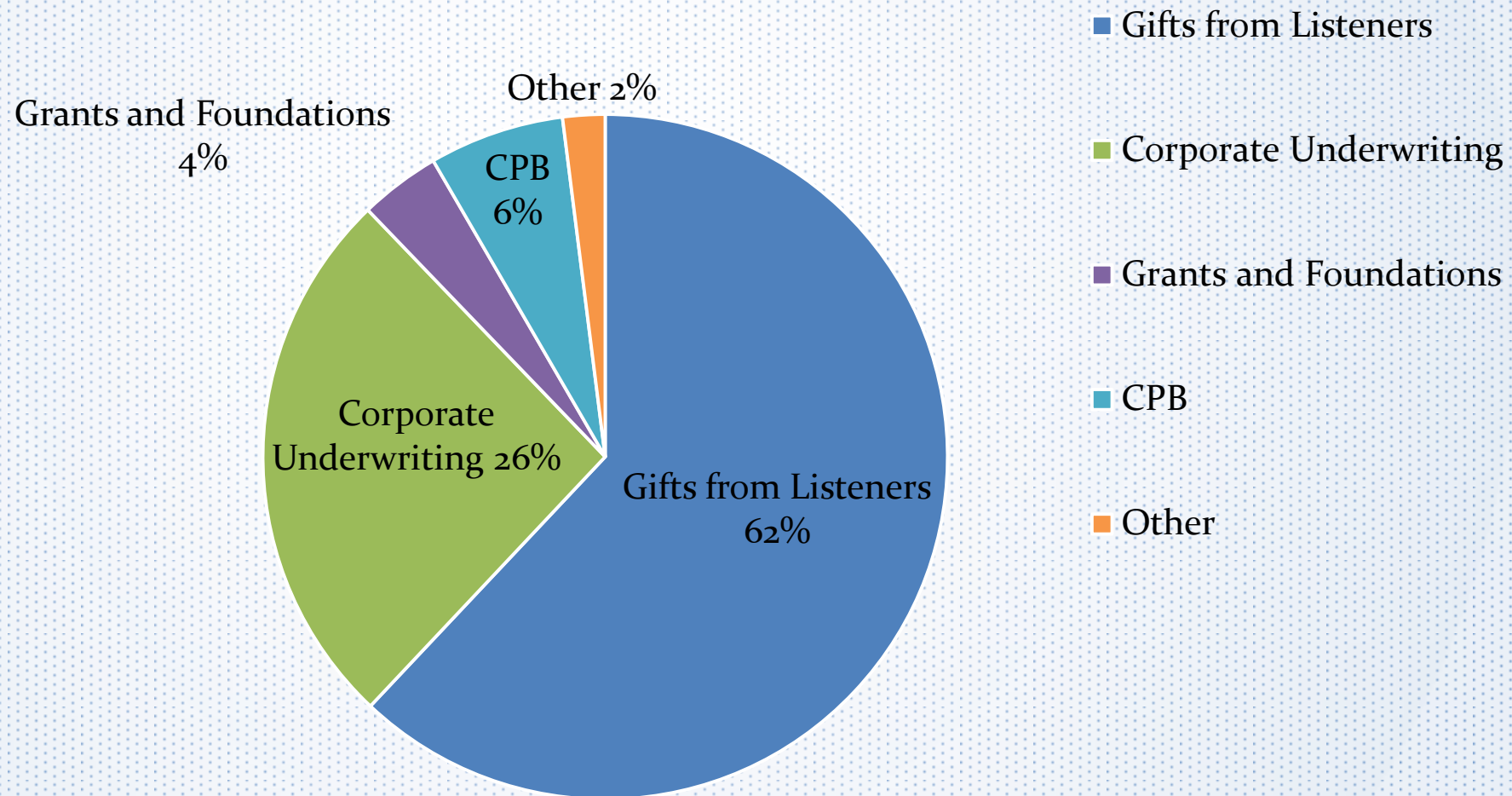


# WUNC has a 13.3 Share in College Grads



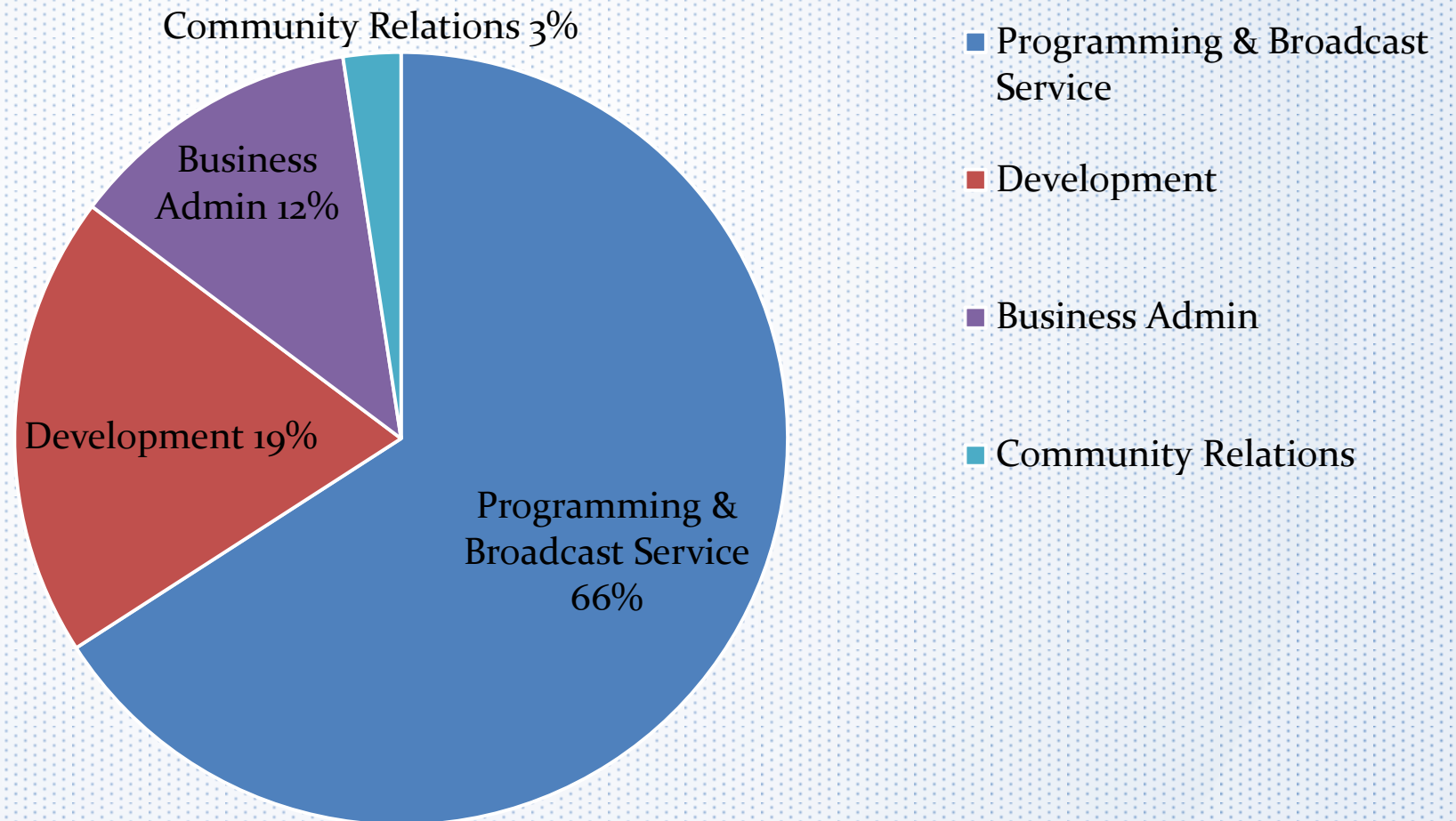
# FY16 Revenue Budget by Source

## WUNC-FM





# FY 16 Expense Budget by Functional Area WUNC-FM



# FY 16 Financials

## WUNC-FM

	FY16 Budget	As of 2/29/16
Expenses	\$8,559,543	\$5,301,021
Revenue	\$9,178,570	\$5,900,367





# WUNC Programming



- Acquired programming from NPR and other distributors including *Morning Edition*, *The Diane Rehm Show*, *Wait Wait...Don't Tell Me*
- *The State of Things*, a one hour talk show produced at the WUNC studios and focused on North Carolina Issues and Individuals
- North Carolina oriented reporting by a thriving and enterprising news team that includes two reporters at the state legislature
- *The People's Pharmacy*, a nationally syndicated program featuring health news, home remedies and medical advances
- *Back Porch Music*, featuring acoustic folk music has aired since 1977

# New Initiatives in Programming 2016

- Investigative reporting on equity in Public Education
- National reporting on Military/Veterans Issues
- New data journalism initiative
- Localore: new national partnership on engagement
- Youth Media Initiatives





# WUNC is a Non-Profit Leader in Listener Support

- 36,000 donors giving annually
- 80-percent of donors are sustainers who provide a steady stream of revenue through ongoing monthly support
- WUNC is the number one non-profit in the country in the percentage of donors who are sustainers!
- Sustainer Comment from a survey:



“It gives me a sense of pride to know I am doing my part and part of the WUNC Community. I used to feel so guilty during fund drives. Now I am guilt free and love it when WUNC staff say thank you if you are already a sustainer. To which I say "I am!!" and thank YOU for so much food for thought and keeping me up to date on everything. I often find myself sharing what I have heard. And I stop in amazement that I learned so much on my drive into and home from work. Thank you so much!!!”

UNC-Chapel Hill Board of Trustees

External Relations Committee



WUNC Public Radio - LLC Update

Presented by President and General Manager Connie Walker





# The University of North Carolina

## 2016 Policy Agenda

### University of North Carolina Board of Governors Policy Priorities

#### **1) Eliminate Private Fundraising Cap**

The conference report for the FY2015-16 budget, H. 97, included a provision to cap each individual UNC institution spending on private fundraising at \$1 million in state funds. Since the recession, the legislature has been encouraging UNC institutions to seek private funds as state funds were drying up. This provision is a major shift and we seek the elimination of the recently enacted provision.

#### **2) Extend 5% Carry Forward authority for next biennium**

The legislature increased UNC carry forward authority to 5% for the biennium with the increase being used for R&R (up from 2.5%) in H. 97. We ask the legislature to extend the increase in carry forward authority and eliminate the \$300,000 cap on R&R projects for institutions in order to provide time for UNC institutions to show the positive impacts of this added flexibility.

#### **3) Eliminate requirement for institutions to use non-General Funds for Advanced Planning for new capital projects**

The FY15-16 budget included a provision requiring UNC institutions to use non-General Fund dollars for advanced planning before the legislature would be given a chance to approve projects. Unlike last year's bond package request which included a "Skin in the Game" requirement if the legislature acted, this requirement goes further and requires campuses to front funds for projects the legislature may never approve. Because of the uncertainty of spending money for advanced planning before the legislature signs off on the project, there is a significant unintended negative impact on a number of our campuses.

#### **4) Permanent fix for qualified excess benefit arrangement (QEBA) issue**

Last session, UNC collaborated with the NC Treasurers Office to agree on a permanent fix for a pension issue that significantly impacts key leaders at UNC Hospital and several institutions. We were able to get a temporary reprieve on the issue through August 1, 2016, but we need to secure a permanent solution for those impacted.

## **Proposed UNC Action**

### *Eliminate Private Fundraising Cap*

## **Issue Overview**

*The enacted 2015 Budget Bill capped campuses state spending on fundraising activities to \$1 million and cut an associated \$16.4 million from the UNC System budget.*

## **Rationale for UNC Action**

*A 2012 study showed that less than half of our universities were in the 50<sup>th</sup> percentile or greater in actual dollars raised or endowment values when compared to their peer institutions. The UNC System Strategic Plan adopted in early 2013 outlined two very aggressive goals in this area. They included 1.) Increase UNC total gifts by a minimum of 25% (\$125 million) and 2.) Move all universities to at least the 50<sup>th</sup> percentile in key performance metrics as compared to their peers.*

*The cap would negatively impact a strong and proven return-on-investment. For every dollar invested in advancement, the University raised \$6.76 cash in return and when commitments are included, the return-on-investment increases to \$10.39. Following the recession, UNC has shown consistent growth in total gifts by campus. Between 2010 and 2015 cash receipted by UNC has increased by 22% and the University's endowments increased by 61% over the same time period.*

## **Impact**

*This cap and associated budget reduction of \$16.3 million would have a significant impact on a number of our universities. North Carolina State University would see a \$5.4 million reduction, while UNC Greensboro and East Carolina University would have to implement cuts exceeding \$3 million. If enacted, campuses would be forced to reduce private fundraising staff or take funds away from scholarships to fund the positions.*

*Ultimately, private fundraising supports financial aid to students. Nearly 49,400 of our 225,000 students depend on this support. Limiting the ability to fundraise at our universities means that many of these students will have to add more debt as they earn their degrees.*

## **Last Session Action/Background**

*This issue was first introduced in the Governor's 2015 budget and subsequently included in the original House budget. House leaders found one-time funds to ensure this cut did not take effect in FY 2015-16. At that time, legislative leaders indicated they would be willing to revisit the issue in the Short Session. UNC agreed to move this item to a Management Flex cut in order to remove it permanently during the Senate budget negotiations. The House provision was adopted in the conference report.*



**Proposed UNC Action**

*Extend 5% carry forward authority for next biennium (2017-2019)*

**Issue Overview**

*G.S. 116-30.3 allows UNC institutions to carry forward up to 2.5% of unexpended state appropriations, subject to the approval of the State Budget Director, for one-time expenses that do not obligate the state to an ongoing expenditure. System-wide, we carried forward 1.23% into FY 2015-16. Of the 17 campuses, 14 carried forward funds and 6 carried forward more than 2%. Section 31.17 of the 2015 Appropriations Act temporarily increased this authority to 5% for funds carried forward from FY 2015-16 to FY 2016-17, with the additional amount to be used only for certain capital expenditures (repairs and renovations of facilities and advanced planning of new capital projects).*

**Rationale for UNC Action**

*The Board of Governors has strongly supported increasing carry forward authority for several years as it creates an additional incentive for chancellors to find savings to redirect and address critical repair and renovation (R&R) backlogs on their campuses. This is particularly important as R&R appropriations from the state have been unpredictable. The temporary nature of the additional carry forward authority creates uncertainty about availability of this source of funds in the future. This additional authority should be extended through the next biennium to allow the campuses to plan on a minimum level of R&R funding each year and demonstrate a reduction in the backlog of Repairs and Renovations.*

**Impact**

*We need time to demonstrate our ability to solve some of our own problems through careful management of state appropriations. With the sunset extended, campuses will be able to better plan to use this authority for the next several years and demonstrate a reduced R&R backlog.*

**Last Session Action/Background**

*This was the top Board of Governor legislative priority last session. House leaders inserted this provision into the budget, while the Senate budget did not include this provision. The provision was included in the conference report for H. 97. The language provided a one-time option for UNC institutions to carry forward 5%. UNC leadership needs a longer window in order to demonstrate the potential effectiveness of this policy change.*

**Proposed UNC Action**

*Eliminate requirement for institutions to use non-General Fund money for advanced planning for new capital projects*

**Issue Overview**

*Section 31.9 of the 2015 Appropriations Act requires UNC institutions to use non-General Fund money to fund advanced planning for new capital projects before approaching the legislature to confirm the project is a shared priority with the Board of Governors.*

**Rationale for UNC Action**

*This provision was likely a reaction to the current process of campuses requesting funds for advanced planning for projects, even if the State has not yet committed to fund the entire project. However, if unchanged, this provision will cause significant harm to campuses' ability to request future new capital projects due to fundraising challenges.*

**Impact**

*This provision harms campuses' ability to fundraise for new capital projects and may cause campuses to waste valuable non-General Fund resources on advanced planning for projects the General Assembly will not choose to authorize. Additionally, this added step will cause delays in the project timeline, which could increase costs and violate statutory time limits on project authorizations (G.S. 143C-8-11(b)).*

**Last Session Action/Background**

*This provision received little attention during the legislative process. As such, there is no known widespread support for this provision and the longer it remains in statute, the more challenging it will be to repeal. Numerous campuses, such as Western Carolina University, have made this a top priority for their concerns during the interim.*

*UNC staff worked with House chairman Dean Arp to limit this provision to schematic design (first 2% of project cost) versus original requirement for campuses to front 10% of project cost, and amended to allow campuses to use the additional carry forward authority granted in Section 31.17.*



## **Proposed UNC Action**

*Find Permanent Solution for the Qualified Excess Benefit Arrangement issue (QEBA)*

### **Issue Overview**

*Internal Revenue Service (IRS) Section 415(b) limits the amount that defined benefit pension plans may pay out to beneficiaries, but also provides a way for public pensions to pay beneficiaries above that amount by creating a QEBA under IRS Section 415(m). A QEBA is an account set up outside of the state's pension plan for the purpose of addressing the gap between the IRS 415(b) limits and the total amount that is due to the retiree under the State's retirement benefit formula, which is based on age, years of creditable service, and compensation amount. The state of North Carolina did not create a QEBA for many years and operated the plan paying benefits in excess of the IRS 415(b) limits.*

### **Rationale for UNC Action**

*In 2013, the General Assembly directed the State Treasurer's office to create a QEBA, but included a December 31, 2014 sunset. This sunset created retention challenges for the UNC System and UNC Health Care employees due to the potential reduction in value of future retirement benefits by impacted individuals. The UNC Board of Governors directed General Administration staff to ensure those employees were not negatively impacted, but only for those impacted by the December 31, 2014 sunset date.*

### **Impact**

*This issue impacts UNC employees across the system (less than 300 identified for the long term—of which 30 would be impacted in 2016) including chancellors, athletic directors, physicians and clinical department chairs at the UNC School of Medicine. For the UNC School of Medicine and the UNC Health Care System, it is anticipated they would have to provide \$50-\$70 million for new start up packages to replace three clinical chairs as well as three other seasoned medical professionals. This is difficult to manage all at one time.*

*It is projected that this issue will remedy itself over time. These 300 or fewer employees will eventually retire. Legislation could limit participation for the future for those that are only currently vested in the State Retirement System. It should be noted that there is no appropriations required to fund the QEBA. It is self-funded through retirement earnings and employees and state contributions. Further if not addressed, it is anticipated individuals will sue the State for the benefits earned as it is believed this is a defined benefit at the start of an individual's employment with the State.*

### **Last Session Action/Background**

*Throughout the last legislative session, the UNC General System worked with the State Treasurer's office and legislative leadership to ensure a long-term and permanent fix was approved. While the permanent legislative fix was not included in the final State budget, the budget did contain a provision that created a new sunset date of August 1, 2016. While providing temporary relief, UNC needs to seek a permanent solution on this issue.*

# COMPASS DASHBOARD



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL



# COMPASS DASHBOARD

*February 2016*



## CONTENT

**13** new videos

**29,513** spotlight views



## SOCIAL MEDIA

**5,481** new followers



## EVENTS

**Vigils in Remembrance  
of Deah, Yusor and  
Razan**



## MEDIA RELATIONS

**45** releases and pitches

**85** interview requests



## GOVERNMENT RELATIONS

**Connect NC Bond**



## CRISIS RESPONSE

Dey Hall  
Tornado Warning



# Social Media – Top Instagram



uncchapelhill

FOLLOW

3,610 likes

1w

**uncchapelhill** After the storm clouds roll away... 🌞 #TARgram

[view all 22 comments](#)

**r.mckinley** @kengelly sigh...

**marissaoneill** @mOlymOrgan

**e\_falls** @epeeables

**afcherrsch** @b.ackley

**brit.at.hart** Oo love this

**slr\_wiglet** @kendallpsimpson

**castikel** It's true... You never miss a place until it's gone! Chappey will always be home!

**ajhanson85** Beautiful

**\_mommacohen** A place that many would love to call home but cant. Let's appreciate.

**mdolan** @brookedaly

Log in to like or comment.

...



# PUBLIC RECORDS *at* CAROLINA

Carolina is processing  
**5 MILLION  
PAGES**  
from nearly 1.7 million documents  
for public release.

*Stacked together, 5 million  
pages would measure nearly*  
**1,718 FEET.**  
*Almost 10 times taller than  
the Bell Tower.*

Bell Tower  
172 feet



## FACTS:

- From a database created for the independent investigation led by Ken Wainstein.
- The News & Observer and The Daily Tar Heel made two requests for these records – the largest in University history.
- Legally mandated under state and federal laws, including the N.C. Public Records Act, to review every page to protect privacy rights and redact or withhold confidential information.
- We don't currently have an estimate for how many pages will actually be released; it won't be 5 million.
- 30+ full-time outside temps are now reviewing documents; Wainstein's firm did initial processing.

## FOR MORE INFO

[carolinacommithment.unc.edu](http://carolinacommithment.unc.edu)

# In the Media – Top Stories



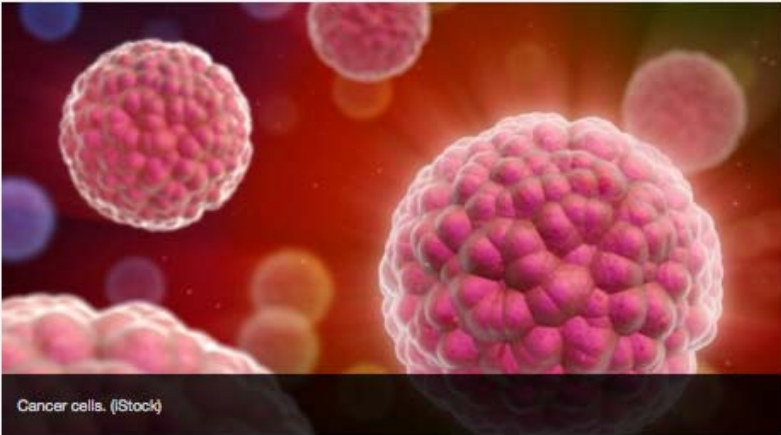
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BRAIN CANCER

## Researchers use skin cells to kill cancer

Published February 25, 2016 • FoxNews.com



Cancer cells. (iStock)

Pharmacy researchers at the University of North Carolina at Chapel Hill have turned skin cells into cancer-hunting stem cells that destroy brain tumors— a first for medical science.



Zika Virus

WORLD ZIKA

## Zika Hasn't Hurt Africa—and That May Be the Key to Beating It

Aryn Baker @arynebaker | Feb. 12, 2016



**There is no scientific documentation of Zika-related birth defects in Africa, where the virus originated. What that means for a better understanding of the virus and its side effects**

The Zika virus, which has been linked to an increase in Brazil of a birth defect called microcephaly, was first identified in a Ugandan forest in 1947. Scientists now suspect that it is endemic across most of the African continent. Which raises the question: why aren't we seeing a similar surge of microcephalic babies in Africa?



Isaac Kasamani—AFP/Getty Images

A sign post leading to the Zika forest is seen near Entebbe, Uganda, Jan. 29, 2016. The Zika virus was first discovered here by scientists in April 1947 after testing a macaque monkey.

# In the Media – Bond Editorial

## Vote for the N.C. bond

BY THE EDITORIAL BOARD

Voters going to the polls March 15 will see something rare on the ballot: a Republican-backed proposal to invest in North Carolina. **The proposal is a \$2 billion bond issue called Connect NC. North Carolinians should vote for it.** Anytime there's a chance to get this tightfisted legislature to spend money on something other than tax cuts, take it.

About half of the borrowing will provide \$980 million for campus upgrades for the University of North Carolina system and another \$350 million will go to the community college system. The remaining third will provide \$100 million for improvements to state parks and zoos, \$309 million for local water and sewer projects, \$179 million for agriculture research projects and \$70 million for N.C. National Guard buildings. The borrowing will not require a tax increase and won't hurt North Carolina's excellent AAA bond rating. General fund tax revenue will be used to pay off the bonds.

An important spinoff of investing in public projects will be job creation. The Budget and Tax Center of the N.C. Justice Center estimates that the bond issue could generate 5,000 jobs per year for five years.

North Carolinians traditionally have supported bond issues, and polls indicate that is the case with Connect NC. A new High Point University poll found that more than two-thirds of those surveyed would vote in favor of Connect NC.

However, this bond issue has drawn an unusual mix of opposition from both conservatives and liberals. Conservatives have formed a group called "NC Against The Bond." The group opposes the borrowing as irresponsible spending on projects that should be considered individually and funded through the regular state budget process without interest costs.

Others, conservatives and liberals alike, object that Connect NC was originally proposed as borrowing for transportation projects – thus the Connect NC name – but those projects have been removed. Finally, some liberals object to the bond issue being sold as painless borrowing without a tax increase. While taxes won't go up, they say, dollars will have to be taken from elsewhere in the budget to pay the debt, a shift that could reduce education operating budgets even as the bond puts money into higher education capital projects.

These concerns are valid, but they must be weighed in the context of the current political climate. The Republican-controlled legislature is committed to holding down state spending and further cutting income taxes. If it's offering the chance for a surge in state investment, voters can't afford the luxury of waiting for a bigger, better-focused, tax-supported bond issue. Unless the makeup of the General Assembly is radically changed in the next few elections, that kind of investment will not gain legislative approval.

UNC-CH Chancellor Carol Folt put the situation succinctly. "This isn't a question of, 'Let's wait,' " she said last week. "It's a question of, 'Let's get going.' "

Connect NC is not a perfect bond issue. Its focus is scattered, and its repayment could cut budgets that are already tight. But this proposal for \$2 billion in spending on projects that will provide lasting benefits is the best that can be expected from this legislature. Say yes to Connect NC.

March 5

*The News and Observer*

▼ “ The proposal is a \$2 billion bond issue called Connect NC. North Carolinians should vote for it. ”



# A Passion Project



THE UNIVERSITY  
*of* NORTH CAROLINA  
*at* CHAPEL HILL

<https://www.facebook.com/uncchapelhill/videos/10153486826802709/?pnref=story>

CAROLINA  
COMPASS

**74K**  
views

**1,400**  
likes



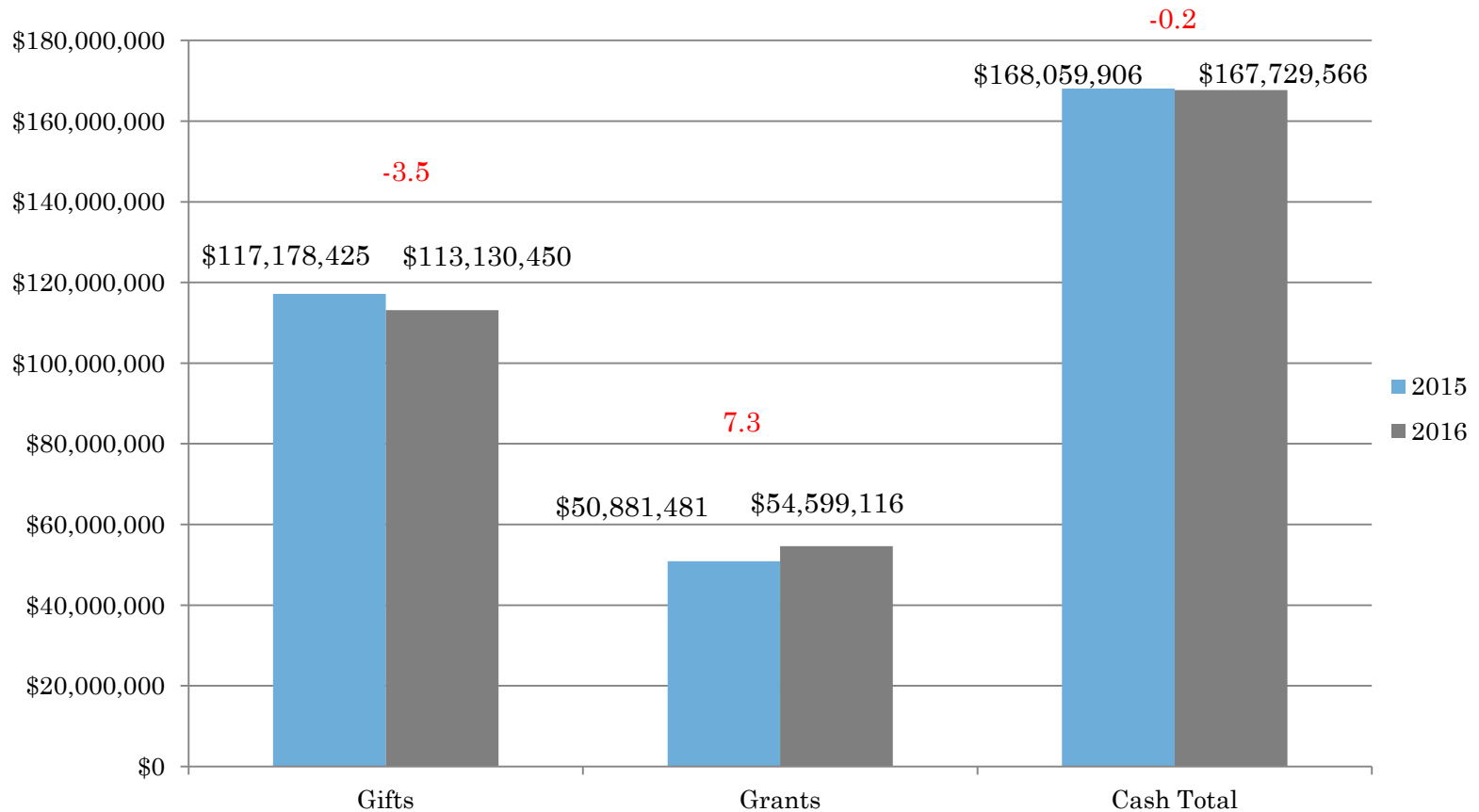
THE UNIVERSITY  
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# Development Update

March 23, 2016

Meeting of the UNC-CH Board of  
Trustees

# Cash Totals

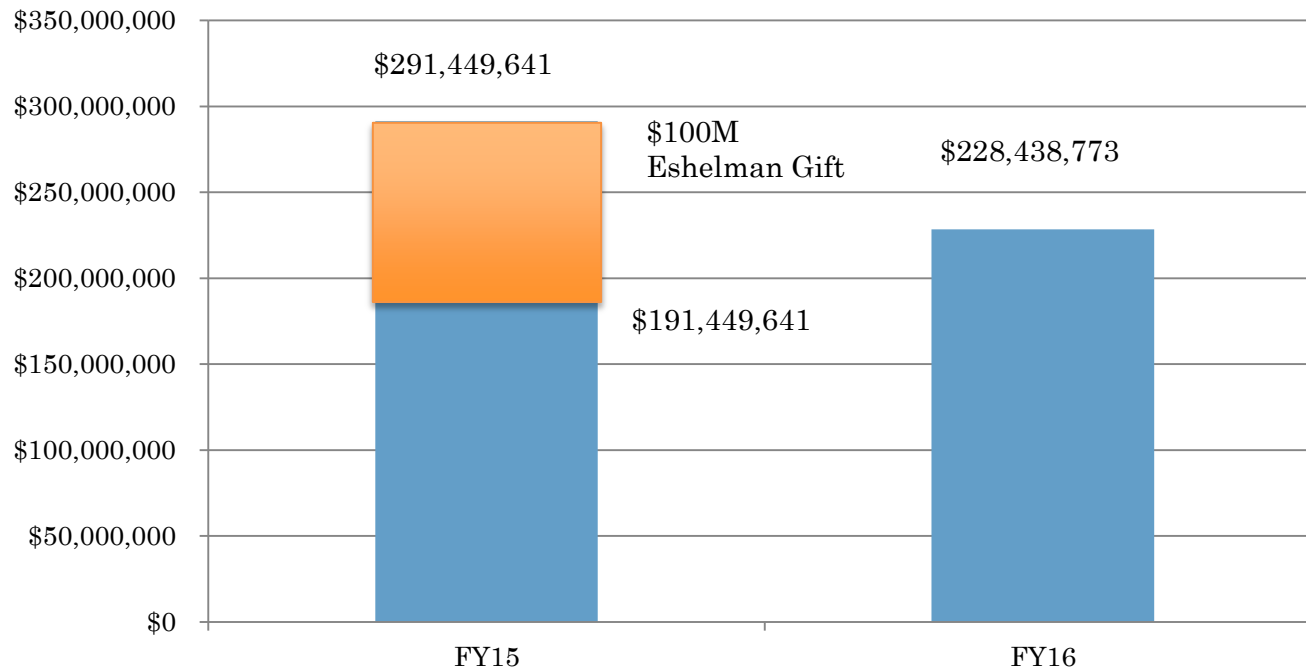


YTD comparison as of 3/20/16  
Grants through 2/26/16 and Ed Foundation through 2/26/16.





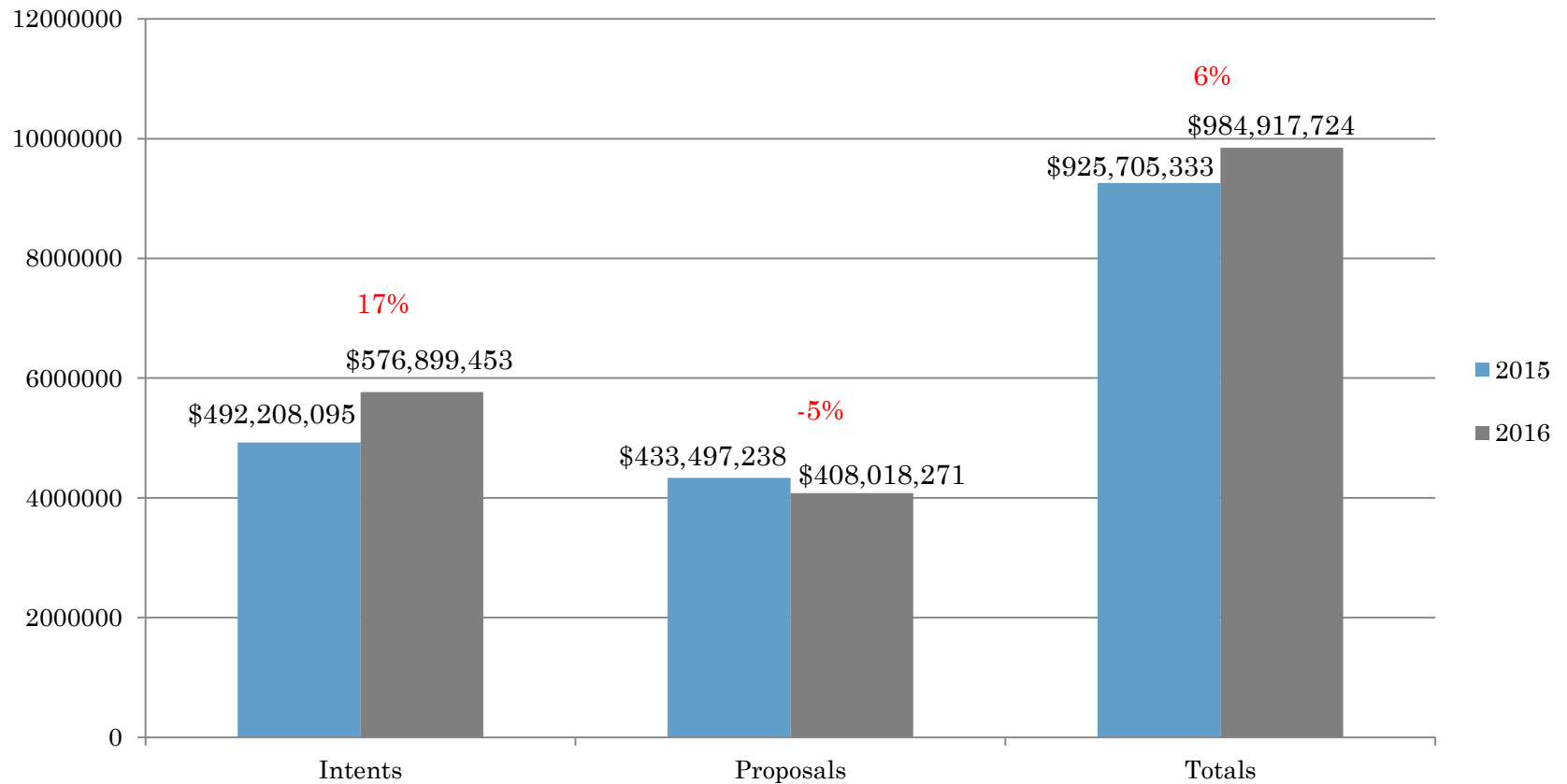
# New Cash and Commitments Totals



YTD Comparison as of 3/20/16



# The Pipeline



YTD Comparison as of 3/1/16



# Strong School/Unit Performances

Athletics	\$28,278,385	47%
Business	\$13,194,737	28%
CPA	\$3,277,690	334%
Arts & Sciences	\$38,816,543	46%
Dentistry	\$4,125,434	42%
Library	\$3,875,011	160%
Lineberger	\$21,506,755	149%
Scholarships	\$13,738,712	53%





# Campaign Leadership

## *Leadership Phase*

**Barbara Hyde  
Roger Perry  
John Townsend**



# Campaign Leadership

## *Public Phase*

**Lowry Caudill**  
**John Ellison**  
**Julia Grumbles**



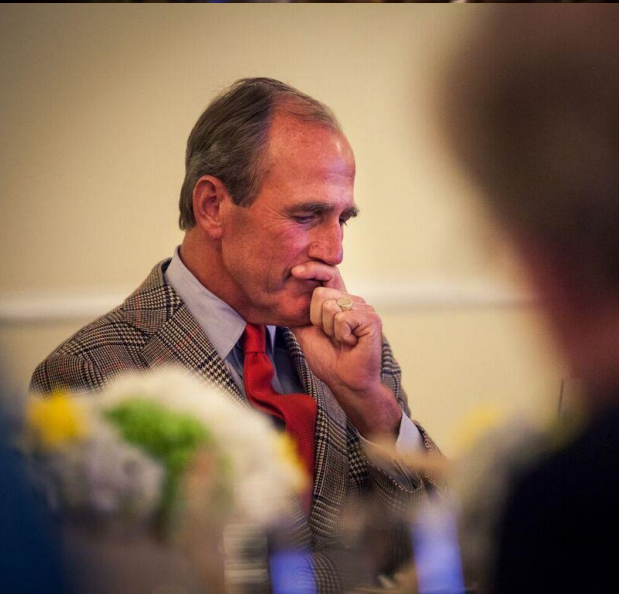
# Campaign Leadership

## *Closing Phase*

**Michael Kennedy**  
**Others to be named**











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