The Board of Trustees
of
The University of North Carolina at Asheville

Meeting Minutes
December 2, 2011

The University of North Carolina at Asheville Board of Trustees met on Friday, December 2, 2011, in the Sherrill Center Conference Room #417, on the UNC Asheville Campus.

The following members of the Board of Trustees were present for the entire meeting: Sue McClinton, Nathan Ramsey, Doug Orr, Bruce Peterson, King Prather, Pat Smith, Cissie Stevens, Renee Bindewald.

The following members of the Board of Trustees were present for parts of the meeting: David Cogburn, Ron Paulus, and Virgil Smith.

The following member of the Board of Trustees was absent: Audrey Byrd Mosley.

Others in attendance for some or all of the meeting included: Anne Ponder, Chancellor; Franklin McCain, Board of Governors liaison; Gwen Ashburn, Dean of Humanities; Judy Beck, Lecturer in Physics; Elizabeth Becker, Administrative Assistant; Chuck Bennett, Chair & Professor of Physics; Skip Capone, General Counsel; Janet Cone, Senior Administrator for University Enterprises and Director of Athletics; Brian Dennison, Professor of Physics; Jessica Dunsmore, Institutional Effectiveness Director; Jane Fernandes, Provost and Vice Chancellor for Academic Affairs; Kevan Frazier, Director of Alumni Relations and University Events; Lisa Friedenberg, Professor of Psychology and Director of Assessment; Don Gray, Interim Executive Director of the UNC Asheville Foundation; Debbie Griffith, Director of Marketing & Communications; Bill Haggard, Vice Chancellor for Student Affairs; Ed Katz, Associate Vice Chancellor and Dean of University Enterprises; Jeff Konz, Dean of Social Sciences; Keith Krumpe, Dean of Natural Sciences; Amy Lanou, Associate Professor of Health & Wellness; Bruce Larson, Professor of Economics; Mary Lynn Manns, Associate Professor of Management & Accountancy; Merianne Miller, Director of News Services; Meg Moss, Chair and Assistant Professor of Education; Dick Murray, representative of the NC Center for Creative Retirement; Rob Nelson, Fuquay Solutions and consultant on Campus Master Plan; John Pierce, Vice Chancellor for Finance and Operations; Susan Reiser, Lecturer in New Media; Christine Riley, Chief of Staff; Lynn Spaight, Assistant Secretary to the Board; Robert Straub, Chair, Chancellor’s Staff Advisory Council; Nancy Yeager, Director of Student Affairs Planning & Assessment

There being a quorum present, Chair Cissie Stevens called the meeting to order at 9:05 a.m.
The chair welcomed everyone and reminded trustees of their obligations under the State Ethics Act, and asked Trustees to declare if they had conflicts with any items on the agenda. Pat Smith and Ron Paulus declared conflicts with the MAHEC matter to be brought to the board later in the meeting.

Chair Stevens asked for everyone to introduce him/herself.

Chair Stevens called on Provost Fernandes to provide an update on the SACS reaffirmation of the university's accreditation. Provost Fernandes reviewed the importance of the reaffirmation: it affects our ability to graduate our students with accredited degrees and allows us to apply for educational grants. She notified the board that the SACS peer review team will be on campus for a site visit on March 27-29, 2012 and trustees will have a role in that major event. Provost Fernandes introduced members of the SACS team, Bruce Larson and Mary Lynn Manns to provide a review of their work to date.

Bruce Larson introduced members of the SACS assessment group that attended the meeting: Lisa Friedenberg, Nancy Yeager, Susan Reiser, Jessica Dunsmore, Meg Moss, and Amy Lanou. He also thanked members of the executive committee and working group: Nathan Ramsey, Louis Tornes, Eileen Crow, Annis Lytle and two students: Zarian Bowers and Benjamin Judd. Professor Larson provided an update on the compliance standards report that had been sent to the SACS reviewers. The review team reviewed 92 of the 94 compliance standards and 2 others will be reviewed on site. The university was found to be in compliance with 85 standards. Of the 7 where we are not in compliance at this time, most are involved with technical issues that are easily resolved. He reported that he expects we will be able to come into compliance before the March site visit. At the on-site review in March, the team will look at the non-compliant standards, the set of mandatory standards they must review, and the Quality Effectiveness Plan (QEP). Professor introduced Mary Lynn Manns, the chair of the QEP committee.

Mary Lynn Manns described the purpose of the Quality Effectiveness Plan as part of our reaffirmation process: In addition to reaffirming that our educational standards are in compliance, developing a Quality Effectiveness Plan provides a chance to enhance our overall educational quality. The QEP must enhance student learning with a continual assessment and improvement process that will support our chosen topic of critical thinking. The program’s guiding principles are defined in its slogan/motto: “Inquiry ARC” that stands for Inquire, Apply, Reflect, Communicate. The QEP process will be phased in over the next 5 years. At the end of that time SACS will ask for 5-year report on results achieved for QEP. $580,000 has been budgeted for the program.

Doug Orr stated that in his experience as a reviewer for SACS that having only 7 non-compliant standards is very good and reflects the hard work of the faculty and staff. Trustees discussed the value of using the Inquiry ARC as a way to explain the worth of liberal arts degree. It shows how the students are prepared for the market place and world, with the skill set and driver of innovation that companies are looking for.
Chair Stevens thanked the presenters and SACS team for all their work on the project and for the excellent presentation. She reminded trustees that some of them will be called on help with the SACS on-site review in March 2012.

Provost Fernandes introduced Keith Krumpe, Dean of Natural Sciences and Ed Katz, Associate Vice Chancellor and Dean of University Enterprises for a discussion of the astronomy lab and observatory. Keith Krumpe introduced other astronomy and physics professors in attendance: Brian Dennison, Judy Beck and Chuck Bennett. This group, along with professors Kevin Moorhead and Gregg Kormanik have continued the planning for the project and have recommended to Provost Fernandes and Chancellor Ponder that the astronomy lab/observatory building be constructed at a site at the end of Campus Road, above the Reuter Center. The proposed building is a 20x30 ft structure that would house 2 telescopes. It would include restrooms and a “warm room.” The estimated budget for the project is $269,000 and the funds to construct it would be raised from private donations and those funds would be secured before construction begins. In addition to use by UNC Asheville the facility can be used for K-12 school classes and the Astronomy Club of Asheville. Upon approval of the plan, they will begin conversations with neighbors to be sure there is no problem with placing the building on the proposed site.

After discussion, Chair Stevens called for a motion to authorize staff to proceed with the design and construction of an astronomy laboratory/observatory facility and to approve the site of this facility at the end of Campus View Road. Nathan Ramsey moved for approval, David Cogburn seconded and the motion was approved unanimously. Chancellor Ponder noted that the design of the building will be brought back to the Board of Trustees for its approval.

Chair Stevens then called for a break so that the Athletics Committee, the Student Affairs Committee and the Development Committee could meet. The meeting was recessed at 11:10 am and returned to session at 11:25 am.

Chair Stevens reported to the board on the discussion that had occurred in the Development Committee. She reminded trustees of how the budget cuts have affected UNC Asheville’s students with increased classroom size, elimination of adjunct faculty and some classes. The rising tuition costs means that some students will not be able to attend the university unless there is increased scholarship support. The economic reality is that the Board of Trustees must change to meet the changing needs of the university. She encouraged trustees to take up as a cause increased personal support and responsibility for scholarship funding. As a board, it is important that there is 100% participation in personal giving. She asked for each trustee to donate some amount for this every year and she asked to set a full-board goal to meet this year. David Cogburn affirmed the request and indicated that there was discussion in the Development Committee about setting an amount of $25,000 for the board as a whole to donate this year. The university currently receives annual gifts in the amount of $100,000 for scholarships, so $25,000 would make a significant increase in the ability to
fund scholarships. Chair Stevens indicated that achieving this goal would provide an opportunity to go to the Foundation Board and other boards and ask them for support in a matching amount. She asked trustees to support this scholarship fund with an additional gift over and above other contributions to the university.

Sue McClinton made a motion that the board of trustees commit to giving personal contributions that would, for the board as a whole, total at least $25,000 towards scholarships in this fiscal year, with every trustee participating. King Prather seconded the motion and it was approved unanimously.

Chair Stevens thanked the board for their commitment to this goal. She then called a break for lunch. The lunch break began at 11:45am. David Cogburn left the meeting and was absent for the afternoon session.

The meeting resumed at 1:35pm. Ron Paulus was not in attendance; he returned to the meeting at 2:05pm.

Chancellor Ponder introduced Dr. Franklin McCain, our liaison member of the UNC Board of Governors. He commended the board on their pledge and the investment they are making to ensure that students get a good education. The quality of education can’t continue if the university does “business as usual” – relying on the State for all its resources. The board is going to have to emulate what private institutions have always done: contribute to the success of capital campaigns and annual fundraising efforts; friend raising – introducing friends to the university and helping to ask for contributions from people they know; approaching leaders corporations to request gifts as well as in-kind products and services. He reminded the trustees about the importance of keeping information learned in Closed Session confidential. Talking about sensitive information prematurely or divulging information to anyone outside the board can damage the institution. Dr. McCain expressed the concern of the Board of Governors, about the tuition and fees issue. The Board of Governors has done everything possible to keep tuition low. To maintain the quality of education there is a need to consider what is needed to keep qualified faculty. Most faculty have had no pay raises for quite a spell. Also, reasonable salaries are needed to hire replacements of those retiring. Another concern of The Board of Governors is student retention rates and progress toward graduation – the number of years a student takes to graduate. The Board of Governors is studying the possible duplication of effort between the various institutions and low efficiency on campuses. UNC Asheville, with its sustainability features and the high capacity usage of its buildings is a model for efficiency. He thanked the students for their attention and wished them the best in their studies.

Chair Stevens thanked Dr. McCain for his remarks and asked Vice Chancellor Bill Haggard to introduce the student program. Dr. Haggard introduced Dr. Melodie Galloway of the music department and the university chamber singers. The group will be performing at the White House during the holiday season for the 5th season in a row. The singers gave a short concert of some of the numbers they will be singing.
Chair Stevens called on John Pierce for the tuition committee report and Bill Haggard for the fees committee.

John Pierce reported that the tuition committee held several open forums for students to discuss tuition increases and the tuition proposal. The Student Government Association has also considered the proposal. The tuition committee had 9 members, 4 of whom were students. The committee recommended a $500 increase for all students. In response to questions about the possible impact on enrollment, Mr. Pierce reported that in a student survey of admitted students that were accepted at UNC Greensboro, Western Carolina University, UNC Chapel Hill and NC State as well as UNC Asheville, there is a correlation between lower tuition and the student’s choice of institution.

The additional revenue is estimated at $1.2 million which is one fifth of the previous year’s budget cut. In addition to scholarships, the revenue will be budgeted for academic purposes, such as for hiring more adjunct faculty to offer the courses needed so students can graduate as scheduled.

Trustees expressed their concern and sorrow for having to increase the tuition, especially for students who may have to discontinue their studies because of inability to pay the higher rates. SGA President Renee Bindewald notes that while students don’t want to see an increase, they understand that it is not serving students well by not increasing tuition to a level that allows for classes to be delivered.

Bill Haggard reported that the fee committee was made up of students, faculty, and staff. Renee Bindewald was the committee co-chair. The group considered four general fees:

- Education & Technology fee - directly related to delivering the curriculum with a $60 increase for the IT help desk, upgrading the outdated One Card system, and refresh academic equipment and library access technology.
- Student Activity fee - covers all operational costs, including staff for the Highsmith Student Union, campus recreation, student organizations, cultural and special events, etc. There is no increase in this fee
- Athletics fee – a $40 increase is proposed to assist in funding the new women’s swim team
- Student health fee - $23 increase to support 6 months operational charges for moving the Health & Counseling services to the MAHEC building.

Ron Paulus returned at 2:05pm at the beginning of this discussion on the MAHEC building. He and Pat Smith left the room during this discussion.

A $9 increase in the debt service fee is proposed to cover cost of providing new Health & Counseling facilities in the building currently occupied by MAHEC on WT Weaver Blvd. The current facility, the Weizenblatt building, does not meet accreditation requirements.
Purchasing the MAHEC building provides room to expand health services and keep counseling services separate, providing more privacy for students needing those services. Likewise, campus police have need for more space and better equipment than is possible in the current Vance Hall. The fee will pay for the purchase option for MAHEC plus funding for up-fitting of the building and renovating Weizenblatt for Campus Police. The development and alumni affairs departments will move into the MAHEC building also.

Pat Smith and Ron Paulus returned to the room.

King Prather moved to approve the proposal for tuition and fees for 2012-13 as recommended by the committee. Renee Bindewald seconded the motion and the motion was approved unanimously.

Chair Stevens introduced Rob Nelson to give an update on the Campus Master Plan. Rob Nelson reported that the working group had reviewed the work that needs to be done, the difficulty of finding resources for an outside consultant to complete a full Campus Master Plan and recommends not moving ahead with a request for proposal for full vendor selection of a Campus Master Plan provider. The campus is not planning major changes in the near future so delaying this process has few down sides. Instead, the working group recommends focusing on four areas that could be continued without having a full plan in place:

- Way finding and signage. New signs could define the perimeter of the campus, tie in with the branding and marketing project and provide a sense of place.
- A sustainability plan. There is already student involvement in this project and an internal process that facilities and others are continually improving.
- Repairs and renovation. An internal study could better prioritize campus needs strategically and that study might help with fundraising to meet this need.
- Governance. The guiding principles have been approved and, as small projects need to be considered, the internal decision-making process could be refined until a full plan is completed.

In the trustees’ discussion that followed, there was agreement that way finding is a need that should be addressed in the near future and that aligning the strategic plan and the campus master plan continuously will help make decisions in a thorough way. There was consensus that having the working group continue its work as outlined would be beneficial.

Chair Stevens called for a break at 2:30pm. The meeting resumed at 2:47pm. Virgil Smith left the meeting at 2:30pm and returned during the middle of Closed Session at 3:10pm.

Chair Stevens called for a motion to go into closed session for the following reasons:
- To prevent the premature disclosure of an honorary award or scholarship, AND
- To establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property, AND
• to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee,

as allowed by section 143-318.11(a) (2), (5) and (6) of the North Carolina General Statutes?

Sue McClinton so moved and Doug Orr seconded the motion and the motion was approved unanimously.

The meeting returned to open session at 3:30pm.

Chair Stevens announced a very generous gift of Cary and Charlie Owen. They are setting up a scholarship fund, to be named the Anne Ponder Scholarship Fund, “in honor of and appreciation for Chancellor Anne Ponder and her outstanding service to UNC Asheville and the surrounding community.”

Chair Stevens called for a motion to approve the consent agenda, consisting of the minutes of the September 30, 2011, open session and the personnel report. Virgil Smith moved approval, seconded by Ron Paulus and the motion was approved unanimously.

Chair Stevens called on Bruce Peterson for the Athletics Committee report. Bruce Peterson reported that the NCAA recertification peer review team came to campus October 30 through November 1, 2011. The team toured our facilities and met with coaches and staff. They were impressed with how everyone works together and how we have built partnerships with the City of Asheville, the Crowne Plaza Tennis Facility and others to make sure our facilities meet the needs of the various student teams. The team was complimentary of the chancellor’s involvement in the program; the institutional control is outstanding as is the communication in the department and with senior administration. The focus of their visit was our non-compliance with meeting our Title IX gender equity requirements. To address this, staff determined student interest and competition possibilities for bringing back swimming as a competitive sport. We have the facility, we have received certification through the Coastal Carolina Swimming Association and Athletics Director Janet Cone is interviewing for coaches now. We have re-submitted our plan for corrective action and are expecting that the university we will have full approval of our certification in response. When the report from NCAA is received in February 2012, staff will let trustees know the result. The Athletics Department has started preparing for the next review – 10 years from now. A 2021 re-certification committee will meet in the next few weeks.

Chair Stevens called on Chancellor Ponder for her report. Chancellor Ponder used President Tom Ross’s inaugural address, titled “Our Time,” as the theme for her report to demonstrate how well UNC Asheville fits with President Ross’s priorities for UNC system.

• There is a different atmosphere for higher education at this time, with extreme challenges, stresses, and the extra obligation to serve North Carolina and help the
state gain equilibrium and enjoy again a high standard of living. This purpose and vision was stated in the UNC Asheville strategic plan as developed in 2008. Our mission for our students is to foster visionary curiosity, thinking creatively, solving problems, communicating effectively, and working collaboratively in teams of different cultures and backgrounds. The Inquiry ARC definition of the Quality Effectiveness Plan described earlier today is a way to deepen our ability to provide this type of education. Confluence, clarity of identity, mission and strategy for delivery are part of what the SACS peer review team will ask trustees to describe and the administration, faculty and staff are here to help trustees to be able to respond to those questions.

- Next year - 2012 – is the 20th anniversary of UNC Asheville being designated as a public liberal arts university. Additionally, we have been hosting the Council of Public Liberal Arts Colleges [COPPAC] for some years and we now have these references for our benchmark for our service in liberal arts.

- Consulting group Mind over Media provided us with the branding framework and now we are ready to launch the “Serious and Creative” campaign to improve our identity and recognition regionally and nationally. The new video that was aired nationally at recent basketball games shows our seriously creative students and their attributes and learning skills.

Chancellor Ponder used the metaphor of a tree with a strong trunk signifying the University of North Carolina and Tom Ross’ definitions of tasks to be achieved and UNC Asheville initiatives as the branches to illustrate specific targets for achievement:

Branch one: There is a new, heightened focus on academic success and accountability.

- Benchmarks on quality and value in reports such as QEP, Institutional Effectiveness, NCAA recertification, and SACS, now includes systems, expectations and monitoring, so we will report on those regularly.

- We are asked to improve our retention and graduation statistics and those are part of our strategic plan benchmarks. We have made two decisions: To monitor and “right size” our enrollment temporarily so we can have a growth rate that is attainable for success; and to construct the new residence hall, which we know to be a dynamic factor in our retention efforts. The tuition and fees increases are more intensely scrutinized as factors in our considerations to retain and graduate our students.

- New ways to incorporate faculty research in teaching. The Undergraduate Research program has many students doing research in coordination with many faculty members so we are meeting and exceeding that target.

- Ensure resources so we can provide classes of appropriate size and frequency. The provost and faculty chair have begun a task force for curriculum streamlining so we can deliver our curriculum with our current faculty adequately and address faculty teaching loads appropriately. The design of curriculum is critical to maintaining our quality
Branch two: Finding new ways to finance programs through raising significant support from non-state dollars.

- State support is critical, but we need to invest in a stellar Vice Chancellor for Advancement and have Board of Trustees and Foundation alignment to add resources for us.
- “Low tuition without high quality is no bargain,” Erskine Bowles. Despite the recommended increase in tuition and fees, UNC Asheville will still have the lowest tuition of our peer institutions. We may be even farther behind when other campuses enact their tuition and fee increases. Even though it is painful to increase, 25% of the increase set aside for financial aid.

Branch three: Be more innovative and nimble.

- We must move to a shared services model; consolidate even more back office operations. Payroll is now a shared service; Banner operating system is now hosted in conjunction with other campuses.
- The FIT data is now a regular report and a way to monitor financial transactions. Our Financial Audit by the Office of the State Auditor has no issues this year.
- Examples of ways we are dealing innovatively with budget reductions and managing when we have fewer people to do the same amount of work:
  - The Alumni Relations and University Events offices have been combined for greater efficiency and better quality service has been a result.
  - John Pierce now has seven jobs: Senior Staff member, Chief Financial Officer; Supervisor of Campus Operations, Staff for the endowment / investment committee of the board, Treasurer for the UNC Asheville Foundation, State Relations Director, and Real estate mogul (Property Acquisition Manager).
- We now have more innovative collaborations between departments and other campuses including the UNC Chapel Hill Eshelman Pharmacy School, the NC State collaboration on engineering, the Climate & Society masters degree; a library consortium with Appalachian State; The City of Asheville, Asheville Sports Commission, Mission Hospitals and emergency management collaborations with City of Asheville, City of Woodfin, and Buncombe County.

Branch four: Sharpen our vision and message – Seriously Creative - and market it.

1. Identify programs of excellence that can be illustrative of our message
2. UNC Asheville is “Asheville’s university” – In the strategic plan, we have a stated goal to “Share responsibility with the greater Asheville and Buncombe County community for collaborations on issues of mutual concern, benefit, and accomplishment.”

Branch five: We have a duty to serve all students - not just traditional-aged, recent high school graduates and not just the white population.
• One of our populations is the retiree members at the NC Center for Creative Retirement. Its work, along with the North Carolina Center for Health and Wellness, is a prominent example of our service to entire community.

• The Asheville Graduate Center has a very different student profile than the majority of our undergraduates and requires resources to meet the needs of students pursuing post-graduate education.

• Diversity of the student population - every year we have improved incrementally in the actual number of minority students, racially and ethnically, and by percentage since 2005. Our ability to continue retention and graduation of these populations without enough grant and scholarship funding is remarkable.

• Almost half our transfer students come to us from AB Tech. Our strong relationship with the community colleges is an important way we serve the educational needs of our area.

Branch six: Do even more to unleash the faculty brainpower and creativity to take a larger role in economic recovery and growth of our region and state.

• We have an opportunity to make the world a better place through undergraduate research. Faculty examples include Professor Ted Meigs who has undertaken significant research with students on proteins and their relationship with cancer; Professor Erica Locklear’s work shows how one’s geographic ‘place’ makes a difference in culture; Professor Leah Matthews, an economist, shows the value of farmland on the economy.

Branch seven: Prove that North Carolina’s deep belief in the power of education is not misplaced. Its contribution to the common good is to prepare its citizens for careers and leadership and to take their place in civil society.

• Area elected officials recently held a meeting on campus with student government leadership of UNC Asheville, AB Tech and Montreat College. Its goal was for students to express their concerns and expectations of local government and for local government officials to have an opportunity to speak directly and openly with the students.

• In the recent UNC Asheville Magazine, there is an article on Asheville earning distinction in the Princeton Review as a “cool college town.” It lists graduates such as Steve Green, now a staffer for U.S. Senator Richard Burr, and shows that roles these grads have in community are part of what makes us “Asheville’s university.”

That President Ross’ vision for the University System is so clearly aligned with what our Trustees have chosen for UNC Asheville only makes our success more visible. Despite difficulties, not only is this Our Time for the University system, but for UNC Asheville as well. Our collective obligation to the future and highest priorities include delivering for North Carolina a clear view of the horizon, and the best prepared graduates in the nation.
Trustees responded with comments and questions regarding our role, obligations and opportunities in the community. Trustees thanked Chancellor Ponder for her remarks and candid responses to questions.

Virgil Smith left the meeting at 4:20 pm.

Chair Stevens called on Pat Smith for the finance and real property committee report. Pat Smith called on John Pierce to make the report in her place. John Pierce brought the resolution for leasing the MAHEC property for discussion and possible approval. Pat Smith and Ron Paulus recused themselves and left the room during the discussion and did not vote on the resolution.

John Pierce reported that the university has offered a purchase option of $3.95 million to be approved and purchased through the Office of State Property. Because the state process prevents the purchase agreement from being completed in the near future, MAHEC has requested some security and that is being supplied by the lease which would be in place if the sale does not happen soon enough. He reviewed the details of the lease, as noted on the resolution. Nathan moved to approve the MAHEC lease resolution as written. Renee seconded the resolution and the motion was approved unanimously.

Pat Smith and Ron Paulus returned to the meeting.

John Pierce presented two resolutions for leasing cell towers on top of Founders Hall, one for AT&T and one for Verizon. Neither company will be able to sublease to competitors without the university’s consent. We are currently leasing space for cell towers to Verizon and this lease will provide increased revenue. The lease to AT&T will be a new agreement. King Prather made a motion to approve both lease resolutions. Pat Smith seconded and the motion was approved unanimously.

Chair Stevens referred to additional committee reports and asked if there were questions or comments about any of the reports. No comments or questions were made.

There being no other business to come before the board, Chair Stevens thanked the board for their attention and service and called for a motion to adjourn. Sue McClinton moved adjournment, Pat Smith seconded and the motion was approved unanimously.

The meeting adjourned at 4:45 pm.

Submitted respectfully, Approved,

[Signature]
Lynn Spaight Date 3/23/12 Cissie Stevens Date 3/23/12
Assistant Secretary to the Board Chair

11