

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

Minutes  
Meeting of December 12, 2014

The University of North Carolina at Asheville Board of Trustees met on Friday, December 12, 2014, in the Sherrill Center Mission Health Suite 417 on the UNC Asheville Campus.

The following members of the Board of Trustees were present: Kennon Briggs, David Cogburn, JW Davis, Sue McClinton, Piyush Patel, N. King Prather, Wilma Sherrill, Pat Smith, Virgil Smith, Cissie Stevens, James Whalen.

The following member of the Board of Trustees was present for part of the meeting: Ron Paulus (left at 2:50 PM)

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

Others in attendance for some or all of the meeting included: Doug Orr, Interim Chancellor; Gwen Ashburn, Dean of Humanities; Buffy Bagwell, Vice Chancellor for University Advancement; Elizabeth Becker, Executive Assistant; Greg Carter, Associate Vice Chancellor, External Relations; Janet Cone, Senior Administrator for University Enterprises and Director of Athletics; Debbie Griffith, Associate Vice Chancellor for Communication and Marketing; Bill Haggard, Vice Chancellor for Student Affairs; Himanshu Karvir, Chair, UNC Asheville Foundation Board of Directors; Judy LaMee, Chair OLLI Steering Committee, John Liposchak, Director of Advancement Services; Joan MacNeill, UNC Board of Governors member; Rob Nelson, Fuquay Solutions; Nicole Norian, Director of Human Resources; Pat Odnakk, Executive Assistant to the Vice Chancellor for Student Affairs; Heather Parlier, Associate General Counsel; John Pierce, Vice Chancellor for Finance and Operations; Steve Plever, Manager of News & Public Relations; Lynn Spaight, Assistant Secretary to the Board; Robert Straub, Chair, Chancellor's Staff Advisory Committee; Monique Taylor, Director of Internal Audit, Joe Urgo, Interim Provost and Vice Chancellor for Academic Affairs; Julie Ball, reporter, Asheville Citizen Times.

**Opening Remarks**

There being a quorum present, Chair King Prather called the meeting to order at 12:31 p.m. Chair Prather 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. None were mentioned. All present introduced themselves.

Chair Prather welcomed new trustee, Wilma Sherrill, to the board. She expressed her delight and honor to be a part of the board.

## Tuition and Fees Discussion

Piyush Patel reported that the Finance & Real Property Committee thoroughly reviewed the information that has been provided to the board and the committee approves and recommends the plan for tuition and fees changes.

John Pierce's presentation included the guidelines provided by the UNC Board of Governors:

- Tuition shall not be raised more than 5% per year for undergraduate resident students
- The tuition cap depends on the North Carolina state appropriation – could be raised or lowered and that could impact the 2016-17 tuition rate.
- The ranking for the institution's tuition rate should be in the bottom quartile compared to its public peers (UNC Asheville meets this guideline even with proposed increases)
- Need-based aid has been capped to 15% of the tuition rate.
- For non-resident undergraduates, the tuition rate should rank the institution at or above the third quartile of peers. The goal is to reflect the national market and reflect the full cost of providing the education. Currently we are in the second quartile and will be in the middle/third quartile by the end of this two-year cycle.
- Fees are subject to a 5% cap but this does not include the debt service fee.

The committee recommendation is to increase in-state and out of state undergraduate tuition by 5% per year.

John Pierce also reviewed the North Carolina State Appropriations to UNC Asheville. The six-year trend is downward, showing a decrease from \$41 million to \$37 million. Tuition increases have mostly gone to offset state appropriation cuts. Salary increases have been very limited over the past six years. That has led to key employees finding other opportunities at higher pay and leaving UNC Asheville.

The 5% tuition increase will generate \$1.9 million. A portion of that will be used for salary and wages. James Whalen emphasized the student concerns about affordability. The committee agreed that allocating revenue for student jobs on campus will help to keep it more affordable for those who need that assistance. The goal is to create a program where a student working 20 hours per week throughout the school year could earn a salary that would cover their tuition & fees for the year.

Bill Haggard reported on the committee's fees discussion. There are four fees that are determined within the Board of Trustees authority: Health, Education & Technology, Athletics and Student Activities. In comparison with other UNC institutions our fees are relatively high. This is due to a dis-economy of scale: Our smaller enrollment generates less total revenue.

- The Health fee pays for counseling and health services. It would increase by \$10 in year 1 and \$0 in year 2. Convenience and accessibility to health services is critical and the fee allows them to add physical therapy services on campus.
- The Education & Technology fee provides for computer labs, internet service, etc. This fee will not increase for the next two years.
- The Athletics fee would increase by \$54 the first year and \$22 the second year. Two thirds of the increase goes to pay for Big South Conference standards and improvements and the balance will improve gender equity in athletics. Kennon Briggs reported that the Athletics Committee discussed the athletics fees at length and voted unanimously to the fee recommendations as proposed.
- The proposed increase in the Student Activities fee will assure that we invest further in student employment to improve affordability and career preparation. This fee would increase \$22-per-student for 2015-16 and no increase for 2016-17.

The Debt Service fee is determined separately and relates to debt-funded projects, like residence halls, etc. With some debt being recently retired, the debt service fee is being reduced by \$86. This means the net fee increase for 2015-16 is \$0. Additionally, there is no increase to room and board or the meal plan for next year.

Total tuition and fee would increase by 1.2% for in-state undergraduates and 3% for out-of-state undergraduates.

John Pierce responded to questions from Trustees.

Chair Prather referred trustees to the resolution to recommend to the Board of Governors the tuition and fees proposal as included in the board materials. Since the resolution comes from the committee, it doesn't require a second. He called for a vote and the resolution was approved unanimously by voice vote.

### Chancellor's Report

Chancellor Orr thanked everyone for their help as he completes his interim chancellorship this month.

He provided an update from the Board of Governors, including a potential for a revenue shortfall after taxes are collected next spring. He has visited individually with Board of Governors members Joan MacNeill and Lou Bissette and will meet with Roger Aiken next week. He will have one more meeting with President Tom Ross to provide his perspective on his time here as interim chancellor. He has been in contact with incoming chancellor Mary Grant to keep her updated on the major issues.

Chancellor Orr shared his perspective on Trends in Higher Education

Chancellor Orr reported on the work of the University Planning Council. They have put together a document to share with incoming Chancellor Grant:

It includes important perspectives on our challenges, our opportunities, and what UNC Asheville can and should celebrate as we look to the future.

Chancellor Orr reviewed his perspective on Higher Education Mega Trends:

- New learning modalities
- Demographic shifts
- College completion pressures
- Marketing and branding
- Globalism and technology
- Changing economic model; business plan.
- Academic governance is changing.
- Communications overload.
- Performance metrics, learning outcomes:

He also shared his perspective on Trends of Governing Boards, which he has learned from his work with governing boards around the country.

In summary, Chancellor Orr advised the board not to withdraw and be overly conservative and dwell in risk management but to be creative and take risks as appropriate. The work trustees do is important; it affects UNC Asheville today and will for generations to come. As Daniel Burnham said, "Make no little plans for they have no magic to stir the blood."

### Committee Reports

Academic Affairs Committee – Ron Paulus reporting

- The committee received an update on the 2600 students involved in the Inquiry ARC projects.
- UNC Asheville received a grant for middle school engagement. A project has been developed to get students from middle schools involved in critical thinking projects.
- A collaborative agreement is being developed with the Eastern Band of the Cherokee Nation for assisting tribal members to attend UNC Asheville.
- A collaborative agreement with Asheville Schools is almost completed to allow Asheville High Seniors to co-enroll and take college classes here.
- The Provost's office and Faculty are continuing to work with UNC General Administration with potential for faculty members to count service work such as working on committees toward their teaching load.

Chair Prather called for a short recess. The meeting recessed at 2:42 PM and returned to session at 2:57 PM.

Audit committee – Virgil Smith reported

- The Office of State Audit presented their report on the Financial Audit for Fiscal Year ending June 30, 2014. There were no findings or comments. When asked how we could improve, the auditors responded that there was nothing specific they would recommend
- Monique Taylor, Director of Internal Audit is establishing Key Performance Indicators for the Office of Internal Audit.

University Advancement Committee – Cissie Stevens reporting

- A fundraising summary was given:
  - Scholarship endowments are increasing, especially giving to the Anne Ponder fund and the Cary Owen fund.
  - The OLLI annual fundraising drive is seeing an increase from previous years
  - The CORE scholarship with AB Tech has been set up and support for that is positive
  - In the challenge between Board of Trustees and Foundation Board, the Board of Trustee participation rate is 80% participation and the Foundation Board participation is at 45%.
- Buffy Bagwell reported that December 2 was designated as “Giving Tuesday,” and a promotional campaign encouraged people to donate to non-profit organizations of their choice. UNC Asheville raised \$70,788 from several constituents as a result of that campaign.
- The university’s naming policy was reviewed by the committee to reflect current needs and future flexibility. It was last reviewed and approved by the Board of Trustees in 2010. Specific amounts for consideration were taken out of the policy. Advancement will set guidelines and review those with the Board annually.

After board discussion, an amendment was suggested to Article V, B.1 to add, “as most recently communicated to the board.” The paragraph will read, “The amount of the gift will comply with the guidelines, as most recently communicated to the Board of Trustees, set forth by the Vice Chancellor of University Advancement and/or with the guidelines set forth by the Director of Athletics.”

There being no additional discussion, the board approved the policy unanimously by a voice vote.

Athletics Committee - Kennon Briggs reporting

The committee reviewed Athletics Department fundraising goals, current projects, the fall sports report, and Bulldog Athletics Association membership. They received updates on the Big South Conference strategic plan discussions. Construction work has re-commenced on track facility, which is shared by soccer and baseball and is scheduled to be completed by spring 2015.

Student Affairs Committee – Sue McClinton reporting  
The committee reviewed the tuition and fees report.

Finance and Real Property Committee - Piyush Patel reporting  
Updates on land acquisitions, construction and lighting improvements were given. The committee recognized David Todd for his work with campus operations, making environmental improvements and keeping the campus attractive and safe.

### **Closed Session**

Chair Prather asked for a motion to go into closed session 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) (6) of the North Carolina General Statutes. Kennon Briggs made a motion and Cissie Stevens seconded and the motion was approved unanimously.

The meeting returned to open session at 3:38 pm.

King Prather asked trustees to review the items on the consent agenda including

- Minutes of October 10, 2014 Meeting, Open Session
- Approval of Personnel Actions and Acceptance of Personnel Reports (as discussed in Closed Session)

Virgil Smith made a motion to approve the Consent Agenda as presented; Kennon Briggs seconded the motion and the motion was approved.

### **Closing Remarks and Adjournment**

Chair Prather reminded trustees that the next scheduled meeting of the board will be held on April 3, 2015. He reminded trustees of the giving challenge. He thanked Doug Orr for his service to the Board of Trustees and to the University as the Interim Chancellor.

There being no other business to bring to the board, Chair Prather called for a motion of adjournment. Piyush Patel moved and David Cogburn seconded the motion for adjournment and it was approved unanimously.

The meeting was adjourned at 3:41 pm.

Submitted respectfully,

[Redacted Signature]

Lynn Spaight  
Assistant Secretary to the Board

[Redacted]

Date

Approved,

[Redacted Signature]

N. King Prather  
Chair

[Redacted]

Date