

**MINUTES OF THE MEETING OF
THE UNIVERSITY OF NORTH CAROLINA AT PEMBROKE
BOARD OF TRUSTEES
Friday, February 17, 2012 at 8:30 AM**

Ms. Wendy Lowery, Vice Chancellor for Advancement, and Mr. W. Steve Martin, Assistant Vice Chancellor for Facilities Management, led the Trustees in a pre-meeting session concerning the Downtown Development Project for UNC Pembroke. Trustees were provided an opportunity for questions and answers following the presentation.

The meeting of The University of North Carolina at Pembroke Board of Trustees was held in the Chancellor's Dining Room of the James B. Chavis University Center. Chairman Robin Cummings called the meeting to order at 9:33 AM.

Chairman Cummings announced that Thomas Nance resigned from the Board of Trustees effective January 17, 2012.

PLEDGE OF ALLEGIANCE

The group joined together in the Pledge of Allegiance.

ROLL CALL

Roll was called, and the following Trustees were present:

Kellie Hunt Blue
Robert E. Caton
Robin G. Cummings
Gary Locklear
Donna Lowry
Brian McCormick
Dwight Pearson
Raymond Pennington
Lorna Ricotta
Caroline Williamson
Paul Willoughby

Absent:

Newy Scruggs (excused)

Also attending were: Chancellor Kyle R. Carter; Provost and Vice Chancellor Kenneth Kitts, Academic Affairs; Director Dan Kenney, Athletics; Vice Chancellor Neil Hawk, Business Affairs; Vice Chancellor Jackie Clark, Enrollment Management; Vice Chancellor Diane Jones, Student Affairs; Vice Chancellor Wendy Lowry, Advancement; Associate Vice Chancellor Robert Orr, Division of Information Technology; General Counsel Joshua D. Malcolm, Assistant Secretary to the Board of Trustees; Special Assistant to the Chancellor Greg Carter, Chancellor's Office; and Recording Secretary to the Board of Trustees Janet Taylor, Chancellor's Office.

INTRODUCTION OF GUESTS INCLUDING MEMBERS OF THE PRESS

Chairman Cummings welcomed reporter Steve DeVane, *Fayetteville Observer* and Public Communications Specialist Scott Bigelow, University Communications and Marketing.

ETHICS STATEMENT

Chairman Cummings reminded the Trustees of their duty under the State Government Ethics Act to avoid conflicts of interest and/or the appearance of a conflict of interest. No member made known any conflicts of interest.

ADDITIONS/DELETIONS TO THE AGENDA

None

APPROVAL OF MINUTES

Minutes were presented for the following meeting:

- Board of Trustees' Meeting Minutes, November 18, 2012

ACTION

2012-01

Upon motion made by Lorna Ricotta, seconded by Robert Caton, and unanimously carried, the Board of Trustees approved the Meeting Minutes on November 18, 2012. (**Attachment 7**)

- Special Called Meeting Minutes, Executive Committee, January 27, 2012 (Only Trustees on the Executive Committee)

ACTION

2012-02

Upon motion made by Dwight Pearson, seconded by Lorna Ricotta, and unanimously carried, the Board of Trustees approved the Meeting Minutes on November 18, 2012. (**Attachment 8**)

CHANCELLOR'S REPORT

Chancellor Carter began with a review of his activities and University achievements. Chancellor Carter mentioned that he is participating, along with Trustee Williamson and Trustee Locklear, in "Dancing with the Stars" a fundraiser for the United Way of Robeson County.

Chancellor Carter asked Provost Kitts, Vice Chancellor Clark and Vice Chancellor Hawk to prepare a report on Enrollment. Chancellor Carter stated he felt it was important for Trustees to understand that the decline in enrollment was not only a result of increased academic standards. He stated he wanted to make sure everyone understood, more than enrollment numbers, but the issues we are currently dealing with as a campus and what Trustees might expect in the future.

Provost Kitts stated that enrollment on any campus is a fairly complicated matter. Provost Kitts titled his presentation "Trends, Issues and Strategies," with regards to enrollment at UNC Pembroke. He started by discussing some of the general developments that are affecting enrollment nationally, especially at public institutions. There are several factors that have converged at the same time with unfortunate

consequences. Provost Kitts stated the factors include: cuts in state funding, the budget downturn (which began in 2007), adjustments in state funding and allocation of budgets. He noted the American Association of State Colleges and Universities (AASCU), is the primary professional organization that represents regional state universities like UNC Pembroke. Each year AASCU lists the top 10 issues effecting public higher education. In the last three years the number one factor has been the decline in state funding, which is requiring public institutions to become more sensitive to enrollment issues. Provost Kitts stated a number of years ago, institutions did not have to pay much attention to enrollment because majority of the funding was provided by the state. Provost Kitts stated regional universities have two primary revenue streams, state funding and tuition and fees (both being enrollment driven). Nationally institutions have focused more on enrollment issues, and in order to offset the reduction in state funding enrollment and tuition and fees have been adjusted. This has also been a focus for schools in North Carolina.

Provost Kitts stated the second factor is cuts in financial assistance (listed as number seven on the AASCU list for 2012). Financial assistance flows from the federal government to each state, and their budgetary issues have resulted in cuts across the board. He stated North Carolina sustained a 21% reduction in state based financial assistance last year. As a result, the university has raised tuition and fees to offset the decline, and students have less financial assistance available to them from traditional sources. Provost Kitts stated that although this affects the public university, it has been a challenge for regional universities like UNC Pembroke because we serve students who come from different socioeconomic backgrounds. This means that if students are not able to get the assistance they need, they may not have a plan B. This has been the reality in recent semesters at UNC Pembroke as the university has had to drop a record number of students due to inability to pay. These were students who were registered for classes and attended classes up to the drop date, but were unable to acquire the funds necessary to remain enrolled.

Provost Kitts stated the third factor is pressure to demonstrate greater rates of student success. There has been an increase in pressure from the state to increase retention and graduation rates. Provost Kitts stated the way to do this is to raise standards; the better the students are coming into the university, the greater the chance of them graduating. As we are being pressed to increase enrollment to deal with other factors, there is evidence pointing toward admitting fewer students in order to make sure that the students who are coming to the university, are at the level of to succeed. Provost Kitts stated that these factors are not unique to UNC Pembroke, but we are feeling the effects of these factors.

Provost Kitts further described what this means for UNC Pembroke. He stated that there are different ways of measuring enrollment. The most commonly used statistic is overall headcount of students taking classes during any given fall semester, which is typically when numbers are higher. Over the course of the last decade there was unparalleled growth at UNC Pembroke, from 3,000 to nearly 7,000 students. He stated that as the factors began to manifest in 2010 enrollment started to decline from 6,944 total students in the fall of 2010 to 6,251 in fall 2011, a drop of about 700 students. The undergraduate numbers were 6,166 for fall 2010 down to 5,495 in fall 2011. Graduate enrollment remained relatively steady, as well as freshman enrollment. The problem was with continuing students who were unable to pay.

Vice Chancellor Clark stated that the majority of the decline in enrollment was with continuing students. She added that those students were not making satisfactory academic progress as defined by federal standards in order to qualify for financial aid, resulting in their reduced funding and inability to pay. She stated that in years past the university had a liberal appeals process. An attempt to correct that process, we may have overcorrected. There has not only been a decline in federal aid, but also changes in federal aid that will manifest themselves in the 2012-13 academic year that will affect undergraduate and graduate students. She stated the good news is that we are progressively seeing fewer students earning less than a 2.0 GPA since the spring of 2009. There were students during fall 2010 who were able to remain enrolled

with less than a 2.0 GPA because of our institutional academic standing. She stated that as we have increased our admissions standards, the university is seeing that as it recruits better prepared students who will be retained they are likely to have the GPA needed to be successful. Vice Chancellor Clark, referring to the handout, stated that the minimum GPA has increased for incoming freshmen from 2.3 in 2009 to 2.5 in 2011. She expected the number to remain the same for fall 2012 and to increase in fall 2013. The GPA is the greatest predictor of academic success for the students that we serve and across the country.

Vice Chancellor Clark noted that the SAT scores for incoming students have grown, but only by a few points. In 2009, the minimum SAT requirement was 820, which has been the case for a long time. In fall 2011 the SAT score requirement was increased to 840. This change resulted in the highest SAT average the university has seen in approximately seven years. Considering these factors as we plan for the future, managing enrollment is extremely complex. She stated that a critical part of planning will be establishing the expectations from the beginning so that we know the students we are admitting are prepared to perform at the level expected by the faculty. She stated that predictors such as the increase in GPA and SAT scores, along with minimum course requirements, are key factors.

Vice Chancellor Hawk stated that the decade of growth has created complacency. What the university learned during the current year is that there are consequences and everyone has been impacted. He stated that housing occupancy, bookstore sales, meal plan purchases, tuition revenue and fees, parking fees, and many other areas where UNC Pembroke generates income are down. Vice Chancellor Hawk, referring to the handout, noted that housing occupancy (including Courtyard) decreased from over 95 percent this year to 84.8 percent, with Courtyard dropping to 64 percent overall. Not only did this impact revenue for housing, but UNC Pembroke's ability to take over management of Courtyard. This situation has created concern with the UNC Pembroke Foundation, the Board of Trustees, Board of Governors, and the state as to why the university would want to continue with this project if enrollment is declining. He stated the drop in enrollment has also affected the debt on other housing, particularly the bonds on Cypress Hall which are rated. As a result of the drop UNC Pembroke did not meet its debt-service coverage ratio (1.1) therefore our S&P credit rating decreased from an A- to a B+++.

Vice Chancellor Hawk addressed bookstore sales which declined significantly from almost \$4 million in 2009-10 to approximately 600,000 dollars in 2011-12. The university has looked at several ways in which to market books to students, but the drop in enrollment has still had an impact. He stated that the bookstore will do business differently in the future.

Vice Chancellor Hawk stated that meal plans are down, and our contract with Sodexo states we have a guarantee for the number of meal plans within the year. We are on a sliding scale, meaning the more plans you sell lessens the cost, but there is a minimum. This fall we dropped below that minimum promised to Sodexo. Instead of paying \$1,057,000 based on the sliding scale, UNC Pembroke will pay \$1.1 million, costing the approximately university \$65,000.

With regards to tuition, Vice Chancellor Hawk stated that budget cuts were due to appropriations and decline in enrollment. There was a \$2.6 million deficit between income and our actual budget, making adjustments throughout the year. He stated that a number of services rely on student fees. While there was an increase in student fees, because of the enrollment drop, UNC Pembroke is generating less income than was budgeted. Vice Chancellor Hawk stated that the university is hoping to see a rebound in these areas next year, with increases or stabilization in revenue, and getting back to business as usual.

Provost Kitts spoke about the relationship between financial assistance, academic requirements and enrollment. He stated UNC Pembroke can no longer be complacent on these issues. The results mentioned during the presentation were a result of the enrollment working group's post-mortem on the reasons for the enrollment drop. The group was tasked with developing strategies for the current spring

semester, beginning in August, and fall 2012, coordinate and implement those strategies. He stated those involved included Academic Affairs, Enrollment Management, every key administrator involved with enrollment issues, and the enrollment management subcommittee of the Faculty Senate. Provost Kitts stated two enrollment forums were held in August and presented the same issues to the faculty and staff. This was done to promote transparency across campus and to ask for assistance from the faculty and staff in some of the strategies that were beginning to take shape at that point. He stated the students who did not return at the beginning of spring 2012 were contacted through email, letters and phone calls with the hopes that they will return at some point to continue their education. For the students returning from fall 2011, an unprecedented effort was made to ensure that students were aware of advising week and that they scheduled their classes early and confirmed that schedule with payment as soon as possible. Also, a query was generated of students who had not registered for spring semester by November. That list was shared with faculty and advisors, by department, with the request that the student be contacted. He also stated the university would like to increase transfer enrollment, noting that 47 percent of UNC Pembroke graduates began as transfer students. This shows the university as a destination of choice and this should be exploited.

Provost Kitts said historically there is a drop in enrollment of about 5 to 6 percent from fall to spring semester due to graduation. From fall 2010 to spring 2011, UNC Pembroke's attrition rate was 11 percent, the highest ever seen at the university. He said there was a turn around this year from fall 2011 to spring 2012 with only a 6.6 percent drop, putting us within the historical average and hopefully stabilizing the pattern. The enrollment work groups have had two meetings to discuss fall 2012 that will establish enrollment goals for individual areas

Provost Kitts announced a new scholarship program that will help recruit better prepared students. In the past, UNC Pembroke has given out scholarships based on GPA and SAT scores but it is not always the best use of our money. He said the new program is an interview program where some money is given upfront, but in order to get more the student has to come to campus for an interview. The goal is to get them to come to UNC Pembroke and see the facilities and meet faculty and staff. Considering 54 percent of students are from the immediate area, getting them to campus and showing the various programs and academic opportunities could be a chance to sell UNC Pembroke to the students we need to make this an institution of choice. The first interview days will be held sometime in August.

Provost Kitts said there is an aggressive effort to get transfer students from community colleges, with a major focus on an outreach to Fort Bragg among veterans. UNC Pembroke's partnership with Fayetteville Technical Community College could result in a substantial number of active-duty military enrolling in online degree programs. He stated there will be a focus on retention. As part of the campus-based tuition increase, approved by the Board of Governors, a portion of the increase is dedicated to expanding student support services by offering more tutoring and supplemental instruction. These adjustments will be made to help students keep student success and their academic standing.

Provost Kitts stated one of UNC Pembroke's more general goals is to gradually increase enrollment, and we are making strides in that direction. He said when the university does rebuild enrollment back to 6,900 students, the student profile; demographic will not be the same as it was three years ago. We should rebuild in a way that is reflective of our strategic priorities and positions the university for growth. We should adjust our policies to meet the realities of the new normal. For example, if federal and state funding is being cut it will not be restored to previous levels; UNC Pembroke must find other ways to help students. Provost Kitts said the goal is to ensure a future of sustainable growth.

Trustee McCormick asked if there has been any discussion of growing the graduate studies program since the program has been capped and excess money for graduate studies will go toward the new undergraduate class. Provost Kitts said it was discussed among the enrollment work group that

graduate studies should have a higher enrollment goal that is proportionate to the undergraduate programs. This should occur naturally with the addition of new online masters programs, but there also needs to be an increase in existing programs.

Trustee Pearson asked what types of studies have been done to determine why students in the area may choose to go to another school over UNC Pembroke. Provost Kitts said that is one of the objectives of the new scholarship program; to get the students on campus and ask what their perception is of UNC Pembroke. Vice Chancellor Clark said the university has always been intentional in focusing on Robeson and surrounding counties. There was a shift to recruit outside of our region in order to grow and create geographic diversity on campus. Part of the reason students choose colleges is to get away from home even though they may live in Orange County, near UNC Chapel Hill. She stated the recruiters know UNC Pembroke's top competitors for students in our region are East Carolina, UNC Wilmington, NC State and Chapel Hill. They are aware of this and are able to position UNC Pembroke in such a way as to give students enough information so that they can make an informed decision when choosing a college. Recruiters study their assigned territories so they know what trends and cycles may occur with students. Trustee Pearson asked if we are working with counselors and science teachers to bring student to the campus. Vice Chancellor Clark said there is a counselor symposium held each December, and receptions are held to take UNC Pembroke to those key communities. However, we have not reached out to science teachers. Chancellor Carter said the university has used the best practices in the admissions process, but the next step will be a marketing strategy. We need to know what our brand is in different parts of the state, and once we know that we can structure a campaign to bring those students to UNC Pembroke. He stated we cannot continue to simply depend on Robeson and surrounding counties for enrollment. Chancellor Carter said our biggest competitor is not Fayetteville State, but rather ECU and Western Carolina. This means people all over the state know who we are, and now we have to add a good marketing campaign on top of what they already know.

COMMITTEE REPORTS

Audit and Ethics Committee

Trustee Donna Lowry, Chair, Audit and Ethics Committee, stated the committee met with Associate Vice Chancellor Robert Orr and Don Sweezy, Information Technology Security Officer. A summary of Information Technology (IT) implementations to occur over the next few months was presented to the committee. Vice Chancellor Neil Hawk and Internal Auditor Larry Jacobs, discussed the 2010-11 financial audit findings. Mr. Jacobs also reviewed with the committee, food service and snack contracts. The committee reached a consensus to move forward with Sodexo.

Educational Planning and Personnel

Trustee Dwight Pearson, Chair, Educational Planning and Personnel Committee, stated that Provost Kitts gave an update on the Academic Standing Policy. Trustee Pearson referenced the divisional reports as to the approval of several programs on campus and the accreditation of the Master of Social Work program. The committee discussed the new academic standard of a 2.0 GPA and its impact. Vice Chancellor Clark spoke about enrollment trends and said the December 2011 graduating class was the largest Winter Commencement in the history of the University. Dr. Susan Cannata, Faculty Senate chair, spoke about the evaluation process used for faculty and expressed concern over certain aspects of the evaluation that need to be considered. She suggested, since faculty are not going to receive any pay increases, that there be a way to recognize faculty for their performance. Trustee Pearson said Dr. Paul Flowers, Professor in Chemistry and Physics, talked about how to use the Blackboard collaborative for demonstrating chemistry experiments. The committee's discussion items included the naming of a STEM endowed professorship and the consideration of professors for various awards. Trustee Lowry asked about the

partnership with ECU on a Ph.D. program. Chancellor Carter said that it is something the university is still pursuing.

Finance and Administration Committee

Trustee Kellie Blue, Chair, Finance and Administration Committee, reported the university is set to take ownership of Courtyard on July 1, 2012. She said the committee discussed updates on land tract purchases. The university has closed on one property and is currently in negotiations to purchase another. They were also able to preview plans for the new athletic complex.

Trustee Blue stated that Mr. George Guthrie spoke about benchmarking, which is taking place across the UNC system. Trustee Blue said Vice Chancellor Hawk discussed the move from enrollment growth to performance based funding.

The committee was also shown sketches of the new dining hall facility by Mr. Steve Martin with a tentative completion date of August 2012. Mr. Hawk stated that funding will come from a combination of Sodexo and available trust fund receipts.

Trustee Blue reported that action by the Board will be required regarding the refinancing of the 1998 bonds from construction of Pine Hall. The bonds currently have 4.5-5% interest with seven years remaining. Vice Chancellor Hawk stated bonds were issued in 1998 for approximately \$3 million to help fund, in combination with state funding, the construction of Pine Hall. There is now the opportunity to refinance the bonds for 2-3%, which could give potential savings. Vice Chancellor Hawk said by refinancing, repayment of the bonds becomes an operational cost rather than a debt-service, thus potentially increasing our debt-service ratio. Chairman Cummings asked what impact this action would have on the university's S&P rating. Mr. Hawk responded that it would be a positive impact. The resolution gives the Chairman of the Board, the Chancellor and Mr. Hawk authority to sign a negotiation for a contract to refinance.

ACTION 2012-03

Upon motion made by Caroline Williamson, seconded by Gary Locklear, and unanimously carried, the Board of Trustees approved a resolution approving a loan to refund a portion of the outstanding UNC system pool revenue bonds, Series 1998B, the payment for which UNC Pembroke is responsible. **(Attachment 9)**

Chairman Cummings asked for an explanation of performance-based funding. Vice Chancellor Hawk stated it is another pool of money that is allocated to institutions based on a yet to be determined formula in addition to six-year graduation rates, retention rates and other academic requirements. He stated approximately 25% of the formula will be based on administrative benchmarks, such as UNC FIT, and space utilization.

Public Affairs and Advancement

Trustee Lorna Ricotta, Chair, Public Affairs and Advancement reported the Advancement Division is moving rapidly, but still has three vacant positions: director of marketing, assistant vice chancellor, and executive assistant. She said the director of development position was filled January 23 by Alison DeCinti. Trustee Ricotta stated they are looking to hire a director of marketing by mid-April, the top 10 candidates for assistant vice chancellor will visit in March, and an offer for executive assistant has been made. She announced the 125th Anniversary kick-off celebration on March 14, at which time the

logo will be revealed to the community. The committee discussed licensing and the integrated marketing committee that will review branding and the permanent update to the University Seal. Trustee Ricotta stated the mascot is set to return in August. Mr. Dan Kenney stated they are still in the design process and want to mascot to, not only be an athletic symbol, but also an approachable figure for the university. He said there are many opportunities for the mascot to represent the university throughout the community. Trustee Ricotta concluded by reminding the Board of the current fundraising initiatives: the Medicine Wheel initiative, the Taylor Track initiative, the downtown development project, the SOS Campaign and the 125th Scholarship initiative.

Trustee Ricotta stated that fiscal year giving at that point was at \$1.252 million compared to \$1.1 million at the same time in 2011. She also stated that there was not a Phone-a-thon this year and that alumni's giving has gone down. Faculty and staff giving went up from \$31,000 to \$38,000 despite there being no salary increases. She reported business and corporation giving decreased from \$292,000 to \$99,000. Vice Chancellor Wendy Lowery recognized Trustee Willoughby for his contribution to the First and Ten Campaign.

Student Life and Athletics

Trustee Paul Willoughby, Chair Student Life and Athletics, stated Dr. Monica Osburn, Director of Counseling and Testing, gave a presentation on the Counseling and Testing Center and methods they were implementing to increase retention. He emphasized how important the center is to the university in taking care of students.

Trustee Willoughby stated Vice Chancellor Jones gave an update on the status of taking over Courtyard and the concern of filling those housing units. He reported that 145 students have requested residency in Courtyard, and the expectancy is to have full occupancy for 2012-13. Trustee Willoughby stated they are making arrangements for the Board to tour Courtyard during the April meeting, at the request of Trustee Caton.

Trustee Willoughby reported Dan Kenney discussed the Strategic Marketing Affiliates (SMA), with the possibility of a representative coming to speak to the committee in April. He stated SMA represents approximately 234 institutions, including many Peach Belt schools. He said the three things that we will focus on are protection of the license, promotion of the products, and profit. Chairman Cummings asked how SMA is paid. Mr. Kenney said the agreement with them states SMA gets paid a royalty of 10 percent, and those royalties are split with UNC Pembroke getting 70 percent of the split. He also said SMA wants to have UNC Pembroke represented in locations other than the campus, and that they are looking to get involved with any businesses that are part of the downtown project, specifically the Spirit Shop. Mr. Kenney also stated that SMA will visit campus to meet with outside vendors, to discuss the possibility of them carrying "licensed merchandise."

Chancellor Carter added that this process began in August, and that marketing and licensing will not be confined to athletics, but will be an institutional initiative. Trustee Caton asked about the possibility of branching out into national markets such as Wal-Mart. Mr. Kenney said SMA strongly recommends that UNC Pembroke have a "brand day" where the university seeks vendors to come to campus and become part of the program. He also said that many of the manufacturers are already licensed to produce collegiate gear, so they will only be adding UNC Pembroke to their list. There are 1,200 SMA manufacturers and they are already being asked about producing UNC Pembroke licensed products.

Trustee Willoughby spoke about the expansion of Peach Belt Conference (PBC) to 14 members to include Young-Harris, and this will be effective July 1, 2012.

DIVISIONAL REPORTS

Chairman Cummings asked if there were any comments about the divisional reports. Also, Chairman Cummings announced the retirement of Vice Chancellor Diane Jones. Trustee McCormick stated UNC Pembroke was able to host the Association of Student Governments in the Business Administration building with President Ross on video feed. He stated approximately 50 students were in attendance, and feedback he received was that it was the best meeting for ASG they have had in the past 2-3 years.

Trustee Locklear stated that he hopes the university does not lose focus on recruiting local students in favor of attracting students from outside of the region. He said the more people the university can educate, the more people who will be able to think globally and better the local community. Trustee Locklear stated that while we focus on students with higher GPA's and test scores; we should give the marginal students a chance to succeed.

Chancellor Carter wanted to clarify his earlier statement by saying that the university was not going to diminish its responsibility to recruit as many students as possible from the region. He stated the focus is to make sure any student who attends UNC Pembroke is successful, which is the reason for the new admissions standards. He also said there is an agreement in place with the local community colleges so that students who may need additional help can attend community college before moving on to UNC Pembroke. Chancellor Carter stated that within the UNC system, institutions do not provide developmental instruction, whereas community colleges are designed for that purpose. He said that for the university to grow we cannot depend only upon students from the region. However, the university will not turn its back on the local students because they are a part of UNC Pembroke's history.

Chairman Robin Cummings asked the Board to move into closed session. A motion was made in open session by Gary Locklear, seconded by Donna Lowry, and carried unanimously, the Board of Trustees approved the motion to go into closed session to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee and to discuss personnel information related to the disclosure of an award which is confidential pursuant to the laws of this State under the N.C. General Statute Section 143-318.11(a)(2) and (6).

CLOSED SESSION

(Minutes of the Closed Session are stated in a separate document.)



Upon motion made by Donna Lowry, seconded by Caroline Williamson, and carried unanimously, the closed session portion of the meeting was adjourned for purpose of returning to open session.

Chairman Cummings announced there was no action taken during closed session.

ACTION

2012-04

Upon motion made by Dwight Pearson, seconded by Raymond Pennington, and unanimously carried, the Board of Trustees approved a Distinguished Professorship being funded by the C. D. Spangler Foundation and the Endowment Trust Fund of the State of North Carolina for Science, Technology Engineering and Mathematics (STEM) to be named the Marion F. Bass Endowed Professorship in STEM.

ACTION
2012-05

Upon motion made by Donna Lowry, seconded by Dwight Pearson, and unanimously carried, the Board of Trustees approved granting Professor Emeritus status to Dr. Thomas Leach, Dr. Thomas Ross and Dr. Kathleen Hilton in accordance with the UNC Pembroke Faculty Handbook 11-12.

ACTION
2012-06

Upon motion made by Caroline Williamson, seconded by Brian McCormick, and unanimously carried, the Board of Trustees approved a leave of absence for one-year to Dr. Heather Higgins for post doctoral study and research with the Education Policy Initiative at Carolina (EPIC) at the University of North Carolina at Chapel Hill. In accordance with the UNC Pembroke Faculty Handbook 11-12, as a non-tenured faculty member Dr. Higgins tenure clock would stop and would be reinstated upon her return to UNC Pembroke.

CHAIRMAN'S REPORT

Chairman Cummings encouraged Trustees to read the articles in the *TRUSTEESHIP* magazine published by American Association of Governing Board.

OLD BUSINESS

Chairman Cummings requested approval on the revised Board of Trustees By-Laws. Trustee Locklear stated he served on the committee and he felt all the revisions had been addressed.

ACTION
2012-08

Upon motion made by Gary Locklear, seconded by Raymond Pennington, and unanimously carried, the Board of Trustees approved the revision to the Board of Trustees By-Laws (version 3 dated February 12, 2012) (**Attachment 10**).

NEW BUSINESS

Joshua D. Malcolm, University Counsel, informed the Trustees of the annual ethics disclosure as mandated by the NC Ethics Commission to become part of public record in accordance with *N.C. General Statutes Section 138A-15(c)*.

Ms. Carolina Williamson, memo dated October 21, 2011:

Ms. Williamson will fill the role of an At-Large member on the Board. She and her spouse are managers or partners of multiple real estate-related LLCs and other privately-held companies. In light of these interests, M. Williamson should exercise appropriate caution in the performance of her public duties should and entity in which she or her spouse have a financial interest come before the Board for official action or otherwise seek to conduct business with UNC Pembroke. This would include recusing herself to the extent that those interest would influence or could reasonable appear to influence her actions.

Mr. Robert E. Caton, memo dated January 4, 2012:

Mr. Caton has disclosed ownership of a threshold amount of stock in numerous public companies that could seek to do business with the University. In light of this interest, Mr. Caton should exercise appropriate caution in the performance of his public duties should issues regarding the entities in which he has a financial interest come before the Board or otherwise seek to do business with the University. This would include recusing himself to the extent that his interest would influence or could reasonable appear to influence his actions.

No actual conflict of interest or potential for a conflict of interest were noted by the NC Ethics Commission for:

- Ms. Kellie H. Blue, memo dated January 4, 2012
- Dr. Robin G. Cummings, memo dated January 4, 2012
- The Honorable Gary L. Locklear, memo dated August 11, 2011
- Ms. Donna R. Lowry, memo dated January 4, 2012
- Mr. Thomas A. Nance, memo dated January 4, 2012 (resigned from the Board January 17, 2012)
- Mr. Dwight Pearson, memo dated January 4, 2012
- Mr. Raymond B. Pennington, memo dated January 4, 2012
- Ms. Lorna Ricotta, memo dated January 4, 2012
- Mr. Albert Scruggs, III, memo dated January 4, 2012
- Mr. E. Paul Willoughby, Jr., memo dated January 4, 2012

Chair Cummings stated Trustees Dwight Pearson attended a meeting on January 18, 2012 with all chair of the different Board of Trustees within the UNC system. Trustee Pearson stated President Ross spoke about the impact of the budget deficit on the UNC schools and various efforts being implemented to improve efficiency. His main focus was to make sure the chairs understood the recommendations that were to be sent to the Board of Governors regarding tuition. President Ross stated he recommended that system wide tuition increases not exceed 10 percent. Trustee Pearson stated some schools objected to the limitation, but it did not affect the tuition increase proposed by UNC Pembroke. Chair Cummings thanked Trustee Pearson for representing UNC Pembroke.

ANNOUNCEMENTS

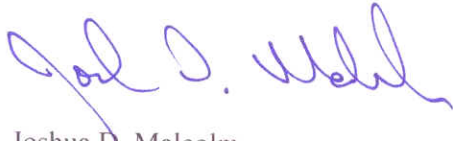
Chairman Cummings reviewed the announcements as printed. Also, he encouraged the Trustees to attend 125th Anniversary Kick-off Celebration scheduled for Wednesday, March 14, 2012, 4:00 PM, English B. Jones Athletic Center, Main Gym.

Prior to the adjournment, Vice Chancellor Lowry announced the receipt of a \$50,000 pledge for the Downtown Project.

ADJOURNMENT

There being no further business to come before the Board, Chairman Cummings proposed a privileged motion to adjourn and there were no objections at 11:45 AM. Chairman Cummings thanked the Board of their participation.

Respectfully submitted,



Joshua D. Malcolm
Assistant Secretary



Janet L. Taylor
Recording Secretary

Attachments:

1. Audit and Ethics Committee
2. Educational Planning and Personnel Committee
3. Finance and Administration Committee
4. Public Affairs and Advancement Committee
5. Student Life and Athletics Committee
6. Agenda, Regular Board Meeting , February 17, 2012
7. Minutes, Board of Trustees Meeting, November 18, 2012
8. Minutes, Special Called Meeting Executive Committee, January 27, 2012
9. Resolution: approving a Loan to Refund a portion of the outstand UNC system pool revenue bonds, series 1998B
10. Revised Board of Trustees By-Laws
11. Chancellor's Report
12. Divisional Reports
13. 2011-2012 Committee Assignment (updated 2-13-12)