

**Summary of Faculty Assembly**  
**23 March 2012**  
**Spangler Building Board Room**  
**Chapel Hill, North Carolina**

9:05-9:30 Performance Funding Report by Charlie Perusse, Vice President for Finance

Expects flat budget, does not expect a mandatory reversion this year. Revenue collections continue ahead of schedule due to improving economy, although some of this growth will be offset by the Medicaid cost overages.

The bulk of the report concerned the performance funding model, which will be additive, rather than based on current level (asked for 11.5M dollars in funds for these measures). I.e., the enrollment growth funds will be weighted according to performance on the summarized measures below.

Seven Core Measures for all campuses

- Retention
- Six-Year Graduation Rate
- Degree Efficiency
- Degree Efficiency – Pell recipients
- Space Utilization (75% Classrooms, 25% Labs)
- Financial Integrity
- Energy Efficiency

Two of three Campus Specific Measures (one picked by campus, one by GA), see attachment for examples. The next step is to set the targets for this work. This will be done with the campus administrations.

This approach will award incremental progress rather than all or nothing.

We have asked for enrollment and performance funding money in our budget request (item 2a in the budget handout).

There was significant discussion between the delegates and Mr. Perusse about budget priorities and whether the production based criteria for the core measurements would result in diminished quality of education for the students.

9:30 a.m. – 10:00 a.m. BOG Educational Planning Subcommittee on Faculty Workload Report - Kate Henz, Senior Director of Academic Policy & Funding Analyses

A committee consisting of five BOG Members, two Chancellors, Sandie Gravett (FA Chair), staff from GA has been charged to review existing campus faculty workload policies and procedures.

Decisions include that the system will use Delaware study data to look at workload, being careful to put it in context-teaching is not all we do. Concerns were expressed about timeliness of the data in the Delaware Study, which the committee feels can be addressed at the campus level for workload decisions.

Thus, workload will be handled at the campus level and the Delaware data will be captured to give GA and BOG the pulse of what goes on, as is required by 1995 State Law.

10:00 a.m. – 10:30 a.m. UNC Language Assembly Portal Development and E-Learning Hire - Alisa Chapman, Vice President for Academic and University Programs

Update on the hiring process for the Director of E-Learning (a new position to be housed at GA)

68 Applications

Search Committee established, three campus representatives and 2 GA

Interview process has begun, goal to select and hire ASAP

Three criteria-Program DE development

Strategic Planning and Outreach

Tactical Coordination in Online Programs

The second part of Dr. Chapman's report was on the UNC Language Assembly Portal and the proposed development of online portal for the Language Assembly. The committee consists of Louis Hunt, Angela Anderson, Alan Boyette, Andreas Lexal, Julie Poorman, Stephen Hoffer, Sandie Gravett, and Ruth Gross. The eventual goal is to provide synchronous language courses that are unavailable at the student's current institution with a portal that makes it a seamless experience

Committee's Current work includes determining the technical scope of the idea, foundations credits, seamless registration and communications between campuses, and handling the credit generation. Still early in the process, will continue to provide updates.

10:30 a.m. – 11:00 a.m. Distributed Education Taskforce Update - Jimmy Reeves, Chair

Findings of the committee include that all institutions have some form of professional development

Committee surveyed all Campuses  
How do you classify and approve DE courses  
Typically an additional fee  
Assessment  
Training  
Support for Learners as well  
Which Course Management System? Most use BB, some Moodle

The Taskforce plans to collect more data and update previous reports. We need to make sure that we do not lose programs to DE on other (non-UNC) campuses.

11:00 a.m. – 11:30 a.m. Legislative Agenda for Short Session and SB 575 - Anita Watkins, Vice President for State Relations and William Fleming, Vice President for Human Resources

Short Session is typically to adopt and adjust the budget  
Appears no significant cuts will occur

GA proposing several policy issues for consideration  
Making sure all student fees can be deposited into trust  
(i.e. no reversions), particularly tech fees  
SB 575 (consolidating all personnel decisions under GA)  
Asking to have hiring/salary restrictions be lifted  
Optional retirement program be made available to all employees  
Increased flexibility to control smoking on campus

11:30-noon Federal Update and UNC SERVES - Kimrey Rhinehardt, Vice President for Federal Relations

Handed out copy of resolution from BOG to NC legislative delegation (see attachment)

Looking at question of how currently funded research can expand its targeted funding agencies to underutilized sources available at the federal level (like targeting DOD for current NIH funded research)

Distributed summary of changes to UNC Policy Manual 300.2.2 (i.e. conflict of interest policy, see attachment)

Comes before Promotion and Tenure Committee next month

Effective date targeted as close to August 24, 2012 as possible

1:00 p.m. – 1:20 p.m. Elections to the Executive Committee of the Faculty Assembly - Catherine Rigsby, Chair-Elect, UNC Faculty Assembly

Andrew Morehead (ECU) elected Secretary of the Faculty Assembly

Followed by a caucus of delegations to elect representatives:

- 5 delegate campuses – Hans Kellner (NCSU)
- 4 delegate – Eddie Souffrant (UNCC)
- 3 delegate – David Green (NCCU)
- 2 delegate- Sarah Russell (NCSSM)
- HMI – Chet Dilday (FSU)
- At large – Margery Coulson-Clark (ECSU)

1:20 p.m. – 2:15 p.m. Academics First Workgroup Update - Bruce Mallette, Vice President for Academic and Student Affairs

Academics First Workgroup was created by Suzanne Ortega. Members include Julie Poorman (ECU Director of Financial Aid). The group is charged to reexamine BOG Policy 400.1.5. about financial aid regulations and to review policy 700.1.1 on minimum requirements for admission. The group will propose a common policy on satisfactory academic progress and hours attempted.

One question the group is considering is what is an exception for the purposes of admission. Policy 700.1.1 requires less than 1% of the undergraduate admissions be by exception. The group is also discussing drop/add and other policies related to academics and financial aid regulations.

For example, if a student doesn't have all the Minimum Course Requirements, minimum SAT, gpa, etc are these "exceptions?" Many schools require two or more of these measures. What should be the limit on admit by exception?

Several questions from the assembly including how many of our competitors use hard-line vs sliding scale (answered that it is under review). Also, how are ACT and SAT handled in terms of equivalence (answer here that since we have a whole student population taking the ACT instead of the SAT we can soon answer this question)?

How are composite Math + Verbal SAT's tracked? How many are using writing score? Transparency in weighting is coming, but still unclear meaning of the writing score.

If nothing passes the policy will remain the same. Admissions officers are now preparing for Fall 2013 using the current minimums.

The Legislative reform committee met with Susan Ortega and the CAO of the Community College system to discuss articulation agreements between CC's

and UNC system. Have created a workgroup to develop recommendations including a revised articulation agreement and a study of student success.

An issue of major importance to our students was the subject of the final report. HHS has released preliminary results of how ACA affects student health plan premiums.

Under ACA, no policy can be less than \$100,000 annual limit next year, then \$500K the following, then unlimited. No pre-existing condition exclusion is allowed. Access to no-pay and no-deductible contraception must be included. There are provisions on pharmacy and wellness care up to the limit of the plan. Net result is \$350 additional on already high premium (plan is running \$47M over estimate). Now looking into age banding to hopefully help keep costs down for most students (most under age 26, but the new estimate is \$3000+ annually per over 35 y.o. student vs. current \$900 or so). Means UNC needs to consider if hard waiver policy needs to be waived, then return in 13-14. Lots of other options still being explored.

Interestingly, about 200 or so students had \$40M+ in claims. Some gamed the system by dropping classes but keeping the insurance (that loophole is being shut, and ER visits will be discouraged except for emergencies).

2:15 p.m. – 2:41 p.m. Other Academic Updates and Additional Business (below quorum at this point)

Grievance Video Report by Sandie Gravett on behalf of Raymond Burt, Vice Chair, UNC Faculty Assembly

The committee found many classified types of grievance  
Suggest shorter modules to be more specific to grievance type  
Recommending going to Pres. Tom Ross to provide funds for website  
Recommend that a workshop be offered  
Bring campus Faculty Handbooks into compliance

Discussion of Resolution from WCU on Amendment 1  
EC will discuss before next meeting in April

Discussion of a possible resolution on adding Quality measures to the performance funding model. The sense of the Assembly was that Gravett bring its concerns to the GA committee.

Agreed to meet in Chapel Hill on April 20<sup>th</sup>.

	A	B	C = B - A	D	E = D - A	F = E / C	G = 1 x F
			Target	Actual	Actual	Percent of Target Achieved	Performance Points (Max = 1)
	Baseline	Goal	Change	Change	Change		
<b>Core Measures</b>							
1	Retention	75%	77%	2%	73%	-2%	-100%
2	6 yr. Graduation Rate	60%	62%	2%	61%	1%	50%
3	Degree Efficiency (Bachelors per 100 UG FTE)	60	65	5	62	2	40%
4	Degree Efficiency (Bachelors per 100 UG FTE) - Pell Recipients	57	60	3	58	1	33%
5	Space Utilization (75 % Classrooms, 25% Labs)	92%	95%	3%	95%	3%	100%
6	Financial Integrity (UNC FIT)	90%	95%	5%	92%	2%	40%
7	Energy Efficiency (kBTUs / Sq. Ft.)	200	190	-10	192	-8	80%
<b>Campus Specific Measures</b>							
8	Community College Transfers	200	220	20	220	20	100%
9	Graduation Rate of Community College Transfers	58%	62%	4%	60%	2%	50%
10	Enrollment of Adult Learners	50	60	10	54	4	40%
	<b>Total</b>						<b>5.33</b>

**Core Measures**

- Retention
- 6 yr Graduation Rate
- Degree Efficiency
- Degree Efficiency- Pell Recipients
- Space Utilization (75% Classrooms / 25% Labs)
- Financial Integrity (UNC FIT)
- Energy Efficiency

**Description**

- Freshman to Sophomore Retention
- 6 year graduation rate
- Bachelors degrees awarded per 100 undergraduate FTEs
- Bachelors degrees awarded per 100 undergraduate FTEs - Pell Recipients
- Weekly room hours of instruction as % of UNC standard
- Composite Index of UNC FIT
- Reduction of energy consumption (kBTUs per Sq. Ft.)

**Campus Specific Measures**

- Community College Transfers
- Graduation rate of Comm. College Transfers
- Graduate Degree Efficiency (Grad Degrees per 100 Grad FTEs)
- Enrollment of Adult Learners
- Federal Research Expenditures
- Bachelors Degree Production
- Degrees produced in Nursing
- Degrees produced in STEM disciplines
- Investment per Degree
- Distance Education
- 4 yr. graduation rate
- Others

**Description**

- Number of Community College transfers with Associates Degree or at least 24 semester hrs.
- 4-yr graduation rate of Community College transfers with an Associates Degree
- Graduate degrees awarded per 100 Graduate FTEs
- Enrollment of students aged 25 to 64
- Federal research expenditures compared to peers or campus goal
- Number of Bachelors degrees produced
- Number of nursing degrees produced
- Number of STEM degrees produced
- Appropriations plus Tuition and Fees per Degree
- Distance Education Student Credit Hours Produced
- 4 year graduation rate

**Performance Link to Enrollment Growth Projections**

- 0 to 3 Performance Points =
- 3 to 7 Performance Points =
- 7 Performance Points and Above =

No Growth

Restricted Growth

Normal Growth

**THE UNIVERSITY OF NORTH CAROLINA  
2012-13 Operating Budget Priorities**

	<b>2012-13</b>
<b>1. Continuing Core Operations</b>	
<i>a. Restore Management Flexibility Reduction</i>	9,184,767
<i>b. Operating Funds for Facilities</i>	6,802,285 R 2,263,358 NR
<i>c. NCSU Centennial Campus Hunt Library Operational/Program Funds</i>	2,011,328
<b>2. Our Citizens &amp; Their Future: Access to and Completion of Quality Higher Education</b>	
<i>a. Better Preparing Students for North Carolina's Future Economy</i>	28,934,805
<i>b. State Grants for North Carolinians</i>	88,600,000
<i>c. Faculty Recruitment and Retention Fund</i>	10,000,000
<i>d. Distinguished Professorships</i>	8,000,000 NR
<b>3. Campuses Specializing in the Arts &amp; Sciences</b> <i>UNCA, UNCSA &amp; NCSSM</i>	5,677,907
<b>4. Our Communities &amp; Their Economic Transformation</b>	
<i>a. NC Research Campus at Kannapolis</i>	3,000,000
<i>b. NCA&amp;T and UNCG Joint School of Nanoscience and Nanoengineering</i>	2,000,000
<i>c. UNC Partnership for National Security (Military Initiative)</i>	1,000,000
<b>5. Campus Safety &amp; Security</b>	1,647,416 R 988,694 NR
<b>6. Academic Common Market – Restore Funding</b>	970,747

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The Board of Governors  
*of*  
The University of North Carolina

The following statement shall accompany the 112<sup>th</sup> Congress Federal Policy Agenda and the Appropriations Guide as guidance for The President and his staff and for communication with the North Carolina Congressional Delegation:

**Given growing public concern for federal budget deficits and the need to prioritize the use of scarce public resources, the Board of Governors of the University of North Carolina ("The Board") supports federal efforts to achieve budget savings in entitlement and discretionary spending and through tax reform to ensure the long-term viability of federal programs that invest in America's future.**

**The Board further believes that federal investments in student financial aid and research programs and infrastructure are fundamental to our national economic recovery and prosperity.**

*In general, The Board believes:*

- The University is a producer and not a consumer. The University produces students, medical treatments and cures, ideas, technologies, and leaders for government, industry, education, and more.
- The University is a partner with the federal government in promoting and enhancing American competitiveness and capturing and accelerating Innovation.
- The Federal Government must continue to make strategic investments for future economic growth even as it seeks to control spending.
- The University supports accountability for performance in exchange for public funding.

- Academic autonomy and the freedom to pursue ideas free from political or government influence are core University principles.
- Federal rules and regulations should be reasonable and necessary. Increased federal reporting and other requirements should not impose disproportionate financial hardship and compliance for the University.

*Specifically, the Board's highest federal priorities (in priority order) are:*

1. a. Preserve the current maximum Pell Grant award for qualified students.

and

- b. Preserve current funding levels for National Institutes of Health (NIH), National Science Foundation (NSF), Department of Defense (DOD), Department of Agriculture (AG), Department of Education (ED), and Department of Energy (DOE) research grants and contracts with Universities.
2. Preserve Title III and set aside funding for Historically Black Colleges and Universities (HBCUs).
3. Preserve negotiated Facilities and Administrative (F&A) reimbursement rates for federally funded grant awards.
4. Include federal employee tuition assistance and Veteran educational benefits in the Department of Education's calculation of the 90/10 rule for institutions of higher education.
5. Permanently extend the Research and Development Tax Credit.
6. Provide a favorable tax environment for students and families that do not qualify for need-based financial aid.
7. Fair and adequate Medicare/Medicaid payments to physicians and increased funding for teaching hospitals and medical resident physicians.
8. Relief from Federal rules and regulations whose benefits do not justify imposed costs.
9. Immigration reform that enables expedient, cost-effective recruitment of international faculty, international graduate students in STEM fields, and international students in health professions.
10. Intellectual Property/Patent Reform adjustments that favor University-based interests.

## *UNC Policy Manual 300.2.2 - Summary of Revisions*

The U.S. Public Health Service (PHS) issued a final rule August 23, 2011 changing the requirements for the disclosure and reporting of financial interests of faculty researchers and institutions that apply for or receive funding from the Public Health Service, including the National Institutes of Health (NIH). UNC institutions and PHS-funded researchers must be in compliance with the final rule by August 24, 2012.

The UNC System received over \$1.2B in external funding in FY 2011 with approximately 41% awarded by PHS/NIH. UNC-CH receives ~60% of its external funds from the PHS/NIH and all UNC campuses except NCSSM and UNCSCA have received some PHS/NIH funding.

The changes in PHS/NIH regulations were prompted by the growing complexity of interaction among federal agencies, research institutions and the private sector in the research enterprise and highly publicized events over the last several years involving medical school/clinical faculty and their financial interests in pharmaceutical firms that either sponsor their research or whose drugs they are testing. The primary interest of PHS/NIH is to achieve greater transparency, greater assurance that research results are not biased and greater accountability from institutions and investigators.

A working group comprised of research compliance/conflict of interest officers, university attorneys and technology transfer officers reviewed the current BOG policy against the revised federal regulations and crafted the revised BOG policy. Stakeholders at the campus level including Chief Research Officers, Provosts, University Attorneys, Technology Transfer Officers and others then vetted the revised policy at the campus level. The revised policy, regulations and guidelines are the result of this multi-stage review process.

The Board of Governor's Policy on Conflict of Interest and Conflict of Commitment has been substantially revised to be compliant with the revised federal regulations and has been edited throughout for clarity of intent, presentation and understanding by institutional officials and faculty. Following are some new aspects of the revised BOG policy:

- I. Financial interests and conflicts of interest are reviewed in the context of the Covered Employee's University Employment Responsibilities;
- II. Constituent Institutions are directed to develop implementing policies and procedures that clarify permissible and impermissible conduct, include processes to manage or mitigate conflicts of interest, provide for training on the Conflict of Interest Policy and comply with prevailing federal regulations; and
- III. The revised policy cites an August 24, 2012 implementation date. This is the required date of compliance and will give Constituent Institutions time to further develop implementing policies and procedures, train Covered Employees on the Conflict of Interest policy, and develop mechanisms to meet the requirements to make disclosed conflicts of interest publically available.

### **Specific Revisions to *UNC Policy Manual 300.2.2***

Reordered the policy sections as follows: I-Definitions, II-Conflicts of Interest and III-Conflicts of Commitment

Edited the definition of Conflict of Interest to provide for the review of financial interests in terms of the Covered Employee's University Employment Responsibilities

Added a definition of Financial Interest

Edited the definition of University Employment Responsibilities for clarity

Added a definition of Covered Employee

Edited the definition of Inappropriate Use or Exploitation of University Resources for clarity

Expanded Section II-Conflicts of Interest to address the responsibilities of Constituent Institutions to develop implementing policies and procedures and text on "Avoiding Conflicts of Interest" moved to this section

Edited Section III Conflict of Commitment to include reference to External Professional Activities for Pay and for clarity

Categories of Potential Conflicts of Interest moved to Section I of the Guidelines on Implementing the UNC Conflict of Interest and Commitment Policy, *UNC Policy Manual 300.2.2* [G]

### **Specific Revisions to *UNC Policy Manual 300.2.2.1*[R]**

Edited Appendix I to indicate data elements to be included in campus EPAP disclosures and annual reports to UNC-GA (recognizing departure from paper-based systems).

Edited to include reference to the Policy and requirements to disclose financial interests in addition to External Professional Activities for Pay (EPAP).

Edited review requirements for certain affirmative responses on the EPAP disclosure for clarity

### **Specific Revisions to *UNC Policy Manual 300.2.2*.[R]**

Edits to include reference to the Policy and requirements to disclose financial interests in addition to External Professional Activities for Pay (EPAP).

### **Guidelines for Implementing UNC Conflict of Interest and Commitment Policy**

Added as a new document, which provides more detailed parameters specific to PHS-funded researchers.