

## MINUTES

May 24, 2018  
University of North Carolina  
Center for School Leadership Development, Board Room  
Chapel Hill, North Carolina

### Call to Order

The Board of Governors met in regular session on May 24, 2018, in the Board Room at the Center for School Leadership Development, Chapel Hill. Chair Bisette called the meeting to order at 9:30 a.m. He welcomed the guests and recognized several special guests in attendance, including The Honorable State Auditor, Beth Wood, The Honorable Justice Cheri Beasley, Mrs. Betty Kenan, Mr. Thomas Kenan, and the members of the boards of trustees.

### Invocation

Chair Bisette called on Dr. Rucho, who gave the invocation.

### Roll Call

Secretary Burris-Floyd called the roll. The following members were present:

Darrell T. Allison	Ann Maxwell
W. Louis Bisette, Jr.	J. Alex Mitchell
Kellie Hunt Blue	Wendy F. Murphy
Robert P. Bryan III	Anna S. Nelson
Pearl Burris-Floyd	Bettylenah Njaramba
C. Philip Byers	David M. Powers
Carolyn L. Coward	Randall C. Ramsey
N. Leo Daughtry	Robert A. Rucho
Thomas Fetzner	O. Temple Sloan III
H. Frank Grainger	Harry L. Smith, Jr.
James L. Holmes, Jr.	William A. Webb
Joe T. Knott	Michael L. Williford
Steven B. Long	

The following members were absent:

Walter C. Davenport	W. Marty Kotis III ( <i>participated by phone</i> )
Thomas C. Goolsby	R. Doyle Parrish

### State Ethics Act

Chair Bisette stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts and asked if anyone had a potential conflict. There were none.

## **Expectations of Conduct**

Chair Bissette read the Expectations of Conduct during meetings of the Board of Governors as set forth by the Board at its meeting in March 2016.

## **Administration of the Oath of Office**

Chair Bissette stated it was a pleasure to introduce the newest member of the Board of Governors, Ms. Bettylenah Njaramba. Ms. Njaramba is a student at North Carolina Central University and is pursuing a degree in elementary education. She was recently elected to serve as President of the University of North Carolina Association of Student Governments. In that capacity, she will become an *ex officio* member of the Board of Governors.

The Honorable Associate Justice Cheri Beasley from the North Carolina Supreme Court administered the oath of office. Chair Bissette welcomed Ms. Njaramba to the Board and asked her to make brief remarks.

## **Presentation of the Oliver Max Gardner Award**

Chair Bissette recognized members of the Oliver Max Gardner family who attended today's presentation – Mr. Ralph Webb Gardner II, great grandson of Governor Gardner and Mr. Josh Naftolin, husband of Sarah Naftolin, who is the great granddaughter of Governor Gardner – and called on Mr. Powers, a member of this year's Oliver Max Gardner Award Committee.

Mr. Powers reported that the other members of the committee included Mr. Kotis, Chair; Mrs. Blue, and Mr. Grainger. Mr. Powers reported that after careful consideration of many outstanding nominees, the committee selected Dr. Ruben G. Carbonell, the Frank Hawkins Kenan Distinguished Professor of Chemical Engineering from NC State University. He welcomed Dr. Carbonell and his guests.

Mr. Powers noted Dr. Carbonell's accomplishments and groundbreaking research that has led to medical and scientific advancements. Following a video highlighting Dr. Carbonell's extraordinary scope of work and achievements, Chair Bissette and President Spellings presented Dr. Carbonell with a stipend and a framed copy of the citation (see Appendix A).

## **President's Report**

President Spellings recognized and thanked outgoing Chair Bissette. She stated it was a pleasure working with him and that the UNC System has benefitted immensely from his leadership, integrity, and dedication to this University. Next, President Spellings commented on this year's spring commencements. Across the UNC System, more than 35,000 students earned their degrees this spring bringing a total of 54,000 students earning a degree in the 2017-18 academic year. President Spellings mentioned that she gave the commencement address at Elizabeth City State University (ECSU) last week. The ECSU campus has tremendous enthusiasm and she thanked Chancellor Conway, who is retiring this month, for his leadership. For President Spellings' complete report, please see Appendix B.

## **Administrative Action Items**

Chair Bissette entertained a motion to approve the items by consent. Mr. Byers moved and the motion was properly seconded. The motion carried.

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|----------|---|------------|
| a. (BOG) | Minutes (Open) of March 23, 2018  |            |
| b. (B&F) | Authorization of Guaranteed Energy Savings Performance Contract – NCSSM                             | Appendix C |
| c. (B&F) | Capital Improvement Projects – ASU, ECU, FSU, N.C. A&T, NC State, UNCA, UNC-CH, UNCC, UNCG, and WCU | Appendix D |
| d. (B&F) | Acquisition of Property by Lease – UNCC   | Appendix E |

e. (B&F)	Disposition of Property by Demolition – UNCC	Appendix F
f. (B&F)	Disposition of Property by Lease – NC State	Appendix G
g. (B&F)	Sale of Special Obligation Bonds – NC State	Appendix H
h. (B&F)	UNC System Debt Capacity Study	Appendix I
i. (B&F)	Authorization of Revision to Predevelopment Agreement – UNCW	Appendix J
j. (B&F)	Authorization of Predevelopment Agreement – ASU	Appendix K
k. (B&F)	Millennial Expansion Request – WCU	Appendix L
l. (B&F)	Acquisition of Property by License – NCCU	Appendix M
m. (EPPP)	Authorization to Establish UNC Degree Programs – ECU, N.C. A&T, UNCG, UNCW	Appendix N
n. (EPPP)	Authorization to Discontinue or Discontinue and Consolidate UNC Degree Programs – ASU, ECU, ECSU, NCCU, NC State, UNCA, and UNC-CH	Appendix O
o. (EPPP)	Licensure Program Approvals:	
	i. The University of Sydney	Appendix P
	ii. Samuel Merritt University	Appendix Q
	iii. Daoist Traditions college of Chinese Medical Arts	Appendix R
p. (EPPP)	Uniform Articulation Agreement in Music-Related Programs	Appendix S
q. (EPPP)	UNC Policy 1000.4.1 – <i>Policy on Auditing Courses for Persons Who are At Least 65 Years Old</i>	Appendix T
r. (GOV)	UNC Press Board of Governors Nominations	Appendix U
s. (GOV)	<i>[item pulled from Agenda]</i>	
t. (GOV)	Board of Trustees Nomination – UNCP	Appendix V
u. (GOV)	<i>The Code</i> , 302 b. – Officers of Standing Committees (Amended)	Appendix W
v. (GOV)	UNC Policy 200.2 – <i>Election Procedures</i> (Amended)	Appendix X
w. (Audit)	Committee on Audit, Risk Management, and Compliance Charter	Appendix Y
x. (Audit)	UNC System Internal Audit Charter	Appendix Z
y. (Audit)	UNC Policy 1400.1 – <i>Information Technology Governance</i> (Supersedes Policy 1400.1)	Appendix AA
z. (Audit)	UNC Policy 1400.3 – <i>User Identity and Access Control</i> (Adopted)	Appendix BB

### **Report of the Committee on Budget and Finance**

Mr. Sloan, chair of the committee, reported that at its meeting the previous day, the committee heard an update from Mr. Scott Lampe, chair of the UNC Funding Model Task Force. The Task Force has concluded its review and findings. The committee heard a report on the amount of tuition set-aside for need-based financial aid and reviewed the tuition bill statements that were received from the constituent institutions.

Next, Mr. Sloan reported that the committee heard an update on the Fiscal Year 2017 UNC System Debt Capacity Study (see Appendix I), which details the University's current debt load and its capacity to borrow. The committee approved this item and placed it on today's consent agenda.

The committee reviewed the following projects – the Authorization of Revision to Predevelopment Agreement for UNCW (see Appendix J); the Authorization of Predevelopment Agreement for ASU (see Appendix K); and the Millennial Expansion Request for WCU (see Appendix L). These items were included on the consent agenda.

The committee also met on Tuesday, May 22, 2018, by teleconference, to consider and approve routine administrative and transactional items and that were also placed on the consent agenda.

### **Report of the Committee on Educational Planning, Policies, and Programs**

Mrs. Nelson, chair of the committee, reported that it met by teleconference on Tuesday, May 22, 2018. During its meeting, the committee approved the establishment of six new degree programs (see Appendix N), the discontinuation and/or consolidation of six degree programs (see Appendix O), and the licensure of three degree programs (see Appendices P, Q, and R). The committee also approved a multilateral Articulation Agreement in Music (Appendix S). These items were placed on today's consent agenda. The committee heard a report on the Establishment of a School of Rural Public Health at East Carolina University.

At its meeting the previous day, Mrs. Nelson reported that the committee heard a presentation by Dr. Warren Newton, Director of North Carolina AHEC, on the Primary Care Education Plans Report. It heard an update from Chancellor Akinleye of North Carolina Central University (NCCU) on the steps that it had taken in response to the American Bar Association's (ABA) notice that the School of Law was noncompliant with ABA accreditation standards.

The committee considered and voted to approve the revisions to UNC Policy 700.7.1 – *Military Student Success*. This policy will be part of the consent agenda at the next Board meeting. The committee considered the Report on Minimum Admissions Requirements (MAR) Pilot Evaluation Report and voted to recommend that the Board extend the pilot by three years (see Appendix CC).

**MOTION:** Resolved, that the Board extend the Minimum Admission Requirements Pilot by three years for Elizabeth City State University, Fayetteville State University, and North Carolina Central University to further gather sufficient data to evaluate differences in graduation rates.

**Motion:** Mrs. Nelson

**Motion carried.**

In closing, the committee thanked Dr. Gabriel Lugo, outgoing chair of the UNC Faculty Assembly, for representing the faculty so well and commented that the committee honors and appreciates his service.

### **Report of the Committee on University Governance**

Mr. Long, chair of the committee, reported that at its meeting the previous day, the committee reviewed the University's governance structure and compared it with the other public university systems across the country. It also heard the results of the survey of the boards of trustees. The committee will share the survey results with the full Board and continue to discuss best practices at its next meeting. Mr. Long thanked the trustees for taking the time to complete the survey and for providing informative feedback.

Next, the committee considered a new UNC Policy 1300.9 – *Policy on Providing Safety and Security Presentations to University Boards* and revisions to *The Code* Section 502 D. and UNC Policy 700.4.1 – *Policy on Minimum Substantive and Procedural Standards for Student Disciplinary Proceedings*. These policies will be brought to the full Board for approval at its next meeting.

Regarding appointments to boards and councils, the committee considered three appointments to the UNC Press Board of Governors (see Appendix U) and one appointment to the UNC Pembroke Board of Trustees (see Appendix V) that were included on the consent agenda. The committee also considered the appointments to the Umstead Review Panel, however, the motion to approve the nominations failed. The committee will reconsider nominations at a later date.

Last, Mr. Long called on Mr. Webb, member of the committee, who introduced a resolution supporting UNC-Chapel Hill, the Board of Trustees, and Chancellor Folt regarding UNC-Chapel Hill's position and responsibility to protect privacy rights and educational records of all its students (see Appendix DD).

**MOTION:** Resolved, that the Board approve the resolution supporting UNC-Chapel Hill, the Board of Trustees, and Chancellor Folt related to protecting the privacy of student educational records.

**Motion:** Mr. Webb

**Motion carried.**

#### **Report of the Committee on Public Affairs**

Mr. Daughtry, chair of the committee, reported that during its meeting the previous day, the committee received legislative updates on the budget and other UNC System-related bills. The committee also heard updates on the federal legislation and appropriations affecting the UNC System and an update on the System's military-related efforts.

In closing, Mr. Daughtry recognized Vice President Howell. Mr. Howell will be leaving the UNC System Office in June and will return to NC State University where he will serve as senior vice president for external affairs. Mr. Daughtry thanked Mr. Howell for his dedicated service and contributions to the University.

#### **Report of the Committee on Audit, Risk Management, and Compliance**

Mr. Holmes, chair of the committee, reported that the committee met by teleconference on Monday, May 21, 2018. It received an update on internal audit and considered updates to the committee's charter (see Appendix Y) and the UNC System Office Internal Audit Charter (see Appendix Z). The committee approved the charters and the items were on the consent agenda.

The committee also heard an overview of enterprise risk management and updates on the activities of the IT Security Working Group. The committee approved UNC Policy 1400.1 – *Information Technology Governance* (see Appendix AA) and UNC Policy 1400.3 – *User Identity and Access Control* (see Appendix BB). These policies were on the consent agenda.

Mr. Holmes stated that at its meeting this morning, the committee heard an annual update from North Carolina State Auditor Beth Wood for the 2017 annual audits of the University. Mr. Holmes called on State Auditor Wood for her report.

State Auditor Wood reported that her office conducted audits on the 17 constituent institutions and the UNC System Office for fiscal year ending June 30, 2017. The UNC System Office and the constituent institutions all received clean findings. The State Auditor's Office conducted audits of federal grants that the institutions received and reported no audit findings. Information Technology general control audits were also performed at UNC-Chapel Hill and UNC Charlotte. There were audit findings and corrective action had been taken.

In closing, State Auditor Wood commented that the Office of the State Auditor maintains a confidential hotline to report complaints of illegal activities. The Office of the State Auditor followed up on several tips reported through the hotline at various UNC institutions. One investigative audit was published. Mr. Holmes commended State Auditor Wood and her entire team for their excellent work.

### **Report of the Committee on Strategic Initiatives**

Mr. Mitchell, chair of the committee, reported that at its meeting the previous day, the committee continued its examination of Advanced Placement (AP) Credit Acceptance policies. The committee drafted a new policy that would require UNC institutions to grant credit for AP scores of three or higher with few exceptions to the rule and the UNC System Office will continue gathering feedback from the campuses and other stakeholders on the policy.

### **Chair's Report**

Chair Bissette noted that this marked his last official report as chair of the Board as his term will expire next month. He spoke about the progress that the Board has made during the past three years and the effective policies it established that strengthens the UNC System. He commended President Spellings on the job she has done in leading the University to a new level of excellence. For the complete text of Chair Bissette's remarks, please see Appendix EE.

Before moving to closed session, Vice Chair Smith presented a Resolution Honoring Chair Bissette (see Appendix FF).

**MOTION:** Resolved, that the Board accept the Resolution Honoring Chair Bissette and thank him for his outstanding service.

**Motion:** Mr. Smith

**Motion carried.**

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Secretary Burris-Floyd stated that the printed motion to go into closed session was in the Board members' folders. She moved that the Board go into closed session as described in the written motion, pursuant to Sections 143-318.11(a)(1), (a)(3), (a)(5), and (a)(6) of the North Carolina General Statutes. The motion was properly seconded and carried.

The Board went into closed session at 11:30 a.m. and returned to open session at 11:55 a.m.

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### **Report of the Committee on Personnel and Tenure**

Mrs. Murphy, vice chair of the committee, reported that the committee met by teleconference on Monday, May 21, 2018, to review routine informational reports. It also continued discussion on the Faculty Recruitment and Retention Fund, which President Spellings reaffirmed remains a high priority for the legislative short session.

Next, Mrs. Murphy reported that at its meeting the previous day, the committee discussed the recommendations of the Subcommittee on Equal Opportunity, Diversity, and Inclusion. In March, the Subcommittee was formed and charged with providing recommendations to present to the legislature pursuant with the requirements set forth in the General Assembly's Current Operations Appropriations Act of 2017. The committee approved the subcommittee's Report of Findings and Recommendations to the Board of Governors (see Appendix GG).

**MOTION:** Resolved, that the Board accept the report and approve the recommendations of the Subcommittee on Equal Opportunity, Diversity, and Inclusion.

**Motion:** Mrs. Murphy  
**Motion carried.**

Last, the committee heard an update regarding the two chancellor searches that are underway. At UNC Asheville, the chancellor search is in its final stage and an election of a new chancellor was expected to be announced soon. At Western Carolina University, interviews have been completed and the board of trustees will consider a slate of four candidates, whose names will be forwarded to the president for her consideration. Further information will be shared with the Board at the appropriate time.

#### **Election of Officers of the Board of Governors**

Chair Bissette announced that the Board would hold elections for the offices of chair, vice chair, and secretary for the term of July 1, 2018 through June 30, 2020, pursuant to UNC Policy 200.2 – *Election* Procedures and all applicable statutes and rules. The slate of candidates for the offices were – Mr. Harry Smith, chair; Mr. Randy Ramsey, vice chair; and Ms. Burris-Floyd, secretary.

**MOTION:** Resolved, that the Board accept the nomination of Board officers – Mr. Smith for the office of chair; Mr. Ramsey for the office of vice chair; and Ms. Burris-Floyd for the office of secretary, and suspend the requirements of the Board's election procedures.

**Motion:** Mr. Webb  
**Motion carried.**

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In closing, Chair Bissette reminded Board members that a campus tour to UNC Center for Public Television was scheduled for Tuesday, June 5, 2018, for the new members. The next meeting of the Board of Governors was scheduled for Friday, July 27, 2018, at the Center for School Leadership Development in Chapel Hill.

Secretary Burris-Floyd thanked the members who attended the Public Comment Session, which was conducted earlier this morning. A summary of the Public Comment Session is attached (see Attachment #1). There being no further business, Chair Bissette requested a motion to adjourn. Mr. Powers moved and the motion was properly seconded. The meeting adjourned at 12:10 p.m.

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Pearl Burris-Floyd, Secretary

## APPENDICES

The Appendices are part of the official record of the meeting and are posted on the UNC System website at:

<http://www.northcarolina.edu/apps/bog/index.php>

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Appendix Y	Committee on Audit, Risk Management, and Compliance Charter
Appendix Z	UNC System Internal Audit Charter
Appendix AA	UNC Policy 1400.1 – <i>Information Technology Governance</i> (Supersedes Policy 1400.1)
Appendix BB	UNC Policy 1400.3 – <i>User Identity and Access Control</i> (Adopted)
Appendix CC	Report on Minimum Admissions Requirements (MAR) Pilot Evaluation Report
Appendix DD	Resolution Supporting Chancellor Folt and UNC-Chapel Hill Protecting the Privacy of Student Records
Appendix EE	Chair Bisette’s Report
Appendix FF	Resolution Honoring Chair W. Louis Bisette, Jr.
Appendix GG	The Subcommittee on Equal Opportunity, Diversity, and Inclusion Report of Findings and Recommendations to the Board of Governors



## Attachment #1: Public Comment Session Summary

May 24, 2018

University of North Carolina System

Center for School Leadership Development, Room 128

Chapel Hill, North Carolina

The Public Comment session was called to order following adjournment of the Board of Governors meeting. Secretary Pearl Burris-Floyd convened. The following Board members were also present in person: Darrell Allison, Kellie Hunt Blue, Tom Fetzer, Jim Holmes, Steve Long, Anna Nelson, David Powers, Randy Ramsey, Bob Rucho, and William Webb. The speakers and topics are listed below.

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1. Lori Carswell

Affiliation: UNC System Alumni

Topic: Silent Sam

Carswell expressed concern regarding the Silent Sam statue on the University of North Carolina at Chapel Hill's (UNC-CH) campus. Carswell explained that she's attended protests and rallies, and heard from students about racist incidents they've experienced on campus. Carswell argued that the statue is a threat to public safety and that it needs to be removed from campus to preserve diversity and tolerance in the UNC-CH and surrounding communities.

2. Maya Little

Affiliation: UNC System student and employee

Topic: Silent Sam

Little shared with the Board self-made signs that had been ripped apart at a recent Silent Sam sit-in. Little expressed concern about the priorities of UNC-CH leadership and of the Board, stating that they value the statue over the well-being of students of color and that the First Amendment rights of protesters have been violated.

3. Heather Ahn-Redding

Affiliation: No affiliation

Topic: Silent Sam

Ahn-Redding, a representative from Hillsborough Progressives Taking Action, requested the Board organize a public forum that would allow citizens and students to express their concerns about the Silent Sam statue and other incidents of racism to the Board. Ahn-Redding also asked that the Board submit a petition citing public safety to the North Carolina Historical Commission to remove Silent Sam.