

DRAFT MINUTES

October 10, 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 October 10, 2018, in the Board Room at the Center for School Leadership Development, Chapel Hill. Chair Smith called the meeting to order at 9:00 a.m.

Invocation

Chair Smith called on Mr. Fetzer for the invocation.

Roll Call

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

Darrell T. Allison	Steven B. Long
W. Louis Bissette, Jr.	Ann Maxwell
Kellie H. Blue	Wendy F. Murphy
Robert P. Bryan III	Anna S. Nelson
Pearl Burris-Floyd	Bettylenah Njaramba
C. Philip Byers	R. Doyle Parrish
Carolyn L. Coward	Randall C. Ramsey
N. Leo Daughtry	Robert A. Rucho
Thomas H. Fetzer	Harry L. Smith, Jr.
H. Frank Grainger	O. Temple Sloan III
James L. Holmes, Jr.	Michael L. Williford

The following members were absent:

Walter C. Davenport	J. Alex Mitchell
Thomas C. Goolsby	David M. Powers
Joe T. Knott	William A. Webb
W. Marty Kotis III	

State Ethics Act

Chair Smith 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. Mr. Long and Ms. Burris-Floyd abstained from Item 8a – UNC Health Care System Board of Directors Nomination. Per Item 4f – Capital Improvement Projects related to the Fetzer Field Renovation Project at UNC-Chapel Hill – Mr. Fetzer noted that the project namesake was a deceased relative. Mr. Fetzer stated that his legal counsel advised him that this did not create a conflict of interest nor did it suggest the appearance thereof.

President's Report

President Spellings provided an update on Hurricane Florence's impact and the institutions' recovery. She noted that all 17 campuses are once again fully operational. However, the storm caused major damage to several UNC System campuses, namely UNC Wilmington, UNC Pembroke, and Fayetteville State University. Many buildings and residence halls were flooded or received structural damage. Effective this week, UNC Wilmington was resuming its normal routine classes. She thanked the chancellors, campus police officers, and others for the steps they took to keep the students, staff, and faculty safe during these times. Next, President Spellings spoke about *We Promise* – a new program designed to improve college affordability for North Carolinians and out-of-state undergraduate students. The program guarantees a fixed-rate tuition plan. For President Spellings' complete report, please see Appendix A.

Consent Agenda Items

Chair Smith entertained a motion to approve the Consent Agenda Items listed as Item 4. Mr. Grainger moved and the motion was properly seconded. The motion carried.

Minutes

- a. Minutes (Open) of July 12, 2018
- b. Minutes (Open) of July 27, 2018
- c. Minutes (Open) of August 28, 2018
- d. Minutes (Open) of September 12, 2018
- e. Minutes (Open) of October 2, 2018

Committee on Budget and Finance

- f. Capital Improvement Projects – Appalachian, NC State, UNC-Chapel Hill, and UNC Charlotte Appendix B
- g. Acquisition of Property by Lease – NC State Appendix C
- h. Acquisition of Property by Lease and Disposition by Sublease – UNC-Chapel Hill Appendix D
- i. Authorization of Ground Lease – Appalachian Appendix E
- j. Millennial Campus Expansion Request – Appalachian Appendix F
- k. Authorization of Predevelopment Agreement – NCCU Appendix G
- l. Millennial Campus Designation – NCCU Appendix H
- m. Approval of Establishment of For-Profit Associated Entity – UNC-Chapel Hill Appendix I

Committee on Educational Planning, Policies, and Programs

- n. Authorization to Establish UNC Degree Programs – UNC Charlotte, UNC Greensboro Appendix J
- o. Authorization to Discontinue/Consolidate UNC Degree Programs – UNC Charlotte, UNC Pembroke Appendix K
- p. Licensure Program Approvals – Central Michigan University, Bellevue University, Platt College, South College Appendix L

Committee on University Governance

- q. Resolution on Security Clearance Appendix M

Committee on Audit, Risk Management, and Compliance

- r. Committee on Audit, Risk Management, and Compliance Charter Appendix N

Report of the Committee on Budget and Finance

Mr. Sloan, chair of the committee, reported that it held a joint closed session meeting with the Committee on Audit, Risk Management, and Compliance. The committee also voted to accept the annual report on action of

the committee from July 1, 2017 – June 30, 2018 for submission to the Board (see Appendix O). The committee considered eight items approved on today's consent agenda (see Appendices B - I).

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

Mrs. Nelson, chair of the committee, reported that the committee considered the establishment of two new programs (see Appendix J), the discontinuation and consolidation of two programs (see Appendix K), and the licensure programs at four institutions (see Appendix L), all approved on today's consent agenda.

Next, the committee voted to accept the annual report of the Committee on Educational Planning, Policies, and Programs for submission to the Board (see Appendix P). The committee heard several reports, including Early High School Graduates Report, the 2018 Comprehensive Articulation Agreement, and the Future Teachers of North Carolina Report. It received an update on the Strategic Initiatives plan to pursue the goal of student success and it received an update on the Digital Learning Project.

Report of the Committee on Personnel and Tenure

Mrs. Murphy, chair of the committee, reported that the committee discussed amendments to UNC Policy 200.8 – *Policy on Chancellor Searches and Elections*. The committee recommended improvements to the policy that was originally provided to the Board in September. The committee voted to approve the revised policy with the recommended improvements for submission to the full board.

Motion: Resolved, that the Board of Governors adopt the proposed changed as approved by the committee to UNC Policy 200.8 – *Policy on Chancellor Searches and Elections* (see Appendix Q).

Motion: Mrs. Murphy

Motion carried

Next, the committee heard an overview of the current Board-approved process for setting constituent institution peers setting process and an overview of the results of the System-wide results of the Employee Engagement Survey. The committee reviewed and approved the annual report of actions by Committee on Personnel and Tenure for July 1, 2017 – June 30, 2018 for submission to the full Board (see Appendix R).

As recommended by the Committee on University Governance, the committee will continue to examine recommendations of its delegation of duties and authorities to the institution board of trustees. The committee also heard an update on the development of a new System-wide policy on diversity and inclusion. Further information on this topic will be brought to the Board in January 2019.

Lastly, Mrs. Murphy called on Ms. Dawn Brown, chair of the UNC Staff Assembly for brief remarks. Ms. Brown thanked Chair Smith for the opportunity to address the Board. She stated that the UNC Staff Assembly is a unified team of more than 31,000 employees that plays a vital role in helping the University achieve its mission. The Staff Assembly will continue to foster an effective communication link between staff and administration and it will continue to work alongside colleagues from the UNC System Office.

Report of the Committee on University Governance

Ms. Burris-Floyd, member of the committee, reported that the committee met by teleconference on Friday, October 5, 2018. The committee discussed the following items. First, it discussed the findings of the survey related to the duties and authorities of the boards of trustees. Next, the committee reviewed the current and past trustee orientation process and discussed ways to improve the process as the Board will begin this year's

trustee selection process. The committee reviewed and approved the annual report of the Committee on University Governance for July 1, 2017 – June 30, 2018 (see Appendix S).

The committee also considered the annual Resolution on Security Clearance related to classified contracts. The committee made a correction to the resolution. The amended resolution was approved on today's consent agenda (see Appendix M).

Regarding vacancies on boards and councils, the committee considered an appointment to the State Advisory Council on Indian Education for the term beginning October 1, 2018 and through September 30, 2020.

Motion: Resolved, that the Board of Governors accept the nomination of Dr. Tiffany Locklear to serve on the State Advisory Council on Indian Education.

Motion: Ms. Burris-Floyd

Motion carried

There were seven four-year vacancies on the UNC Center for Public Television Board of Trustees. The committee considered five reappointments. It will bring the names of two new nominees to its next meeting.

Motion: Resolved, that the Board of Governors approve the reappointments of Ms. Sabrina Bengel, Mr. Joe Ely, Ms. Teresa Artis Neal, Mr. Eric Teal, and Mrs. Caroline Foy Welch to serve on the UNC Center for Public Television Board of Trustees.

Motion: Ms. Burris-Floyd

Motion carried

Regarding vacancies on the UNC Health Care System Board of Directors, Ms. Burris-Floyd called on Mr. Ramsey to report on this item. Ms. Burris-Floyd and Mr. Long recused themselves from voting on this item.

Mr. Ramsey reported that the Board of Governors considered seven four-year appointments to the UNC Health Care Board of Directors. The four new appointments were Ms. Rebecca Todd Cobey, Ms. Anne Faircloth, Mr. Tim Humphrey, and Dr. John McNeil. The committee considered the reappointments of Dr. Hadley Callaway, Mr. Trey Crab III, and Mr. J. Troy Smith, Jr. Mr. Ramsey commented that the nominations were made in consultation with the president and the UNC Health Care Board of Directors.

Motion: Resolved, that the Board of Governors approve the appointments of the above seven individuals to serve on the UNC Health Care Board of Directors.

Motion: Mr. Ramsey

Motion carried

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that the committee met earlier this morning. The members received materials recapping the 2018 legislative session. These materials considered a timeline for the approval of the Board's policy agenda and priorities for the upcoming legislative session. The committee heard an overview on the special legislative session related to Hurricane Florence. The legislature will convene on October 15, 2018, and the University's needs would be addressed in the special session.

The committee heard an update on the new commission of NC Fair Treatment of College Athletes, and it received an update on federal legislative successes in Washington, DC, including significant federal funding increases for education and research along with \$1.2 billion in emergency funding for North Carolina. Lastly, the committee received an overview on the University's remaining goals such as the Reauthorization of the Higher Education Act.

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

Mr. Holmes, chair of the committee, reported that it heard a presentation from Dr. Bill Roper, CEO of UNC Health Care and dean of the Medical School, on the North Carolina Area Health Education Centers (AHEC) and UNC Air Operations. The presentation included information on the core services and mission of AHEC and overall costs of aircraft operations.

The committee reviewed and approved the annual report of the Committee on Audit, Risk Management, and Compliance for July 1, 2017 – June 30, 2018 (see Appendix T), and it approved updates to the committee's charter, which was approved per the consent agenda (see Appendix N). The committee also heard an update on the status of the internal audit work of the 2017-2018 year.

Lastly, the committee discussed topics for its 2018-19 work plan. The topics included discussion on enterprise risk management and Information Technology reporting based on policies approved by the Board of Governors.

Report of the Committee on Strategic Initiatives

Mr. Williford, vice chair of the committee, reported that at its meeting on Monday, October 8, 2018, the committee continued its examination of summer school, exploring issues such as the status of current summer school operations across the UNC System, the number of courses offered, the types of courses available, summer tuition rates, teaching workload policies, and campus services available during the summer sessions. The presentation identified ways to expand access to summer courses including state funding and other financial assistance. Representatives from Fayetteville State University, NC State, and Western Carolina University spoke about their campus summer school programs and operations. The committee will continue to discuss and identify ways to expand summer enrollment at its next meeting.

Report of the Committee on Historically Minority-Serving Institutions

Mr. Allison, chair of the committee, reported that the committee held an initial meeting on August 21, 2018. At its meeting in August, Dr. Harry Williams, president and CEO of the Thurgood Marshall College Fund, provided an overview of the organization. The committee also heard remarks from the chancellors at ECSU, FSU, NCCU, N.C. A&T, UNCP, and WSSU. At its meeting on Monday, October 8, 2018, the committee heard presentations on University Advancement, including fundraising data from recent years and the importance of strong funding across our campuses. It discussed the impact that a UNC System-led initiative to fund investments in updated constituent-relationship management (CRM) software program could have on historically minority-serving institutions and the smaller UNC System schools such as North Carolina School of Science and Math and UNC School of the Arts.

Report of the Committee on Military and Veterans Affairs

Mr. Daughtry, member of the committee, reported that the committee held an initial meeting on August 21, 2018. It heard from several stakeholders across North Carolina's military community. Next, the committee met on Monday, October 8, 2018. It heard from a panel of active duty and veteran military-affiliated students from Fayetteville State University, NC State, and UNC-Chapel Hill, who reflected on their experiences in transitioning from the military to academic life. The committee also heard remarks from Secretary Larry Hall, Department of

North Carolina Military and Veterans Affairs. In addition, Chancellor Anderson and Chancellor Everts spoke about efforts at their institutions to support military-affiliated students.

Chair's Report

Chair Smith complimented the chancellors for the great work they are doing at their institutions. He recognized President Spellings and Chancellors Anderson, Cummings, and Sartarelli for their strong leadership and crisis management as Hurricane Florence threatened their campuses. Chair Smith emphasized that their leadership was steady throughout the storm and its aftermath. He thanked all the chancellors across the UNC System for lending their support.

Next, Chair Smith mentioned that Elizabeth City State University received a \$20 million loan from the U.S. Department of Agriculture. He congratulated Interim Chancellor Dixon on her leadership at the campus, and he thanked the board of trustees and Board Member Steve Long for all their support of the campus.

Chair Smith spoke about the *NC Promise* Plan and thanked the legislature for its support in implementing the plan, which reaffirms the state's commitment to making our University affordable and accessible to all students. He recognized the committee chairs and all the members of the Board for the great work they continue to do as the landscape of higher education continues to change. He noted that President Spellings and her team continue to work tirelessly in steering the University.

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

The Board went into closed session at 10:05 a.m. and returned to open session at 11:33 a.m.

In closing, Chair Smith announced that the next meeting of the full Board is scheduled for November 9, 2018, in Chapel Hill. There being no further business, Chair Smith made a motion to adjourn. Mr. Grainger moved and the motion was properly seconded. The meeting adjourned at 11:35 a.m.

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>

Appendix A	President Spellings' Report
Appendix B	Capital Improvement Projects – Appalachian, NC State, UNC-Chapel Hill, and UNCC
Appendix C	Acquisition of Property by Lease – NC State
Appendix D	Acquisition of Property by Lease and Disposition by Sublease – UNC Chapel Hill
Appendix E	Authorization of Ground Lease – Appalachian
Appendix F	Millennial Campus Expansion Request – Appalachian
Appendix G	Authorization of Predevelopment Agreement – NCCU
Appendix H	Millennial Campus Designation – NCCU
Appendix I	Approval of Establishment of For-Profit Associate Entity – UNC Chapel Hill
Appendix J	Authorization to Establish UNC Degree Programs – UNC Charlotte, UNC Greensboro
Appendix K	Authorization to Discontinue/Consolidate UNC Degree Programs– UNC Charlotte, UNC Pembroke
Appendix L	Licensure Program Approvals – Central Michigan University, Bellevue University, Platt College and South College
Appendix M	Resolution of the Board of Governors Authorizing Security Clearance
Appendix N	Committee on Audit, Risk Management, and Compliance Charter
Appendix O	2017-2018 Annual Report of the Committee on Budget and Finance
Appendix P	2017-2018 Annual Report of the Committee on Educational Planning, Policies, and Programs
Appendix Q	UNC Policy 200.8 – <i>Policy on Chancellor Searches and Elections</i>
Appendix R	2017-2018 Annual Report of the Committee on Personnel and Tenure
Appendix S	2017-2018 Annual Report of the Committee on University Governance
Appendix T	2017-2018 Annual Report of the Committee on Audit, Risk Management, and Compliance