

## MINUTES

July 27, 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 July 27, 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. He welcomed the guests and recognized several special guests, including Rep. Fraley and several members of the boards of trustees.

### Invocation

Chair Smith called on Mr. Ramsey, who gave the invocation.

### Roll Call

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

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

The following members were absent:

Anna S. Nelson

William A. Webb (*participated by phone*)

### 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. There were none.

## Expectations of Conduct

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

## Remarks by Vice Chair Ramsey

Vice Chair Ramsey recognized Chair Smith as this marked his first official meeting presiding as chair of the Board of Governors. He remarked that the members look forward to his leadership and working together. He introduced Chair Smith's wife, Tammy Smith.

## President's Report

President Spellings congratulated Chair Smith in his new role. She noted that Chair Smith cares deeply about the University and remains focused on making the University stronger and more accountable. Next, President Spellings remarked on the passing of former President *Emeritus* C.D. Spangler. She spoke about the wonderful legacy he leaves behind and the lasting impact his work has had on the University and on our state. She paused for a moment of silence in his remembrance. President Spellings mentioned that Sen. Burr and Sen. Tillis honored Mr. Spangler on the floor of the U.S. Senate the previous day. For President Spellings' complete report, please see Appendix A.

## Administrative Action Items

Chair Smith entertained a motion to approve the Administrative Action Items listed as Item 4. Mr. Powers requested that Item 4n – *Boards of Trustees Nominations – Appalachian, WCU* be removed and discussed separately. Chair Smith entertained a motion to approve the remaining administrative action items. Mr. Mitchell moved and the motion was properly seconded. The motion carried.

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|-----------|---|------------|
| a. (BOG)  | Minutes (Open) of May 24, 2018  |            |
| b. (BOG)  | Minutes (Open) of June 1, 2018  |            |
| c. (B&F)  | Capital Improvement Projects – N.C. A&T, NC State, UNC-Chapel Hill, UNC Charlotte                                       | Appendix B |
|           | UNCSA, and WSSU   |            |
| d. (B&F)  | Authorization of Replacement Lines of Credit – UNC-Chapel Hill  | Appendix C |
| e. (B&F)  | Disposition of Property by Easement – NCCU  | Appendix D |
| f. (B&F)  | Disposition of Property by Easement – UNC-Chapel Hill   | Appendix E |
| g. (B&F)  | Authorization of Ground Lease – UNCW  | Appendix F |
| h. (B&F)  | Millennial Campus Expansion Request – ECU   | Appendix G |
| i. (EPPP) | Authorization to Establish UNC Degree Programs – UNC Charlotte  | Appendix H |
| j. (EPPP) | Authorization to Discontinue UNC Degree Programs – ECU  | Appendix I |
| k. (EPPP) | Authorization to Discontinue and Consolidate UNC Degree Programs – ECU and NCCU   | Appendix J |
| l. (EPPP) | Licensure Program Approvals – Northeastern University, Johnson and Wales  | Appendix K |
|           | University, Brightwood College, CreatEd Institute   |            |
| m. (EPPP) | UNC Policy 700.7.1 – <i>Policy on Military Student Success</i>  | Appendix L |
| n. (GOV)  | Boards of Trustees Nominations – Appalachian and WCU [ <i>Removed for discussion; Approved following discussion</i> ]   | Appendix M |
| o. (GOV)  | <i>The Code, 502 D. – Relation of the Chancellor to the Constituent Institution</i>                                     | Appendix N |
| p. (GOV)  | UNC Policy 700.4.1 – <i>Policy on Minimum Substantive and Procedural Standards for Student Disciplinary Proceedings</i> | Appendix O |
| q. (GOV)  | UNC Policy 1300.9 – <i>Policy on Providing Safety and Security Presentations to University Boards</i>                   | Appendix P |
| r. (SI)   | UNC Policy 700.10.1 – <i>Policy on Awarding Course Credit on the Basis of Advanced Placement Exam Scores</i>            | Appendix Q |

Next, Mr. Powers was recognized to address Item 4n. – *Boards of Trustees Nominations at Appalachian and WCU*. He noted that Mr. Mark Ricks was recommended to fill a partial term at Appalachian State University and Mr. Casey Cooper was recommended to fill a partial term at Western Carolina University. The Committee on University Governance unanimously supported both candidates.

**MOTION:** Resolved, that the Board elect Mr. Mark Ricks and Mr. Casey Cooper to the boards of trustees at Appalachian and WCU, respectively.

**Motion:** Mr. Powers

**Motion carried**

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

Mr. Sloan, chair of the committee, reported that during its meeting the previous day, the committee reviewed and recommended six transactional items included on the consent agenda. Next, the committee considered the proposed University of North Carolina 2018-19 Operating Budget Allocations including funds for compensation increases and management flexibility reductions and recommends them to the full Board (see Appendix R).

**MOTION:** Resolved, that the Board approve the proposed University of North Carolina 2018-19 Operating Budget Allocations.

**Motion:** Mr. Sloan

**Motion carried**

Lastly, the committee considered the University of North Carolina 2018-19 Capital Improvement Budget Allocations appropriations that totaled \$33,399,465.00 (see Appendix S). The committee recommends the allocations to the full Board.

**MOTION:** Resolved, that the Board approve the proposed University of North Carolina 2018-19 Capital Improvement Allocations.

**Motion:** Mr. Sloan

**Motion carried**

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

Mr. Bryan, vice chair of the committee, reported that the committee recommended the establishment of one new academic degree program (see Appendix H), the discontinuation of one program (see Appendix I), the consolidation of five programs (Appendix J), and the licensure programs at four institutions (see Appendix K) included on today's consent agenda.

The committee considered several reports including the President's Report on Research and Sponsored programs, the Fall 2017 Enrollment Report, the Faculty Teaching Workload Report, and UNC Intercollegiate Athletics and Financial Transparency Report. It received an update on the North Carolina Teaching Fellows Program and received an informational update on the establishment of a College of Health Sciences at UNC Pembroke. It also heard a presentation from representatives at North Carolina Central University, who provided updates on NCCU's School of Law. It discussed the new ACT-SAT Concordance tables and reviewed the calendar for its committee work for the upcoming year.

In closing, Mr. Bryan recognized Dr. David Green, chair of the UNC Faculty Assembly, for his remarks. Dr. Green stated that the UNC Faculty Assembly is committed to the advancement of quality education. At its retreat this summer, the Assembly identified three priorities, which include supporting digital learning competencies; continuing its work with the Board, the president, and the senior leadership team to represent its concerns; and ensuring that the students and other stakeholders of the System are aware of the assembly's contributions to the vitality of the System.

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

Mr. Powers, chair of the committee, noted that several members of the boards of trustees attended the committee's meeting the previous day; he welcomed their participation and attendance. The committee discussed several topics including the 2018-2019 boards of trustees appointment process; institutions' liaison assignments; and next steps related to the committee's work on the duties and authorities of boards of trustees and vacancies on the boards. The committee, which also serves as the Board's legislatively-required committee on crafting a new free speech policy for the UNC system, heard plans on completing the first report on Free Speech and Free Expression. The report will be prepared by the fall and conveyed to the governor, the NC General Assembly, and the University community.

The committee heard a presentation on the results of a survey of the boards of trustees on the delegation of duties and authorities. The Committee on University Governance asked the other committees with recommendations in their jurisdiction – the Committee on Budget and Finance, the Committee on Personnel and Tenure, and Committee on Educational Planning, Policies, and Programs – to review the recommendations and report to the Board this fall.

Mr. Powers stated that much of the committee's work this year will be focused on the nominations of members for the boards of trustees and refining and approving the trustee selection and training process. The committee will consider additional duties and authorities to delegate to the boards of trustees.

At its next meeting, the committee will consider vacancies on the State Advisory Council on Indian Education, the UNC Asheville Board of Trustees, the UNC Center for Public Television, and the Umstead Review Panel.

Lastly, the committee considered two appointments to the boards of trustees – one at Appalachian State University and one at Western Carolina University, which were approved as part of the consent agenda (see Appendix M).

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

Mr. Byers, chair of the committee, reported that it received an update on the recent short session of the General Assembly. The committee also heard a report on federal legislation and appropriations that will affect the UNC System institutions and the state.

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

Mr. Holmes, chair of the committee, reported that the committee heard presentations on university foundations within the UNC System and a briefing on the activities of the Information Technology Security Working Group.

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

Mr. Mitchell, chair of the committee, reported that the committee discussed its ongoing efforts to improve student success across the UNC System. The committee reviewed trend lines, retention, graduation rates, and reforms it has pursued to ensure students complete their degrees on time.

### **Chair's Report**

Chairman Smith reflected on the advice he has received from his fellow Board members this week. He gave special thanks to his predecessor, Mr. Bisette, for his years of leadership. Next, he remarked that the System is fortunate to have President Spellings leading this institution. He commented on his expectations and plans for the coming year and thanked the members for their commitment to the System.

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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 10:15 a.m. and returned to open session at 11:45 a.m.

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

Mrs. Murphy, chair of the committee, reported that the committee reviewed the FY 2017-2018 EHRA Annual Raise Process Report and discussed the annual raise process for both SHRA and EHRA employees for the current year. In accordance with the N.C. General Assembly Appropriations Act, a sum of \$20 million was set aside for the UNC System for compensation increases for employees for the 2018-19 fiscal year. The committee recommended a resolution granting the president the authority to implement compensation increases as provided for in the appropriations act.

**MOTION:** Resolved, that the Board adopt the Resolution of the Board of Governors of the University of North Carolina Implementation of Fiscal Year 2018-2019 Compensation Adjustments for Employees Pursuant to the Appropriations Act of 2018 and the University's Annual Raise Process (see Appendix T).

**Motion:** Mrs. Murphy

**Motion carried.**

Next, Mrs. Murphy commented that the committee heard a report on the implementation of state legislation that raises the state's minimum wage point to \$31,200/year for full-time state employees, and an update on the System Office's implementation of the recommendations of the Board's Subcommittee on Equal Opportunity, Diversity, and Inclusion.

The committee discussed the chancellor search process. It will review current policies and procedures and will recommend updates and changes to UNC Policy 200.8 – *Policy on Chancellor Searches* as appropriate.

Lastly, the committee reviewed routine informational reports that included the President's Delegated Personnel Actions Report, Senior Administrative Officer Retirement Fund Program Report, The Faculty Retention and Utilization Report, the Annual Post-Tenure Review Report, and the Board of Governors Award for Excellence in Teaching Final Use of Funds Report.

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In closing, Chair Smith announced that the new special committees will meet on August 21, 2018, and the next full Board meeting is scheduled for September 14, 2018. There being no further business, Chair Smith requested a motion to adjourn. Mr. Long moved and the motion was properly seconded. The meeting adjourned at 11:50 a.m.

For a summary of remarks from the Public Comment Session, please see Attachment #1.

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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>

- Appendix A President Spellings' Report
- Appendix B Capital Improvement Projects – N.C. A&T, NC State, UNC-Chapel Hill, UNC Charlotte, UNCSA, and WSSU
- Appendix C Authorization of Replacement Lines of Credit – UNC-Chapel Hill
- Appendix D Disposition of Property by Easement – NCCU
- Appendix E Disposition of Property by Easement – UNC-Chapel Hill
- Appendix F Authorization of Ground Lease – UNCW
- Appendix G Millennial Campus Expansion Request – ECU
- Appendix H Authorization to Establish UNC Degree Programs – UNC Charlotte
- Appendix I Authorization to Discontinue UNC Degree Programs – ECU
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- Appendix K Licensure Program Approvals – Northeastern University, Johnson and Wales University, Brightwood College, and CreatEd Institute
- Appendix L UNC Policy 700.7.1 – *Policy on Military Student Success*
- Appendix M Boards of Trustees Nominations – Appalachian and WCU
- Appendix N *The Code*, 502 D. – Relation of the Chancellor to the Constituent Institution
- Appendix O UNC Policy 700.4.1 – *Policy on Minimum Substantive and Procedural Standards Disciplinary Proceedings*
- Appendix P UNC Policy 1300.9 – *Policy on Providing Safety and Security Presentations to University Boards*
- Appendix Q UNC Policy 700.10.1 – *Policy on Awarding Course Credit on the Basis of Advanced Placement Exam Scores*
- Appendix R The University of North Carolina 2018-19 Operating Budget Allocations
- Appendix S The University of North Carolina 2018-19 Capital Improvement Budget Allocations
- Appendix T Resolution of the Board of Governors of the University of North Carolina Implementation of Fiscal Year 2018-2019 Compensation Adjustments for Employees Pursuant to the Appropriations Act of 2018 and the University's Annual Raise Process

## Attachment #1: Public Comment Session Summary

July 27, 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 at 8:00 a.m. with Secretary Burris-Floyd presiding. The following Board members were also present: Mr. Allison, Mrs. Blue, Mr. Holmes, Mr. Long, Mrs. Murphy, Mrs. Nelson, Mr. Powers, Vice Chair Ramsey, Dr. Rucho, Chair Smith, and Mr. Webb. The speakers and topics are listed below.

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1. Alex Haggis  
Affiliation: UNC System student  
Topic: Free Speech Act  
Haggis expressed concerns regarding the Board's Free Speech Policy and challenged the Board to host public town halls to provide opportunities for the community, students, faculty, and staff to be heard outside of the regularly scheduled public comment sessions.
2. Mario Benavente  
Affiliation: UNC System student  
Topic: Silent Sam  
Benavente discussed the Board's lack of response to the request to remove Silent Sam statue. The statue represents negativity and racism on the University of North Carolina at Chapel Hill (UNC-Chapel Hill) campus and surrounding community.
3. Aubrey Lauersdorf  
Affiliation: UNC System student  
Topic: UNC System Faculty and Staff Salary Raises  
Lauersdorf, a representative of UE Local 150 (North Carolina Public Service Workers Union), spoke about the communication across the System in regards to salary increases. Lauersdorf expressed that transparency is key in the communication of the salary raise timeline to state employees with the University System.
4. Nora Dennis  
Affiliation: UNC System student  
Topic: Silent Sam  
Dennis expressed concerns about the Board's response to the Silent Sam statue. Dennis explained that the Silent Sam statue celebrates black fear and is a negative symbol standing tall on UNC-Chapel Hill's campus.



5. Hannah Skjellum  
Affiliation: UNC System student  
Topic: Silent Sam  
Skjellum feels that the Silent Sam statue is violence personified and the University's prioritizing money over morals is why it still stands.
6. Patrick Horn  
Affiliation: UNC System staff  
Topic: Silent Sam  
Horn, associate director at the Center for the Study of the American South, believes Silent Sam represents sexist and male supremacist ideas and that it should be moved to a location where its historical significance can be better contextualized.
7. Candace Midgett  
Affiliation: No affiliation  
Topic: Silent Sam  
Midgett, director of the Orange County Historical Museum, discussed actions and processes used by towns in North Carolina to move similar monuments, and she argued that leadership within the UNC System should take a similar approach to remove the Silent Sam statue that was erected to celebrate white supremacy.
8. Mary Phillips  
Affiliation: UNC System alumni  
Topic: Silent Sam  
Phillips spoke on behalf of a public service sorority against the Silent Sam statue on UNC-Chapel Hill's campus and called for the removal of the monument.
9. Anna Richards  
Affiliation: No affiliation  
Topic: Silent Sam  
Richards, President of the Chapel Hill-Carrboro Chapter of the NAACP, expressed disappointment over the Silent Sam statue standing tall in a progressive community like Chapel Hill.
10. Michelle Padley  
Affiliation: UNC System student  
Topic: Silent Sam  
Padley asked the Board what North Carolina they represent. By allowing the Silent Sam statue to stand, the Board is a blatant supporter of white supremacy.
11. Nicholas Stevens  
Affiliation: UNC System student  
Topic: Silent Sam  
Stevens quoted Chancellor Folt's statement on diversity and explained that the institution and System have a responsibility to the community, faculty, staff, and students to support diversity and inclusion for all.

12. Nancy White

Affiliation: UNC System alumni and parent

Topic: Silent Sam

White explained that the UNC System is a System that is supposed to teach values of respect, diversity, and inclusion. White expressed concern that the Board is not enhancing any student's education by allowing the Silent Sam statue to stand.

13. Lucy Lewis

Affiliation: UNC System alumni

Topic: Silent Sam

Lewis called on the Board to remove the Silent Sam statue from UNC-Chapel Hill's campus. It is a statue that may seem to stand strong and silent, but it is loud and a symbol of negative values.

14. Alyssa Bowen

Affiliation: UNC System student

Topic: Silent Sam

Bowen explained that the lack of response and action from the Board on various issues, including the Silent Sam statue, shows how the Board is not representative of the System as a whole.