

MINUTES

November 9, 2018
University of North Carolina System Office
Center for School Leadership Development, Board Room
Chapel Hill, North Carolina

Call to Order

The Board of Governors met in regular session on November 9, 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 Ms. Najaramba, who gave the invocation.

Roll Call

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

Darrell T. Allison	Steven B. Long
W. Louis Bisette, Jr.	Ann Maxwell
Kellie Hunt Blue	J. Alex Mitchell
Robert P. Bryan III	Wendy F. Murphy
Pearl Burris-Floyd	Anna S. Nelson
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. Fetzer	Robert A. Rucho
Thomas C. Goolsby	O. Temple Sloan III
H. Frank Grainger	Harry L. Smith, Jr.
James L. Holmes, Jr.	William A. Webb
Joe T. Knott	Michael L. Williford
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. There were none.

Expectations of Conduct

Chair Smith reminded everyone of the expectations of conduct during meetings of the Board of Governors as set forth by the Board.

Presentation of the James E. Holshouser, Jr. Award for Excellence in Public Service

Chair Smith thanked the members of the Committee on Educational Planning, Policies and Programs for overseeing this year's award presentation. He called on Ms. Maxwell, chair of the Subcommittee on the 2018

James E. Holshouser, Jr. Award for Excellence in Public Service, to begin the presentation. Ms. Maxwell recognized Mr. Bryan and Mr. Knott, who also served on this year's committee. She stated that after consideration of many qualified nominees, the committee selected two recipients for this year's award – Dr. David Westling, the Adelaide Worth Daniels Distinguished Professor of Special Education at Western Carolina University, and Dr. Walt Wolfram, the William C. Friday Distinguished University Professor in the Department of English at NC State University. Following the video presentations highlighting the scope of each recipients' work and achievements, Chair Smith and President Spellings presented the recipients with an engraved bronze medallion and a stipend. Upon receiving their award, each made brief remarks. For a summary of Dr. Westling's and Dr. Wolfram's remarks, please see Appendices A and B, respectively.

President's Report

President Spellings thanked the dedicated staff at CSLD for their efforts in facilitating the Board meetings and commended Ms. Najaramba for doing such a great job representing our students across the UNC System. For President Spelling's complete report, please see Appendix C.

Consent Agenda Items

Chair Smith entertained a motion to approve the consent agenda Items listed as Item 5. Mr. Parrish moved and the motion was properly seconded. The motion carried.

Minutes

- a. Minutes of October 10, 2018

Committee on Budget and Finance

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| b. 2018-19 Enrollment Funding Allocation | Appendix D |
| c. Authorization of Millennial Campus Sub-Ground Lease – WCU | Appendix E |
| d. Acquisition by Deed and Disposition of Property by Demolition – N.C. A&T | Appendix F |
| e. Disposition of Property by Demolition – N.C. A&T | Appendix G |
| f. Capital Improvement Projects – Appalachian, ECU, NC State, UNC Asheville, UNC-Chapel Hill, UNC Greensboro, and NC Arboretum | Appendix H |
| g. Sale of Millennial Campus Revenue Bonds – Appalachian | Appendix I |
| h. Sale of Special Obligation Bonds – UNC-Chapel Hill, WCU | Appendix J |

Committee on Educational Planning, Policies, and Programs

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| i. Authorization to Establish UNC Degree Programs – ECSU, UNC Wilmington | Appendix K |
| j. NC Area Health Education Centers (AHEC) Annual Report on Primary Care Physicians | Appendix L |

Committee on Audit, Risk Management, and Compliance

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| k. System-wide Internal Audit Plans for 2018-19 | Appendix M |
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Report of the Committee on Budget and Finance

Mr. Sloan, chair of the committee, reported that at its meeting the previous day, the committee received a report on the 2018 Hurricane Florence Recovery Funding Allocations. Mr. Sloan noted that during last month's special legislative session on disaster relief in the wake of Hurricane Florence, the General Assembly appropriated \$30 million in repairs and renovations. It also appropriated \$2 million to assist students attending institutions affected by the hurricane.

Motion: Resolved, that the Board of Governors approve the 2018 Hurricane Florence Recovery Funding Allocations (see Appendix N).

Motion: Temple Sloan

Motion carried

Next, the committee discussed the 2019-21 Operating Budget Priorities and heard an overview on the top priorities for the UNC System. The budget priorities will be presented to the full Board at its meeting next month.

Lastly, the committee considered routine transactional items that were presented on today's agenda (see Appendices D – J), which the Board approved.

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

Mrs. Nelson, chair of the committee, reported that at its meeting the previous day, the committee approved the establishment of two programs (see Appendix K). The committee reviewed the annual NC AHEC Report for Primary Care Physicians (see Appendix L). The report found that in rural communities throughout our state, accessing medical care continues to be a persistent challenge and few medical school graduates choose to practice in rural areas.

Next, the committee received an update on the Digital Learning Initiatives as well as an update on the Educator Preparation Advisory Group, which seeks to advance the quality and advocacy of the NC Teacher Education Preparation Program.

In closing, Mrs. Nelson recognized Dr. David Green, chair of the UNC Faculty Assembly, for brief remarks. Dr. Green was proud of the collaborative working relationship that he has established with the president, members of the Board of Governors, and the UNC System Office staff. The faculty assembly will continue to address important issues facing students, such as the implementation of the summer school project and the University's continued support of our many military-affiliated students and returning student veterans. Dr. Green acknowledged the remarkable leadership of President Spellings and expressed his appreciation for her including the faculty's input in developing the University's legislative priorities.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that at its meeting the previous day the committee considered the nominations of two individuals to serve on the UNC Center for Public Television Board of Trustees. The nominees are Mr. Richard Thomas Craven and Mr. Bill West.

Motion: Resolved, that the Board of Governors appoint Mr. Craven and Mr. West to the UNC Center for Public Television Board of Trustees.

Motion: David Powers

Motion carried

Next, the committee continued discussion on the duties and authorities of the board of trustees. It considered the proposed UNC Policy 100.3 – Policy on Waivers from University Policies, Regulations, and Guidelines. The UNC System Office staff will gather input from the UNC System institutions and finalize policy language. The committee will consider approval of this policy at its meeting next month and will bring it to the full Board for approval in January. The committee also reviewed the boards of trustees election process and a proposed calendar of events for the 2018-2019 Board of Trustees Selection Process. Each of the campus liaisons consult with the chancellors and the board of trustees chair to gather input about the needs for their particular campus. The liaisons will subsequently meet with any nominees before forwarding the nomination.

In closing, Mr. Powers referred to the 2018 Fall Commencements schedule and asked the members to consider attending one of the commencements to bring greetings on behalf of the Board.

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that at its meeting the previous day, the committee reviewed the 2019 Policy Agenda Proposals from the 17 constituent institutions. The proposals included changes to recently enacted statutes such as Lab Schools, Teaching Fellows, and NC Promise. It also reviewed a proposal that included provisions for providing pay to University employees who are unable to occupy their workplace due to an official emergency such as a hurricane. The committee will vote on the finalized versions of these proposals at a future meeting.

The committee heard an update on the recent legislative special sessions that was called last month to address damage caused by Hurricane Florence at the UNC campuses. The legislature allocated \$30 million in funds for repairs and renovations at UNC Wilmington, Fayetteville State University, and UNC Pembroke, all of which suffered extensive damage.

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

Mr. Holmes, chair of the committee, reported that at its meeting the previous day, the committee received two informational reports: 1) a Summary Report of Major Associated Entities, which all received unqualified audit opinions, and 2) a Summary of System-wide Internal Auditing Activities for FY 2017-2018, which included 286 audit reports that were produced across the system.

Next, the committee reviewed and approved the System-wide Internal Audit Plans for 2018-19 for each of the institutions (see Appendix M). This item was included on the consent agenda and approved by the full Board. Related to Information Technology, the committee reviewed the status of the IT General Control Audits by the Office of the State Auditor.

In closing, Mr. Holmes noted that the committee would receive an overview of insurance strategies throughout the system at its meeting in January 2019. He encouraged the members to attend the session.

Report of the Committee on Strategic Initiatives

Mr. Mitchell, chair of the committee, reported that at its meeting on Wednesday, November 7, 2018, the committee continued its discussion on the concept of NC 365 – the UNC System’s plan to leverage the full 12-month calendar to help more students complete their degrees in a timely fashion. Several Board members, chancellors, faculty, and staff participated in the session. They discussed the advantages and disadvantages of the proposed plan. The committee will seek input from the Board’s four standing committees to examine the key issues and identify any necessary policy changes, and examine issues within their jurisdiction.

Report of the Committee on Historically Minority-Serving Institutions

Mr. Allison, chair of the committee, reported that at its meeting on Wednesday, November 7, 2018, the committee examined the allocation formula for repairs and renovations (R&R) funding process. It also heard presentations from the chief financial officers of the Historically-Minority Serving Institutions along with UNC Asheville, UNC School of the Arts, and the North Carolina School of Science and Math. The chief financial officers offered their perspectives related to the R&R funding process.

Next, the committee considered an investment proposal put forth by staff in University Advancement. The committee voted to recommend the proposal that would fund a new constituent management software (CMS)

and support data mart modernization across the UNC System. The proposal will be brought to the Committee on Budget and Finance for inclusion in the 2019 Budget Priorities.

Report of the Committee on Military and Veterans Affairs

Mr. Webb, chair of the committee, reported that at the Board's Work Session the previous day, it heard a presentation by Mr. Jared Lyon, president and CEO of Student Veterans of America, about the value of student veterans in higher education. On Wednesday, November 7, 2018, Mr. Lyons joined Ms. Kelly Henry of the National Military Family Association and Mr. Tim Nellet of the Peer Advisors for Veteran Education, to offer an overview on several issues related to military-affiliated students' needs and the institutional support available to them on our campuses. The overview focused on a range of practices for providing educational opportunities to this important population.

Mr. Webb reported that the committee will present a proposal for a pilot program that is focused on strategies the UNC System can undertake for helping our military-affiliated students transition to the civilian workforce in North Carolina.

Chair's Report

Chair Smith thanked the members for their time, commitment, and energy they make to the University. He appreciates each member's honest and direct feedback and respects each member's perspectives.

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 set forth 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 10:25 a.m. and returned to open session at 1:15 p.m.

Report of the Committee on Personnel and Tenure

Mrs. Murphy, vice chair of the committee, reported that at its meeting the previous day, the committee reviewed and approved the annual salary increases for the chancellors. The proposed salary increases were composed of base salary adjustments, one-time bonuses, or a combination thereof and were reflective of the president's assessment of each chancellor's performance. Mrs. Murphy noted that several chancellors were not eligible for an annual adjustment because they have served less than two years in office.

Motion: Resolved, that the Board of Governors recommend the proposed 2018-1029 Chancellor Salary Adjustments for each chancellor as indicated on the handout titled Chancellor Salary Adjustments – July 1, 2018 (see Appendix O).

Motion: Wendy F. Murphy

Motion carried

Mrs. Murphy reported that the committee considered a four-year contract extension for Chancellor Randy Woodson as was brought forth by NC State University's Board of Trustees. President Spellings and the Committee on Personnel and Tenure both supported the contract extension made by NC State's board of trustees.

Motion: Resolved, that the Board of Governors vote to approve a four-year extension to the employment contract for Chancellor Randy Woodson and authorize the president to finalize the extension contract consistent with the terms.

Motion: Wendy Murphy

Motion carried

Next, the committee continued discussions on delegations to campus boards of trustees. The UNC System continues to seek input from relevant stakeholders on additional delegation to campus boards of trustees that include hearing faculty appeals and approval of certain salary and position actions. The committee will bring recommendations on this item to a future meeting next year. It also discussed a recent legislative mandate that the Board be consulted on certain salary and position actions.

Lastly, the committee heard an update on the chancellor searches for Western Carolina University and Elizabeth City State University as well as an update on the search for the position of director and general manager at the UNC Center for Public Television. It also reviewed and approved the president's delegated personnel actions reports.

The next meeting of the Board of Governors was scheduled for December 14, 2018, at the Center for School Leadership Development in Chapel Hill. There being no further business, the meeting adjourned at 1:30 p.m.

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

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 Remarks by Dr. David Westling, recipient of the 2018 Governor James E. Holshouser, Jr. Award for Excellence in Public Service
- Appendix B Remarks by Dr. Walt Wolfram, recipient of the 2018 Governor James E. Holshouser, Jr. Award for Excellence in Public Service
- Appendix C President Spellings' Report
- Appendix D 2018-19 Enrollment Funding Allocation
- Appendix E Authorization of Millennial Campus Sub-Ground Lease – WCU
- Appendix F Acquisition by Deed and Disposition of Property by Demolition – N.C. A&T
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UNC Greensboro, and NC Arboretum
- Appendix I Sale of Millennial Campus Revenue Bonds – Appalachian
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- Appendix K Authorization to Establish UNC Degree Programs – ECSU, UNC Wilmington
- Appendix L NC Area Health Education Centers (AHEC) Annual Report on Primary Care Physicians
- Appendix M UNC System-wide Internal Audit Plans for 2018-19
- Appendix N 2018 Hurricane Florence Recovery Funding Allocation
- Appendix O Chancellor Salary Adjustments – 2018

Attachment #1: Public Comment Session Summary

November 9, 2018

University of North Carolina System Office

Center for School Leadership Development, Dining Room

Chapel Hill, North Carolina

The Public Comment session was called to order preceding the Board of Governors meeting and with Secretary Burris-Floyd presiding. The following Board members were also present: Vice Chair Ramsey, Mr. Fetzer, Mrs. Murphy, and Mr. Powers. The speakers and topics are listed below.

1. Jennifer Standish

Affiliation: UNC System student

Topic: Workers Union at UNC-Chapel Hill and Silent Sam

Standish expressed concerns regarding racial privilege at the UNC System's campuses and relevant boards. Standish asked the Board to keep this racial privilege in mind when deciding the fate of Silent Sam. Lastly, Standish asked that all campus workers receive \$15 minimum pay.

2. Lindsay Ailing

Affiliation: UNC System student

Topic: Silent Sam

Ailing informed the Board that students who have been protesting Silent Sam for the last year, have been harassed and individually targeted online by various persons who have alt right extremist views. Ailing continued to describe that this reveals how UNC-Chapel Hill actively covers up these radical views on campus.