

MINUTES

November 3, 2017
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 November 3, 2017, in the Board Room at the Center for School Leadership Development, Chapel Hill. Chairman Bissette called the meeting to order at 9:00 a.m. and welcomed the guests. He commented on the Boards of Trustees (BOT) Workshop held earlier this week at UNC-Chapel Hill. Almost 200 participants from across the UNC System attended the workshop. Chairman Bissette noted he received positive feedback from many of the trustees. He thanked the Board members who participated, as well as Chancellor Folt and UNC-Chapel Hill BOT Chair Cochrane for hosting the event.

Invocation

Chairman Bissette called on Mr. Bryan who gave the Invocation.

Roll Call

Ms. Poole, Secretary of the University, called the roll. The following members were present:

Darrell T. Allison	Joe T. Knott
W. Louis Bissette, Jr.	W. Marty Kotis III
Kellie Hunt Blue	Steven B. Long
Robert P. Bryan III	Ann Maxwell
Pearl Burris-Floyd	J. Alex Mitchell
C. Philip Byers	Anna S. Nelson
Carolyn Lloyd Coward	R. Doyle Parrish
N. Leo Daughtry	David M. Powers
Walter C. Davenport	Robert A. Rucho
Thomas H. Fetzer	O. Temple Sloan III
Thomas Goolsby	Harry L. Smith, Jr.
H. Frank Grainger	William A. Webb
Tyler D. Hardin	Michael L. Williford
James L. Holmes, Jr.	

The following members were absent:

Wendy F. Murphy	Randall C. Ramsey (<i>joined by phone</i>)
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State Ethics Act

Chairman Bissette stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts. Looking at the agenda, he asked if anyone had a potential conflict. There were none.

Expectations of Conduct

Chairman Bissette reminded everyone of the Expectations of Conduct during meetings of the UNC Board of Governors as set forth by the Board at its meeting in March 2016.

Minutes

Chairman Bissette entertained a motion to approve the minutes from the open sessions of the September 7, September 8, and October 9, 2017, Board of Governors meetings. The motion was made by Mr. Grainger and properly seconded. The motion carried.

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

Mr. Knott, Chair of the 2017 James E. Holshouser, Jr. Award for Excellence in Public Service, recognized the other members who served on this year's committee: Ms. Burris-Floyd, Mr. Byers, Mr. Kotis, and Mr. Williford. After consideration of many qualified nominees, the committee selected Dr. Gregory Chadwick, Dean and Distinguished Professor of Dentistry at East Carolina University. Following a short video highlighting Dr. Chadwick's extraordinary public service contributions, President Spellings and Chairman Bissette presented Dr. Chadwick with a stipend and an engraved bronze medallion. President Spellings asked Dr. Chadwick to make remarks. For a summary of Dr. Chadwick's remarks, please see Appendix A.

President's Report

President Spellings remarked that this had been a very productive week with the Boards of Trustees Workshop, the committee meetings, and the previous day's session on financial aid. She recognized the student government members present at today's meeting. President Spellings reflected on the work of the Board of Governors' task forces and the work that the University has been engaged in related to ensuring the efficient management of UNC General Administration. For President Spellings' complete report, please see Appendix B.

Administrative Action Items

Chairman Bissette called attention to the Administrative Action Items listed as Item 7 on the consent agenda. He 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. (B&F) | Remarketing of Special Obligation Bonds – UNC-CH | Appendix C |
| b. (B&F) | Sale of Obligation Bonds – ASU | Appendix D |
| c. (B&F) | Sale of Special Obligation Bonds – UNC-CH | Appendix E |
| d. (B&F) | Sale of Special Obligation Bonds – UNCG | Appendix F |
| e. (B&F) | Report Deregulation per Policy 600.3.3 – <i>Expenditure of Funds Generated Through Lapsed Salaries</i> | Appendix G |
| f. (B&F) | Capital Improvement Projects – ASU, NCCU, NCSU, UNC-CH, and UNCW | Appendix H |
| g. (B&F) | Establishment of For-Profit Associated Entity – UNC-CH | Appendix I |
| h. (EPPP) | Authorization to Establish the following UNC Degree Programs: | |
| | i. Master of Science in Athletic Training – ASU | Appendix J |
| | ii. Master of Science in Athletic Training – UNCC | Appendix K |
| | iii. Master of Science in Athletic Training – UNCP | Appendix L |
| | iv. Master of Science in Athletic Training – UNCW | Appendix M |
| | v. Master of Science in Athletic Training – WCU | Appendix N |
| | vi. Bachelor of Science in Integrated Health Sciences – WCU | Appendix O |
| | vii. Master of Science in International Business – UNCG | Appendix P |

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| i. (EPPP) | Authorization to Discontinue the following UNC Degree Programs: | Appendix Q |
| | i. Bachelor of Arts in English Education – UNCP | |
| | ii. Bachelor of Science in Mathematics Education – UNCP | |
| j. (EPPP) | Biennial Program Productivity Report | Appendix R |

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

Mr. Holmes, chair of the committee, reported that at its meeting the previous day, Vice President Sanders provided a summary of the University's internal audit activities for 2016-17 and a summary of the internal audit plans from each of the constituent institutions for 2017-18. She also presented the results of an investigative report that the State Auditor issued for the UNC School of the Arts. The committee received an overview from University Compliance Director, Ms. Grandes, and UNC Public Safety Operations & Clery Act Training Coordinator, Mr. Purchase, related to the University's compliance with Title IX and the Clery Act.

As a result of recent Information Technology General Control audits of our institutions, the committee prepared a policy on University Information Governance and Security. The policy was shared with the institutions for feedback. The committee expects to review and approve the policy at a future meeting.

Report of the Committee on Budget and Finance

Mr. Sloan, chair of the committee, reported that the committee approved three items that were part of the consent agenda. Associate Vice President Johnson presented the capital improvement projects for five campuses and the capital improvement project of East Carolina University's football stadium. Senior Vice President Pruitt presented a request for establishment of a for-profit associated entity at the Kenan-Flagler School of Business at UNC-Chapel Hill.

The committee heard a report from Vice President Knuffman on the University's report deregulation. Revisions to proposed policies, regulations, and guidelines were presented to the committee for review. They are designed to eliminate or streamline reporting requirements consistent with the Board's policy. The item required a vote by the committee and will be presented to the full Board at the next meeting. Mr. Sloan stated that the committee also discussed updates on the 2018-19 tuition and fee cycle and debt consolidation.

In closing, Mr. Sloan noted that the committee held a teleconference meeting on Tuesday, October 31. It considered four administrative and transactional items that were placed on the consent agenda.

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

Mrs. Nelson, chair of the committee, reported that the committee held a teleconference meeting on Tuesday, October 31. The committee considered and recommended the establishment of seven programs and the discontinuation of two programs and voted to place those items on the consent agenda. The committee discussed two reports: the NC Community College Comprehensive Articulation Agreement and The Early College Graduates/The University of North Carolina Admission Policy Report.

At its meeting the previous day, Mrs. Nelson reported that the committee heard reports on licensure process, the Open Educational Resources project, the status of the implementation of New Lab Schools, and the James Madison Program at Princeton.

In closing, Mrs. Nelson reported that the committee discussed and approved the 2016 Academic Degree Program Productivity Report (see Appendix R).

Report of the Committee on University Governance

Mr. Long, chair of the committee, reported that the committee discussed several items, including the duties and authorities of the boards of trustees, the Board hiring its own staff, a new policy on free speech and expression (which the full Board will consider at its next meeting), report deregulation, and the Board of Trustees of the North Carolina School of Science and Mathematics.

Related to the duties and authorities of the boards of trustees, the committee reviewed the existing authorities and discussed whether more authority be delegated to the boards of trustees. This matter was also discussed among the trustees at the workshop. The committee requested that UNC General Administration staff survey trustees to gather their input and discuss the results at a future meeting.

Related to the staffing structures of other University system boards, Mr. Long stated that a motion to draft a policy for hiring up to three dedicated staff members failed on a tie vote. Mr. Kotis requested that the matter be discussed by the full board at a future meeting.

Related to free speech and expression, in September, the committee created a subcommittee to draft a policy on Free Speech and Free Expression. The committee discussed the subcommittee's process for drafting the policy and considered the feedback offered by the Faculty Assembly, the Staff Assembly, and the UNC Student Government Presidents. The committee voted to recommend the policy on Free Speech and Free Expression. The policy will be presented to the full Board at its next meeting as part of the consent agenda. The committee adopted a motion directing the General Administration staff to ask the legislature to reduce the size of the required Committee on Free Expression and to make the method of appointing the committee consistent with that of other Board of Governors committees.

Finally, the committee considered a technical correction to the *ex officio* members on the North Carolina School of Science and Mathematics Board of Trustees.

On behalf of the Committee, Mr. Long moved that the Board approve Duke University, North Carolina A&T State University, North Carolina State University, and UNC-Chapel Hill, to continue as the designated institutions whose chief academic officers serve as *ex officio* members of the North Carolina School of Science and Mathematics Board of Trustees through June 30, 2021. The motion carried.

Report of the Committee on Public Affairs

Mr. Daughtry, chair of the committee, reported that the committee discussed rebranding of the UNC system, which would represent an innovative and strong University. UNC General Administration Communications staff updated the committee on various options under consideration. A rollout of the new logo and images is expected to launch in January 2018.

The committee received updates including two legislative committee appearances. The UNC General Administration Finance staff presented a recap of the meeting of the Joint Legislative Oversight Committee on Capital Improvements. The update to the legislature was requested following a presentation to the Committee on Budget and Finance related to the Connect NC Projects. In advance of a presentation to the Joint Legislative Education Oversight Committee, representatives from the North Carolina School of Science and Mathematics shared the presentation with the committee regarding the progress of school's Morganton campus.

In closing, Mr. Daughtry reported that the UNC General Administration staff presented a brief update regarding the special sessions since the committee's last meeting, as well as a report on the preparations for the upcoming legislative short session. Mr. Daughtry reminded the Board of the UNC Veterans Summit, which is scheduled for November 13 in Chapel Hill; he encouraged the members to attend.

Report of the Committee on Strategic Initiatives

Mr. Mitchell, chair of the committee, reported that the committee discussed degree program credit requirements and timely degree completion rates. He mentioned that the Southern Association of Colleges and Schools (SACS) requires bachelor's degrees to be 120 credit hours. Dr. Kelly and his staff assessed how credit requirements within the UNC system compared to SACS standards. They gathered information on 890 degree programs. Analysis showed that half of the programs require more than 120 credits. Half of the degrees awarded in 2015-16 were in programs that required more than 120 credit hours. The committee heard feedback from the chancellors, faculty, staff, and students. The committee will schedule a joint meeting with the Committee on Educational Planning, Policies, and Programs to further discuss the matter.

Report of the Task Force on Board of Governors Meetings

Mr. Fetzer, chair of the task force, reported that the committee met on October 4. Based on its charge, the task force considered four issues related to the Board meetings – quantity, duration, substance, and attendance by non-Board of Governors members. On behalf of the task force, Mr. Fetzer moved that the Task Force Report on Board of Governors Meetings be accepted (see Appendix S). Mr. Webb seconded the motion. The motion carried.

Report of the Task Force on UNC General Administration Purpose

Dr. Rucho, chair of the task force, reported that the task force identified stakeholders of the University and reached out to them to gather input on what services they receive from UNC General Administration and how it aligns with the University's strategic plan. He thanked Senior Vice President Pruitt and his staff for providing useful information on budgeting items. The task force will schedule its next meeting in December.

Report of the Task Force on UNC General Administration Relocation

Mr. Webb, chair of the task force, reported that he and Ms. Burris-Floyd co-chaired the task force. The task force met in October with the President and her senior staff. Mr. Webb referred to an interim report that was distributed to the Board. The consensus of the task force was that the offices remain in Chapel Hill. Other members suggested the staff be housed in the same building as the other education branches such as K-12 and the community college system. This idea would need support from legislature. The General Administration staff will follow up with suggestions offered and provide a report at a future meeting.

Chairman's Report

Chairman Bissette thanked Chancellor Grant for her service. He noted that she has been a great chancellor for UNC Asheville (UNCA) and her efforts on the campus will have a lasting impact not only on the campus but also on western North Carolina. Next, he congratulated Chancellor Conway of Elizabeth City State University, who recently received the Distinguished Alumni Award from the College of Education at NC State University. He mentioned the campus tours and thanked the new members for their participation. The Board has visited 11 campuses and will resume campus visits in January.

In closing, Chairman Bissette reminded the Board of the Veterans Summit on November 13. The next meeting of the Board is scheduled for December 15, 2017 in Chapel Hill.

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), and (a)(6) of the North Carolina General Statutes. The motion was properly seconded and carried.

The Board went into closed session at 10:55 a.m. and returned to open session at 12:15 p.m.

Report of the Committee on Personnel and Tenure

Mr. Parrish, chair of the committee, reported that at its meeting the previous day, the committee received tutorials on the Board's role in reviewing athletics director and coach contracts, salary range development and compensation, and chancellor and UNC General Administration salary ranges. He thanked the members of the Board and chancellors for participating in the session.

Mr. Brody provided an overview of the chancellor search process and provided an update on the status of the search process for a new chancellor at UNC Asheville. He recalled that Chancellor Grant is stepping down next month to take a new role as President at the Edward M. Kennedy Institute in Boston. The Chancellor Search Committee has been appointed and President Spellings appointed Dr. Joseph Urgo, Provost at UNC Asheville, to serve as interim chancellor.

Next, Mr. Brody gave an update on the Employment Engagement Survey, which is part of the UNC strategic goals. The committee also reviewed the summary of salary increase requests and new position requests.

The committee reviewed a proposed deferred compensation term for Athletic Director Cunningham at UNC-Chapel Hill. On behalf of the committee, Mr. Parrish moved that the Board accept the recommendation of the committee and approve the deferred compensation term for UNC-Chapel Hill's Athletic Director, Lawrence Cunningham. The motion carried. Chairman Bissette requested that the minutes reflect that Mr. Kotis, Mr. Goolsby, and Mr. Fetzer voted against the recommendation.

Finally, Mr. Parrish reported that UNC General Administration will send a notice to Board members for accessing a brief 30-minute training module on sexual harassment prevention. The module was developed in collaboration with the Association of Governing Boards of Universities and Colleges; it will also be shared with the members of boards of trustees.

In closing, Chairman Bissette reminded the Board that the public comment session will begin following this meeting with Secretary Burris-Floyd presiding. Several members indicated that they would attend the session.

There being no further business, Chairman Bissette requested a motion to adjourn. Mr. Byers moved and the motion was properly seconded. The Board adjourned at 12:35 p.m.

Pearl Burris-Floyd, *Secretary*

APPENDICES

(All appendices are a part of the official record of the meeting.)

Appendix A	Remarks by Dr. Gregory Chadwick, ECU – Recipient of the 2017 James E. Holshouser, Jr. Award for Excellence in Public Service	Posted Online
Appendix B	President Spellings’ Report	Posted Online
Appendix C	Remarketing of Special Obligation Bonds – UNC-CH	Posted Online
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Appendix Q	Authorization to Discontinue and Consolidate the Bachelor of Arts in English Education and the Bachelor of Science in Math Education – UNCP	Posted Online
Appendix R	Biennial Academic Degree Program Productivity Report	Posted Online
Appendix S	Report of the Task Force on Board of Governors Meetings	Posted Online