



MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance

February 17, 2021 at 3:15 p.m.
Via Videoconference and PBS NC Live Stream
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

AGENDA

OPEN SESSION

- A-1. Approval of the Minutes of January 20, 2021 Mark Holton
- A-2. Summary of Audit Reports Issued by the Office of the State Auditor Lynne Sanders
- A-3. Property Insurance – Summary of Coverage and Exclusions..... Bryan Heckle, NC Dept. of Insurance
- A-4. Enterprise Safety and Security Risk: Campus Law Enforcement Fred Sellers

CLOSED SESSION

- A-5. Information Systems Audit Issued by the Office of the State Auditor Beth Wood, State Auditor

OPEN SESSION

- A-6. Adjourn



Closed Session Motion

Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 and § 143-748 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes; and
- Consult with our attorney to protect attorney-client privilege.

Pursuant to: G.S. 143-318.11(a)(1) and (3).



MEETING OF THE BOARD OF GOVERNORS
Committee on Audit, Risk Management, and Compliance

DRAFT MINUTES

January 20, 2021
Via Videoconference and UNC-TV Live Stream
University of North Carolina System Office
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

This meeting of the Committee on Audit, Risk Management, and Compliance was presided over by Chair Mark Holton. The following committee members, constituting a quorum, were also present: Pearl Burris-Floyd, James L. Holmes, Jr., Terry Hutchens, Wendy Floyd Murphy, and Art Pope.

Chancellors participating were Nancy Cable and Sharon Gaber.

Staff members present included Lynne Sanders, Andrew Tripp, and others from the UNC System Office.

1. Call to Order and Approval of the Minutes of November 18, 2020 (Item A-1)

The chair called the meeting to order at 2:15 p.m., on Wednesday, January 20, 2020.

Chair Holton reminded all members of the committee that the meeting would be conducted pursuant to new amendments to the Open Meetings Act, which establish that all votes be taken by roll-call vote. The chair also reminded committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest. The chair asked if there were any conflicts or appearances of a conflict with respect to any matter coming before the committee. No members identified any conflicts at the time.

The chair next called for a motion to approve the open session minutes of November 18, 2020.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the open session minutes of November 18, 2020, as distributed.

Motion: James L. Holmes, Jr.

Motion carried

Roll Call Vote	
Holton	Yes
Burris-Floyd	Yes
Holmes	Yes
Hutchens	Yes
Murphy	Yes
Pope	Yes

2. Risk Review Board (Item A-2)

Chair Holton called on UNC System Chief Operating Officer Jonathan Pruitt to provide the committee with an update on the institutional implementation of the Risk Review Board (RRB). The RRB's primary responsibilities are to make UNC System Office leadership aware of risks, provide options for risk treatment, and offer guidance on acceptable risk treatments. The board members are the chief operating officer, the chief financial officer, chief of staff, and general counsel. The RRB will meet periodically and provide future updates on their work to CARMC.

This item was for information only.

3. OSA IT Audit Finding Resolution Update (Item A-3)

Chair Holton called on UNC System Chief Information Officer Keith Werner to provide the committee with an update on the corrective actions taken in response to an Information Systems audit that was conducted at the System Office by the Office of the State Auditor (OSA). Mr. Werner reported that the UNC System Office has successfully taken action to address the OSA's recommendations.

This item was for information only.

4. UNC System Office Internal Audit Update (Item A-4)

UNC System Chief Audit Officer Joyce Boni provided the committee with a status update of the UNC System Office 2020-21 internal audit projects approved by the committee in July 2020.

This item was for information only.

5. Campus Safety and Security – Recruitment and Retention (Item A-5)

Chair Holton called on UNC System Senior Vice President for Safety and Emergency Operations Fred Sellers to present to the committee the risks impacting the recruitment and retention of law enforcement officers in the UNC System. The committee discussed the national landscape of law enforcement and how it impacts the UNC System police departments.

Next, UNC System Senior Vice President for Human Resources Matthew Brody gave a presentation on UNC System campus police officer compensation. The committee discussed the UNC System campus police officer compensation as one of the risk factors contributing to the recruitment and retention of campus police officers. The committee will receive an update on how to address this risk at the February meeting.

This item was for information only.

6. Insurance Update (Item A-6)

UNC System Vice President for Compliance and Audit Services Lynne Sanders presented to the committee an update on the status of implementation of the *Policy on Insurance Coverage*. The policy requires all institutions to insure property at a minimum coverage of all risk special form. As of January 1, 2021, all institutions have the required level of coverage.

In addition, the policy allows institutions to request limited exceptions from the minimum coverage standards. The process for granting limited exceptions was discussed by the committee. Following the discussion, the chair called for a motion to approve the process for granting limited exceptions.

MOTION: Resolved, that the Committee on Audit, Risk Management, and Compliance approve the process for granting limited exceptions to the minimum coverage standards of the Policy on Insurance Coverage.

Motion: James L. Holmes, Jr.

Motion carried

Roll Call Vote	
Holton	Yes
Burris-Floyd	Yes
Holmes	Yes
Hutchens	Yes
Murphy	Yes
Pope	Yes

7. Adjourn

There being no further business and without objection, the meeting adjourned at 3:22 p.m.

Terry Hutchens, Secretary

AGENDA ITEM

A-2. Summary of Audit Reports Issued by the Office of the State Auditor Lynne Sanders

Situation:	The committee will receive a summary of audit reports issued to date by the Office of the State Auditor for the 2020 fiscal year.
Background:	All constituent institutions and the UNC System Office are subject to audit by the North Carolina State Auditor under Article 5A of Chapter 147 of the North Carolina General Statutes. The state auditor conducts annual financial statement audits at each institution, annual federal compliance audits at select institutions, and periodically performs other audits, such as information technology general controls audits, at select institutions.
Assessment:	To date, the Office of the State Auditor has released 16 financial statement audit reports on the University for the 2020 fiscal year. A link to each audit report is provided in the in the attachment. No audit findings are reported.
Action:	This item is for information only.

Financial Statement Audit Reports			
Institution Name	Report Link	Release Date	# of Findings
Appalachian State University	FIN-2020-6080	12/11/2020	0
Elizabeth City State University	FIN-2020-6086	1/14/2021	0
East Carolina University	FIN-2020-6065	11/2/2020	0
Fayetteville State University	FIN-2020-6088	11/5/2020	0
North Carolina Agricultural and Technical State University	FIN-2020-6070	12/22/2020	0
North Carolina Central University	FIN-2020-6090	2/3/2021	0
North Carolina State University	FIN-2020-6030	11/12/2020	0
University of North Carolina at Asheville	FIN-2020-6055	10/20/2020	0
University of North Carolina at Charlotte	FIN-2020-6050	11/19/2020	0
University of North Carolina at Chapel Hill	FIN-2020-6020	12/9/2020	0
The University of North Carolina at Greensboro	FIN-2020-6040	12/8/2020	0
The University of North Carolina at Pembroke	FIN-2020-6082	12/1/2020	0
University of North Carolina School of the Arts	FIN-2020-6092	10/30/2020	0
University of North Carolina Wilmington	FIN-2020-6060	12/4/2020	0
Western Carolina University	FIN-2020-6075	11/12/2020	0
Winston-Salem State University	FIN-2020-6084	12/15/2020	0

AGENDA ITEM

A-3. Property Insurance – Summary of Coverage and Exclusions Bryan Heckle, NC Dept. of Insurance

Situation:	The Committee on Audit, Risk Management, and Compliance will receive a summary of property insurance coverage and exclusions.
Background:	In order to mitigate against the risks associated with damage to or loss of University property, institutions must maintain sufficient minimum insurance coverage consistent with institutional operations and industry standards and to protect the investment the state has made in each constituent institution. Approval of Section 1300.7.1 of the UNC Policy Manual, <i>Policy on Insurance Coverage</i> , requires all campuses to insure property at “all risk special form.”
Assessment:	Effective January 1, 2021, all institutions have property insurance coverage at “all risk special form.” As is customary for all types of insurance, exclusions do apply. The intent of the “all risk” policy is to essentially cover any type of loss that the insured could have. It is much broader than a named peril policy such as Broad Form or Extended Coverage. Under these insuring scenarios, coverage is limited only to the perils listed on the policy. With an all-risk or all other perils policy (AOP), coverage is provided unless specifically excluded.
Action:	This item is for information only.

STATE PROPERTY FIRE INSURANCE FUND
“ALL RISK” SPECIAL FORM
COVERED CAUSES OF LOSS & EXCLUSIONS
(Refer to General Property Coverage Policy for Coverage and Conditions)

Throughout this form the words “you” and “yours” refer to the insured State Agency shown in the Declarations. The word “Fund” refers to the State Property Fire Insurance Fund.

Words and phrases that appear in quotation marks have special meaning. Refer to Section E. - Definitions.

A. COVERED CAUSES OF LOSS

When “All Risk” is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS

1. The Fund will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance of law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased cost incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property, or removal of its debris, following a physical loss to that property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But the Fund will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage Part.

c. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire the Fund will pay for the loss or damage caused by that fire.

d. Utility Services

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, the Fund will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply to the Business Income coverage or to Extra Expense coverage. Instead, the Special Exclusion in paragraph B.4.a. applies to these coverages.

e. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents, or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

f. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow
- (3) Water that backs up or overflows from a sewer, drain or sump; or

(4) Water under the ground surface pressing on, or flowing or seeping through:

- (a) Foundations, walls, floors, or paved surfaces
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings.

But if Water, as described in f.(1) through f.(4) above, results in fire, explosion or sprinkler leakage, the Fund will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

g. “Fungus”, Wet Rot, Dry Rot and Bacteria

Presence, growth, proliferation, spread or any activity of “fungus”, wet or dry rot or bacteria.

But if “fungus”, wet or dry rot or bacteria results in a “specified cause of loss”, the Fund will pay for the loss or damage caused by that “specified cause of loss”.

This exclusion does not apply when “fungus”, wet or dry rot or bacteria results from fire or lightning.

Exclusions **B.1.a.** through **B.1.g.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. The Fund will not pay for loss or damage caused by or resulting from any of the following:
- a. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if artificially generated electrical current results in fire, the Fund will pay for the loss or damaged caused by that fire.
 - b. Delay, loss of use or loss of market.
 - c. Smoke, vapor or gas from agricultural smudging or industrial operations.
 - d. (1) Wear and tear;
 - (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
 - (3) Smog;
 - (4) Settling, cracking, shrinking or expansion;
 - (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, the Fund will pay for the loss or damage caused by that elevator collision.

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d (1)** through **(7)** results in a “specified cause of loss” or building glass breakage, the Fund will pay for the loss or damage caused by that “specified cause of loss” or building glass breakage.

e. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, the Fund will pay for the loss or damage caused by that fire or combustion explosion. The Fund will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases or combustion pass.

f. Continuous or repeated seepage or leakage of water, or the presence of condensation or humidity, moisture or vapor, that occurs over a period of 14 days or more.

g. Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

h. Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others; or

(2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees (including leased employees); but theft by employees (including leased employees) is not covered.

- i. Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - j. Rain, snow, ice or sleet to personal property in the open.
 - k. Collapse, except as provided below in the Additional coverage for Collapse. But if collapse results in a Covered Cause of Loss at the described premises, the Fund will pay for the loss or damage caused by that Covered Cause of Loss.
 - l. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified cases of loss". But if the discharge, dispersal, seepage, migration, release, or escape of "pollutants" results in a "specified cause of loss", the Fund will pay for the loss or damage caused by that "specified cause of loss".
 - m. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** The Fund will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.c.** results in a Covered Cause of Loss, the Fund will pay for the loss or damage caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **1.** above to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
 of part or all of any property on or off the described premises.

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms.

Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, or Extra Expense Coverage Form

The Fund will not pay for:

- a. Any loss caused directly or indirectly by the failure of power or other utility service supplied to the described premises, however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, the Fund will pay for the loss resulting from that Covered Cause of Loss.

- b. Any loss caused by or resulting from
 - (1) Damage or destruction of “finished stock”; or
 - (2) The time required to reproduce “finished stock”

This exclusion does not apply to Extra Expense.

- c. Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- d. Any increase of loss caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming “operation”, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract.
- e. Any Extra Expense caused by or resulting from suspension, lapse, or cancellation of any license, lease or contract beyond the “period of restoration”.
- f. Any other consequential loss.

C. LIMITATIONS

The following limitations apply to all policy forms and endorsements, unless otherwise stated.

- 1. The Fund will not pay for loss of or damage to property, as described and limited in this section. In addition, the Fund will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But the Fund will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income coverage or Extra Expense coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
2. The Fund will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But the Fund will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

However, this limitation does not apply to Business Income coverage or to Extra Expense coverage.

D. ADDITIONAL COVERAGE - COLLAPSE

The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in **D.1.** through **D.5.** below.

1. With respect to buildings:
 - a. Collapse means an abrupt falling down or caving in of a building or any part of building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - b. A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
 - c. A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
 - d. A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
2. The Fund will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if the collapse is caused by one or more of the following:
 - a. The "specified causes of loss" only as insured against in this Coverage Part;
 - b. Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - c. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - d. Weight of people or personal property;
 - e. Weight of rain that collects on a roof;
 - f. Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **D.2.a.** through **D.2.e.**, the Fund will pay for the loss or damage even if use of defective material or methods, in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in **D.1.a. through D.1.d.** do not limit the coverage otherwise provided under this Causes of Loss Form for the causes of loss listed in **D.2.a, D.2.d and D.2.e.**

3. With respect to the following property.

- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or tower;
- b.** Awnings, gutters and downspouts;
- c.** Yard fixtures;
- d.** Outdoor swimming pools;
- e.** Fences;
- f.** Piers, wharves and docks;
- g.** Beach or diving platforms or appurtenances;
- h.** Retaining walls; and
- i.** Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **D.2.b.** through **D.2.f.**, we will pay for loss or damage to that property only if:

- a.** Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and
- b.** The property is Covered Property under this Coverage Form.

4. If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, the Fund will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- a.** The collapse was caused by a Cause of Loss listed in **D.2.a** through **D.2.f** above;
- b.** The personal property which collapses is inside a building; and
- c.** The property which collapses is not of a kind listed in **3.** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **4.** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

5. This Additional Coverage - Collapse, will not increase the Limits of Insurance provided in this Coverage Part.

E. ADDITIONAL COVERAGE – PROPERTY IN TRANSIT

Coverage applies to business personal property in transit at any location within the State of North Carolina. Coverage may be extended to other territories if the Fund is notified and agrees to insure. This Additional Coverage – Property in Transit will not increase the Limits of Insurance provided in this coverage part.

F. DEFINITIONS

1. “Fungus” means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. “Specified Causes of Loss” means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

7/15/2009

AGENDA ITEM

A-4. Enterprise Safety and Security Risk: Campus Law Enforcement..... Fred Sellers

Situation: Each university in the UNC System maintains a police department staffed by sworn officers and headed by a police chief. In addition to performing traditional law enforcement functions, university police departments require special training and skills to work in and meet the unique public safety needs of the academic communities in which our students, faculty, and staff collaborate and interact. Hiring and keeping vacancy rates low is a challenge for university police departments due to pay and other benefit discrepancies compared to local government law enforcement agencies. Additionally, as briefed during the CARMC meeting last month, recruiting is further exacerbated by the negative sentiments directed at law enforcement officers by some in the communities they serve.

Background: Preserving public safety on our University campuses requires adequate staffing, resources, training, and organization of operations. UNC System institutions continually seek ways to work together and leverage the benefits of the UNC System in these areas. The UNC System Office, with consultation from CARMC, is researching several initiatives and strategies as options to attract and preserve the necessary public safety resources needed for each University police department.

Assessment: The UNC System Office and law enforcement leadership believe properly compensated, trained, and equipped police departments with low vacancy rates are better positioned to serve our campus communities.

The following recommendations are being presented for committee action:

1. Eliminate the cap on tuition waivers for campus law enforcement officers; and include this item in the 2021 Board of Governors legislative policy priorities legislation amending Chapter 116-143(d) of the North Carolina General Statutes.
2. Enhance Career Ladder/Organizational Structure
3. Operational Readiness Training and Equipment
4. Dual Employment Between Campuses

Action: Recommendation 1 requires a vote by the committee and a vote by the full Board of Governors.

Action: Recommendations 2 through 4 require a vote by the committee.



ENTERPRISE SAFETY AND SECURITY RISK: CAMPUS LAW ENFORCEMENT

UNC System Office Safety and Emergency Operations
Senior Associate Vice President Fred Sellers
February 17, 2021

ENTERPRISE SAFETY & SECURITY RISK: CAMPUS LAW ENFORCEMENT ISSUE RECAP

- UNC Police Departments are a critical component of campus enterprise risk management
- UNC Police Departments are experiencing challenges in recruitment of qualified law enforcement officers:
 - Applications declined from an average of 40-50 per position to approximately eight per position (80 percent drop in applications). The national average has declined by 40-50 percent.
 - The vacancy rate for currently approved law enforcement positions is 16 percent (82 vacant positions).
- Ongoing vacancy rates create a threat to maintaining safe and secure campus environments

ENTERPRISE SAFETY & SECURITY RISK: POTENTIAL SOLUTIONS TO RECRUITMENT & VACANCY RATE

Efforts Requiring Additional Resources or Authorizations:

- Increase Campus Police Salaries to Market Rate – *Requires additional funding*
- Increase in Tuition Waivers for Campus Law Enforcement Officers – *Requires change in state law*
- Retiree Hire Backs – *Requires change in state law*

Ongoing UNC System Office & Campus Efforts:

- Career Ladders/Organization Structure
- Operational Readiness Training & Equipment
- Professional Development & Leadership Training
- Job Flexibilities & Job Diversity
- Promotion Opportunities
- Effective Work Life Balance Measures
- Dual Employment Opportunities Between Campuses
- Campus PD Accreditations & Peer Reviews

ENTERPRISE SAFETY & SECURITY RISK: RECOMMENDED IMMEDIATE PATH FORWARD

1. Eliminate the CAP on Tuition Waivers for Campus Law Enforcement Officers
 - Recommend including in 2021 Board of Governors legislative policy priorities legislation amending Chapter 116-143(d) of the North Carolina General Statutes.
2. Enhance Career Ladder / Organizational Structure
 - Develop more market-driven salary ranges competitive with municipal agencies
 - Create career ladders and rank structure more aligned with and responsive to campus police operations
 - Explore more frequent and predictable pay progressions based on successful performance within current rank/role
 - Expect phased implementation starting in 4th quarter of 2021 or early 2022
3. Operational Readiness Training & Equipment
 - Develop plan to launch training programs at Samarcand Training Facility
 - Identify equipment needs
4. Dual Employment Between Campuses
 - Develop system for dual employment to gap-fill critical vacancies

THANK YOU

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