

DRAFT MINUTES

April 22, 2021
University of North Carolina
Center for School Leadership Development, Board Room
Via Videoconference and PBS North Carolina Live Stream

Call to Order

The Board of Governors met on April 22, 2021, in-person and by videoconference. Chair Ramsey called the meeting to order at 9:00 a.m. Chair Ramsey announced the day's meeting would be conducted pursuant to the provisions of the Open Meetings Act that apply during states of emergency and that allow for public bodies to meet via electronic means. The law requires, however, that all votes are to be taken by roll call. He reminded the members that all chats, instant messages, texts, or other written communications between members of the Board regarding the transaction of public business during the remote meeting are deemed a public record.

Invocation

Chair Ramsey called on Mr. Hutchens to give the invocation.

Roll Call

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

W. Louis Bissette, Jr.	Terry Hutchens
Kellie Hunt Blue	W. Marty Kotis, III
Pearl Burris-Floyd	Steven B. Long
C. Philip Byers	J. Alex Mitchell
Jimmy D. Clark	Wendy Floyd Murphy
Carolyn Coward	Anna Spangler Nelson
N. Leo Daughtry	R. Doyle Parrish
Joel Ford	Art Pope
Thomas C. Goolsby	David Powers
Isaiah Green	Randy Ramsey
Reginald Ronald Holley	Temple Sloan
James L. Holmes, Jr.	Dwight D. Stone
Mark Holton	Michael Williford

State Ethics Act

Chair Ramsey stated that, under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts and asked if anyone had a potential conflict. Mr. Powers indicated that he would recuse himself from Items 8c. – East Carolina University 2021 Board of Trustees Selection and Item 8d. – University of North Carolina at Chapel Hill 2021 Board of Trustees Selection, as reflected on the day's agenda.

President's Report

President Hans spoke about the COVID-19 vaccination clinics set up across the UNC System campuses. He provided a chart showing the total number of COVID-19 vaccination each campus has administered (see Appendix A). To date, the campuses have performed over 77,000 vaccinations. He noted that UNC Health administered more than

366,000 vaccinations. President Hans thanked all the individuals who staffed the clinics, including faculty, students, and volunteer workers. For President Hans' complete report, please see Appendix B.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 4 on the day's consent agenda. Mr. Long asked that Item 4m. – Section 700.1.3, *Out-of-State Undergraduate Enrollment* be removed.

Minutes

a. Minutes of February 18, 2021

Committee on Budget and Finance

- | | |
|---|------------|
| b. Designation of Millennial Campus – UNC Asheville | Appendix C |
| c. Expansion of Millennial Campus – Appalachian State University | Appendix D |
| d. Capital Improvement Projects | Appendix E |
| e. Disposition of Property by Demolition – Appalachian State University | Appendix F |
| f. Acquisition of Property by Deed and Disposition of Property by Demolition – N.C. A&T State | Appendix G |
| g. Amendment to Use Agreement – Fayetteville State University | Appendix H |
| h. Amendment of Use Agreement – UNC School of the Arts | Appendix I |
| i. Sale of Special Obligation Bonds – Appalachian State University | Appendix J |
| j. Sale of Special Obligation Bonds – East Carolina University | Appendix K |
| k. Sale of Special Obligation Bonds – UNC Greensboro | Appendix L |
| l. 2021-22 Non-Appropriated Capital Improvement Project – UNC Greensboro | Appendix M |

Committee on Educational Planning, Policies, and Programs

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| m. Section 700.1.3., <i>Out-of-State Undergraduate Enrollment (Amended)</i> REMOVED
Item voted on separately. | Appendix N |
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Motion: Resolved, that the Board of Governors approve the remaining consent agenda items listed on the day's meeting agenda as described above.

Motion: Randy Ramsey

Motion carried (Roll Call vote taken; see Appendix P)

Next, Chair Ramsey called on Mr. Long to discuss Item 4m. – Section 700.1.3., *Out-of-State Undergraduate Enrollment*, which had been removed from the agenda. Mr. Long expressed his opposition to the item and stated that each institution has a responsibility in making a case for increasing its non-resident enrollment cap. Mr. Holley offered a motion to approve the item in question.

Motion: Resolved, that the Board of Governors approve Item 4m. – Section 700.1.3, *Out-of-State Undergraduate Enrollment* (See Appendix N).

Motion: Randy Ramsey

Motion carried (Roll Call vote taken; see Appendix P)

Report from the Association of Student Governments

Mr. Green reflected on his college career and service on the Board. He appreciated the time spent on the Board and remarked that the experience has made him a better listener, leader, and advocate. He noted that despite the pandemic, the UNC Association of Student Governments had accomplished much over the past year. It is important for students to realize that their voices have value and are important. He spoke about the UNC Racial Equity Task Force and expressed gratitude to the Board in support of this effort. In closing, Mr. Green thanked the members of

the Board, President Hans, chancellors, students, and other affiliated leaders across the UNC System, whom he had the opportunity to work during the past year.

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee received the Report of Facilities and Administrative (F&A) Receipts and the UNC System Consolidated Financial Report. The committee asked the staff to provide additional information for some specific data contained in the reports. The committee will further examine the data at its next meeting.

The committee heard an update on the work of the Task Force on Pricing, Flexibility, and Affordability from Chair Murphy. The task force discussed billing methods for fees based on distance education programs. At its next meeting, the task force will examine student costs beyond tuition and fees including, room and board, books, and supplies, and other components of the total cost of attendance.

Next, the committee reviewed and approved proposed amendments to Section 600.1.1 of the UNC Policy Manual – *Policy on Design, Construction, and Financing of Capital Improvement Projects*. This item will be brought to the full Board for approval at its next meeting.

Mr. Holmes reported that the committee received a request related to the Designation of Millennial Campus at UNC Asheville (see Appendix C) and the request for Expansion of Millennial Campus at Appalachian State University (see Appendix D). The committee approved these items and placed them on the day's consent agenda.

The committee also reviewed and discussed nine capital improvement projects from seven UNC System institutions (see Appendices E – M). The committee approved these items and placed them on the day's consent agenda.

At the conclusion of Chair Holmes' report, Chair Ramsey requested that Mr. Holmes and Mr. Powers discuss governance issues that surround millennial campuses and foundations.

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

Mr. Sloan, chair of the committee, reported that the committee heard updates on activities in Academic Affairs at the UNC System Office and across the 17 constituent institutions. The committee also received a presentation from Dr. Hugh Tilson, director of North Carolina Area Health Education Centers (NC AHEC), on the Pandemic Health Care Workforce Study. The study included recommendations of how to prepare the workforce for a future health crisis.

Next, the committee reviewed and approved revisions to Section 700.1.3 of the UNC Policy Manual – *Policy on Out-of-State Undergraduate Enrollment* (See Appendix N). The policy was reviewed and approved by the committee in February, and the policy was voted on earlier in the day (consent agenda). The revisions to the policy would raise the cap on non-resident first-time undergraduate enrollment from 18 percent to 23 percent effective as of fall 2021 at the UNC System's Historically Black Colleges and Universities (HBCUs). The revised policy will be brought to the full Board for approval at its new meeting. Mr. Sloan reported that immediate action needed to be taken regarding institutions which had previously exceeded the designated cap. North Carolina Central University (NCCU) exceeded the nonresident enrollment cap in the fall 2020, which is in violation of the UNC System's policy. The committee agree to offer NCCU a formal warning rather than impose a penalty.

Motion: Resolved, that on behalf of the Committee on Educational Planning, Policies, and Programs, the Board vote to grant a penalty waiver to North Carolina Central University for exceeding the 18 percent enrollment cap last fall and to let this serve as a formal warning to North Carolina Central University.

Motion: Temple Sloan

Motion carried (Roll Call vote taken; see Appendix P)

Next, Mr. Sloan called on Dr. Timothy Ives, chair of the UNC Faculty Assembly, for a brief report. Dr. Ives thanked the students, staff, and faculty for their response to the COVID-19 pandemic. He commended all the health care providers, who are working around the clock to serve their patients and their communities. Dr. Ives spoke about the ongoing activities of the Faculty Assembly. He highlighted the work of the Racial Equity Task Force, designing of online courses initiative, and adaptive learning initiatives. He thanked the Board members for attending last week's Faculty Assembly meeting.

In closing, he announced that \$1.7 billion was brought in across the UNC System in 2019 for research and sponsored programs. He mentioned **"Essential UNC,"** which touts stories of the faculty and staff who are making a positive impact with the pandemic. These stories are viewable on the UNC System website at **Essential UNC**.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reminded the Board of the upcoming spring commencement ceremonies and encouraged members to participate in one or more of the ceremonies. Next, Mr. Powers reported on two vacancies on the North Carolina Teaching Fellows Commission. The committee recommended the appointments of Mr. Donnell D. Cannon, principal of North Edgecombe High School, to fill the principal vacancy, and Ms. Malishai "Shai" Woodbury, licensed teacher and administrator in the state and instructor at North Carolina A&T State University, to fill the local school board vacancy.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board vote to appoint Mr. Donnell D. Cannon and Ms. Malishai "Shai" Woodbury to the North Carolina Teaching Fellows Commission.

Motion: David Powers

Motion carried (Roll Call vote taken; see Appendix P)

Next, Mr. Powers reported on the 2021 UNC System Boards of Trustees Appointments. He explained that every two years, one-half of the Boards of Trustees' positions, made by the Board of Governors, require new appointments or reappointments. The committee presented the 2021 Boards of Trustees Appointments and Reappointments. The slate of nominees from the following campuses included: Appalachian State University, East Carolina University, two partial terms at Elizabeth City State University, Fayetteville State University, North Carolina A&T State University, North Carolina Central University, NC State University, UNC Chapel Hill, UNC Charlotte, UNC Greensboro, UNC Pembroke, UNC School of the Arts, UNC Wilmington, Western Carolina University, and Winston-Salem State University. Mr. Powers stated that the slate of nominees at UNC Chapel Hill would be voted on separately. He reminded the Board that he recused himself from proceedings and designated Vice Chair Hutchens to preside for this portion of committee's report. Mr. Powers departed the room.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board appoint the slate of individuals for the 2021 Boards of Trustees Appointments from Appalachian State University, East Carolina University, Fayetteville State University, North Carolina A&T State University, North Carolina Central University, NC State University, UNC Charlotte, UNC Greensboro, UNC Pembroke, UNC School of the Arts, UNC Wilmington, Western Carolina University, and Winston-Salem State University, and two terms at Elizabeth City State University.

Motion: Terry Hutchens

Motion carried (Roll Call vote taken; see Appendix P)

Mr. Hutchens reported that the Board of Governors will now consider the slate of nominees for the University of North Carolina at Chapel Hill.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board appoint the slate of individuals for the 2021 Boards of Trustees Appointments from the University of North Carolina at Chapel Hill.

Chair Ramsey opened the floor for discussion. Mr. Pope offered an amendment to divide the question so that Mr. Malcolm Turner's nomination be discussed and voted on separately from the other three nominees. Vice Chair Hutchens accepted the amendment.

Amended Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors appoint the other three trustees reflected on the 2021 Boards of Trustees Appointments from the University of North Carolina at Chapel Hill and that Mr. Malcolm Turner's appointment be voted on separately.

Amended Motion: Mr. Terry Hutchens

Motion carried (Roll Call vote taken; see Appendix P)

Chair Ramsey opened the floor for discussion regarding the nomination of Mr. Malcolm Turner. Mr. Pope remarked that despite Mr. Turner's outstanding credentials, he was very concerned with Mr. Turner's nomination given his current profession and that the appointment could have a potential conflict of interest.

Motion (Call the Question): Resolved, that on behalf of the Committee on University Governance, the Board of Governors appoint Mr. Malcolm Turner to the 2021 Boards of Trustees from the University of North Carolina at Chapel Hill.

Motion: Terry Hutchens

Motion carried (Roll Call vote taken; see Appendix P)

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that the committee received updates on state and federal relations. Regarding state relations, the committee heard an update on recent bill activities and meetings at the North Carolina General Assembly. The committee heard an update on the status of items included in the UNC System's 2021 budget and the UNC System's legislative agenda. Regarding federal relations, the committee heard an update on recent legislation in Congress that has impacted the UNC System, including the American Jobs Plan, the American Rescue Plan Act, and the President's Fiscal Year 2022 Budget Request that was recently sent to Congress.

The committee also heard an update from the Committee on Military Affairs regarding North Carolina's Patriot Star Scholarship/Funds Program. The program was created by the North Carolina General Assembly to support children and spouses of fallen or injured veterans and military service members.

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

Mr. Holton, chair of the committee, reported that the committee discussed the reorganization of the UNC System's internal audit roles and responsibilities prompted by the retirement of its chief audit officer. The duties of the chief audit officer will become a part of the vice president for compliance audit services duties. The realignment will result in a consistent and efficient alignment of internal audit responsibilities for the UNC System. The office will recruit an internal audit manager and staff auditor to respond to specific needs and audit risks. The committee voted to approve the new reorganization plan.

Next, Mr. Holton recalled that at its last meeting the committee heard a report from the Office of the State Auditor, Beth Wood, related to Western Carolina University's recent IT audit. Ms. Wood challenged the committee to focus on cybersecurity processes throughout the UNC System. As a result, the UNC System's internal audit team delved

into the full range of the System's cybersecurity efforts and presented seven recommendations that will continue to enhance the System's cybersecurity efforts. The recommendations include: 1) completion of a third-party cyber maturity assessment at each institution; 2) requiring the UNC System's institutions to leverage their risk management functions; 3) consider optional virtual chief information security officer consulting services at the System Office; 4) identifying a budget specific to cybersecurity operations; 5) coordinate with the UNC System's technical partner, MCNC, for security services; 6) enhance the chief operation officer's on-boarding programs across the System; and 7) sharing audit information at the Information Security Council. The committee approved the recommendations.

The committee also heard an update on the institutional status of the implementation of the Board's priorities related to information technology governance, information security, and user access control. These priorities serve as the foundation for each institution's overall efforts in the area of IT and cybersecurity.

Finally, the committee received a summary of the 2020 fiscal year financial statement and federal compliance audit reports issued by the Office of the State Auditor since its last meeting. Mr. Holton noted that as to the financial audit statements presented for the North Carolina School of Science and Mathematics and the UNC system Office, there were no audit findings. As to the eight federal compliance audit reports, three institutions had audit findings and corrective action had been taken.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, reported that the committee heard a presentation from Ms. Terah Crews, vice president of learning marketplace solutions of Guild Education – one of the nation's largest providers of education benefits. Ms. Crews shared an overview of Guild's work with employers and adult learners. She spoke about the steps the UNC System needs to take to expand and serve adult learners seeking a degree program. She also spoke about creative ways to partner with employers to recruit and serve adult learners. The presentation concluded with a discussion about the innovations that the Board may consider in planning for adult learning opportunities. The committee will continue discussion on this topic at its future meetings.

Report of the Committee on Historically Minority-Serving Institutions (HMSIs)

Mr. Holley, chair of the committee, reported the committee reviewed its work over the previous months. Next, the committee received an informational report on HMSIs Access to Excellent Awareness Marketing Project with PBS North Carolina. The marketing project is a collaboration among PBS North Carolina, the UNC System, and the six HMSI institutions, which will feature a collection of unique and impactful stories of people and programs at each of the HMSI universities.

The committee also received an update on recommendations for UNC System's advancement modernization and shared services project. As part of the update, the committee heard a detailed presentation from Ms. Suzanne Hilser-Wiles and Mr. Peter Lasher of Grenzebach Giler & Associates – a leading international fundraising consulting firm. The consultants discussed the recommendations that make a common data platform feasible in delivering shared services, which ultimately will increase quality, improve donor retention rates, and reduce fundraising expenses.

Chair's Report

Chair Ramsey was delighted to see the members back together in-person and thanked them for their continued work. He remarked on some recent changes to the Board. Mr. Isaiah Green's term as the UNC Association of Student Governments' member is concluding. Mr. Green will graduate from UNC Asheville this spring. Chair Ramsey congratulated him and thanked him for his outstanding service. Chair Ramsey introduced Mr. Joel Ford, who was recently appointed by the North Carolina General Assembly to the Board of Governors. He remarked that Mr. Ford is a former state senator, who is a passionate advocate for students. Next, he recognized the new class members,

Mr. Kirk Bradley, Mr. John Fraley, Ms. Sonja Nichols, and Mr. Lee Roberts, who will begin their service on the Board of Governors on July 1, 2021.

Next, Chair Ramsey recognized two new chancellors – Chancellor Phil Rogers of East Carolina University and Chancellor Darrell Allison of Fayetteville State University. Chancellors Rogers and Allison both began their terms at their institutions on March 15, 2021. In addition, he recognized Interim Chancellor Ron Michelson of East Carolina University and Interim Chancellor Peggy Valentine of Fayetteville State University, and he thanked them for their service to the students and the UNC System.

Chair Ramsey announced that the UNC Association of Student Governments (UNC ASG) donated \$65,000 last spring to help students who were financially struggling due to COVID-19. Last week, UNC ASG announced it would donate another \$77,000 for student emergencies this year. Chair Ramsey was proud to recognize the recipients of the 2021 UNC Board of Governors Awards for Excellence in Teaching. The recipients were nominated by special committees at each institution and selected by the Board of Governors Committee on Educational Planning, Policies, and Programs. The award recognizes the extraordinary contributions of our faculty and a profile of this year's recipients can be found on the UNC System's website.

In closing, Chair Ramsey announced that beginning at the Board's next meeting on May 26-27, 2021, the Board will revert to its standard operating procedure requiring Board members to attend the regular meetings in-person to count for a quorum and to vote.

Chair Ramsey called on Secretary Burris-Floyd for a motion to go into closed session.

Motion: Resolved, that the Board go into closed session pursuant to N.C. General Statute 143-318.11(a)(1), (2), (3), and (6) for the purposes stated in the written motion as included in the Board materials (see Appendix O), which had been publicly made available.

Motion: Pearl Burris-Floyd

Motion seconded: Wendy Floyd Murphy

Motion carried (Roll Call vote taken; see Appendix P)

The Board went into closed session at 11:18 a.m. and returned to open session at 11:41 a.m.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, reported that the committee heard an update on general human resources-related topics including the shift back to the on-site work environment, the creation of a new policy on flexible work arrangements and remote work, and an update on the analysis of workforce trends within the UNC System.

Next, the committee reviewed an informational report on recent salary increase activity. The report showed a decrease in salary activity as compared to the same time frame last year. This was a result of the pause in non-essential human resources actions due to COVID-19. The committee also reviewed and approved other routine informational reports.

In closing, Mrs. Blue reported that the committee received a briefing on the annual performance review of tenured faculty. It also reviewed proposed revisions to Section 200.6 of the UNC Policy Manual – *Policy on Delegation of Authority to the President*. The revised policy will be presented to the full Board for a vote through the consent agenda at its next meeting.

Motion: Kellie Hunt Blue

Motion carried (Roll Call vote taken; see Appendix P)

There being no further business, the meeting adjourned at 11:46 a.m. The next meeting of the Board of Governors is scheduled for Thursday, May 27, 2021, at the UNC Center for School Leadership Development in Chapel Hill.

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	UNC COVID-19 Vaccination Chart
Appendix B	President Hans' Report
Appendix C	Designation of Millennial Campus – UNC Asheville
Appendix D	Expansion of Millennial Campus – Appalachian State University
Appendix E	Capital Improvement Projects
Appendix F	Disposition of Property by Demolition – Appalachian State University
Appendix G	Acquisition of Property by Deed and Disposition of Property by Demolition – N.C. A&T State
Appendix H	Amendment to Use Agreement – Fayetteville State University
Appendix I	Amendment of Use Agreement – UNC School of the Arts
Appendix J	Sale of Special Obligation Bonds – Appalachian State University
Appendix K	Sale of Special Obligation Bonds – East Carolina University
Appendix L	Sale of Special Obligation Bonds – UNC Greensboro
Appendix M	2021-22 Non-Appropriated Capital Improvement Project – UNC Greensboro
Appendix N	UNC Policy Section 700.1.3 – <i>Out-of-State Undergraduate Enrollment</i> (Amended)
Appendix O	Closed Session Motion
Appendix P	Roll Call Vote