

MINUTES

September 16, 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 September 16, 2021. Chair Ramsey called the meeting to order at 9:00 a.m. He reminded the Board of upcoming special events including the official installation ceremony for Chancellor Cole at UNC School of the Arts on Friday, October 1, 2021 and the Board of Governors campus tours to UNC Charlotte and Appalachian State University on October 19-20, 2021.

Chair Ramsey announced that the 2021 UNC System Boards of Trustees Workshop and 50th Anniversary, hosted by the Board of Governors and the UNC System, is scheduled for Tuesday, November 16, 2021, at the James B. Hunt Jr. Library at NC State University. The workshop will begin with key events marking the 50th Anniversary of the consolidated UNC System and the official swearing-in ceremony of President Hans as the seventh president of the University of North Carolina System. Following, the Board of Governors will hold its regularly scheduled meetings on Wednesday, November 17 and Thursday, November 18, 2021, at the James B. Hunt Jr. Library.

Invocation

Chair Ramsey called on Mrs. Nichols to give the invocation.

Roll Call

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

Kellie Hunt Blue	Terry Hutchens
Kirk J. Bradley	J. Alex Mitchell
Pearl Burris-Floyd	Wendy Floyd Murphy
C. Philip Byers	Anna Spangler Nelson
Jimmy D. Clark	Sonja Phillips Nichols
Carolyn Coward	Raymond Palma
N. Leo Daughtry	Art Pope
Joel Ford	David M. Powers
John Fraley	Randy Ramsey
Thomas C. Goolsby	Lee Roberts
Reginald Ronald Holley	Temple Sloan
James L. Holmes, Jr.	Michael Williford
Mark Holton	

The following member was absent:

W. Louis Bissette, Jr. (*joined by videoconference*)

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. There were none.

President's Report

President Hans reported that the UNC System's constituent institutions resumed in-person classes for the 2021-22 academic year. President Hans stressed that the System continues to take careful physical health, mental health, and safety precautions around COVID-19. Next, President Hans gave an update on the status of the state budget. Legislators continue to negotiate a final budget agreement. Both chambers and the governor have endorsed the UNC System's Budget Priorities for this year, which include funding for enrollment growth, NC Promise Program, faculty and staff pay raises, and repair and renovation projects. For President Hans' complete report, please see Appendix A.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 4 on the day's consent agenda. Chair Ramsey entertained a motion to approve the consent agenda items. The motion was properly seconded. The motion carried.

Minutes

- a. Minutes of July 22, 2021

Committee on Budget and Finance

- b. Capital Improvement Projects Appendix B
- c. Sale of Special Obligation Bonds – N.C. A&T State University, UNC Charlotte Appendix C
- d. Section 1000.1.1, *Policy on Tuition Rates (Supersedes Establishing Tuition and Fees)* Appendix D
- e. Section 1000.1.2, *Policy on Tuition with Respect to Student Exchange Programs with Institutions Abroad (Repealed)* Appendix E
- f. Section 1000.1.3, *Tuition Rates for Special Talent and Graduate Nonresident Students (Repealed)* Appendix F
- g. Section 1000.1.5, *Tuition Surcharge (Repealed)* Appendix G
- h. Section 1000.1.7, *Policy for the Tuition Guarantee Program (Repealed)* Appendix H

Committee on Educational Planning, Policies, and Programs

- i. UNC System Academic Degree Program Action Appendix I
- j. Comprehensive Articulation Agreement Annual Report Appendix J
- k. Licensure Program Approval Appendix K
- l. Early College High School Graduate Report Appendix L

Committee on University Governance

- m. Resolution on Security Requirements Appendix M
- n. Section 301 of *The Code, The Standing Committees' Jurisdiction (Amended)* Appendix N

Committee on Audit, Risk Management, and Compliance

- o. Committee on Audit, Risk Management, and Compliance Oversight Responsibilities and Operating Procedures Appendix O
- p. UNC System Office 2021-22 Internal Audit Plan Appendix P

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee reviewed and approved the annual report of the Committee on Budget and Finance from July 1, 2020, through June 30, 2021, for submission to the full Board (see Appendix Q). The report summarizes the actions taken by the committee last year. The committee heard an update from Mrs. Murphy, chair of the Task Force on Pricing, Flexibility, and Affordability. The update focused on the issue of total cost of attendance across the UNC institutions. The task force will consider policy reforms to improve

affordability, foster more consistency across the UNC System in defining total cost of attendance, and encourage greater oversight of on-campus housing and dining meal plan rates.

Regarding the state budget, Mr. Holmes explained that once the 2021-23 state budget is finalized, the Committee on Budget and Finance will recommend allocations of funds made available by the General Assembly to the Board of Governors. While there is a strong probability that a final state budget could be in place before the Board meets again in November, Mr. Holmes offered the following motion:

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the committee be delegated the authority to allocate funds made available by the General Assembly if the state budget is ratified prior to the November 18, 2021, Board of Governors meeting. The committee will call a special meeting for this purpose and the entire Board would be invited to participate.

Motion: James L. Holmes, Jr.

Motion carried

Next, the committee received updates on the following items: Fiscal Year 2023 All-Funds Budget, 2022-23 Tuition and Fees Instructions, and the UNC System Workforce Trends Analysis. The committee also received additional information related to the Higher Education Emergency Relief Fund (HEERF) awards and expenditures for the FY 2021. The committee also considered and approved the recommendation to revise the UNC Policy Manual, Section 1000.1, *Establishing Tuition and Fees*, which was last amended in 2007. Amendments to restructure and update the policies are necessary so that it reflects the current practices related to establishing tuition and fee rates and includes statutory requirements related to tuition and fees. The committee voted to approve the amendments and place the items on the day's consent agenda (see Appendices D, E, F, G and H), which was approved by the full Board.

Mr. Holmes reported the committee heard an update on the capital project reporting requirement (G.S. 143C-8-14.) He noted that Session Law 2021-80 codifies the requirement for reporting on the status of capital projects over \$10 million. The committee was presented with information about this requirement and provided a sample format of the report. Finally, the committee considered and approved routine administrative and transactional items including, three new capital improvements items (see Appendix B), and two financing requests (see Appendix C). The committee approved these items and voted to place them on the day's consent agenda, which was approved by the full Board.

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

Mr. Sloan, chair of the committee, reported that the committee reviewed and approved the annual report of the Committee on Educational Planning, Policies, and Programs from July 1, 2020, through June 30, 2021, (see Appendix R), for submission to the full Board. The committee also reviewed proposed revisions to UNC Policy Manual, Section 700.1.1, *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System*. The committee voted to accept the revisions to the policy and will bring this item for approval to the full Board at its next meeting. Next, the committee reviewed the discontinuation of one academic degree program, which was approved and placed on the day's consent agenda (see Appendix I).

In closing, Mr. Sloan reported that the committee received and approved the following reports: The Comprehensive Articulation Agreement Annual Report (see Appendix J), three licensure approvals and two limited licenses approvals (see Appendix K), and the Early High School Graduates Report (see Appendix L). These items were all placed on the day's consent agenda, which was approved by the full Board.

Report of the Committee on University Personnel

Mrs. Blue, chair of the committee, called on Mr. Garret Killian, chair of the UNC Staff Assembly for an update. Mrs. Blue would resume her report following closed session.

Mr. Killian announced that the UNC Staff Assembly will host its Ninth Annual Chancellors' Golf Cup Tournament on Thursday, September 29, 2021, at the Tobacco Road Golf Club in Sanford. The event raises money to support the Janet B. Royster Memorial Staff Scholarship Fund, which awards staff from across the UNC System funds for professional development and continuing education. Next, Mr. Killian thanked President Hans and his staff for advocating for staff pay raises as part of its budget priorities. He also spoke about the Racial Equity Task Force report and stated that the assembly continues to follow the actions reflected in the report. Mr. Killian mentioned the importance of establishing a campus ombudsman office to ensure all staff have access to this resource.

In closing, Mr. Killian announced that Ms. Crystal Woods from North Carolina School of Science and Mathematics will lead the assembly beginning this academic year. He thanked the members of the Board and the UNC System Office staff for their strong support throughout his term.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that the committee considered two vacancies (Seat 2 and Seat 18) on the Vidant Medical Center's (VMC) Board of Trustees. Per the affiliation agreement between the University, East Carolina University (ECU), and VMC, the Board of Governors appoints nine of the 20 total seats on VMC's Board of Trustees. The VMC nominating committee met last month to discuss the Board of Governors' upcoming vacancies. The committee recommended the appointment of Mr. Roger LaVern Davenport to fill Seat 18. In July 2021, Dr. Michael Waldrum was named dean of ECU's Brody School of Medicine. Mr. Powers explained by virtue of his service as dean, Dr. Waldrum will occupy Seat 2 serving as an ex officio, voting member for a five-year term ending February 28, 2026.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors appoints Mr. Roger LaVern Davenport to Seat 18 and Dr. Michael Waldrum to Seat 2 on the Vidant Medical Center's Board of Trustees.

Mr. Goolsby recused himself from this vote.

Motion: David Powers

Motion carried

Next, Mr. Powers reported on the Resolution on Security Clearance Requirements (see Appendix M). The resolution is required annually from the Board of Governors by the U.S. Department of Defense to maintain a facility security clearance. The resolution is required to exempt members of the Board of Governors and senior officers of the UNC System from the requirement to obtain individual security clearances. The committee reviewed and approved this item and voted to place it on the day's consent agenda, which was approved by the full Board.

Mr. Powers provided an update of the committee's ongoing work related to free speech and free expression. He reported that a group of UNC-Chapel Hill professors – Jennifer Larson, Mark McNeilly, and Timothy Ryan – conducted a survey that evaluated students' perspectives on matters of free expression issues. In November 2020, the three professors presented their findings from the survey to the committee. Mr. Powers stated that the System Office will develop a plan to replicate UNC-Chapel Hill's survey at additional institutions from across the System, including Appalachian State University, North Carolina Central University, UNC Asheville, UNC-Chapel Hill, UNC Charlotte, UNC Greensboro, UNC Pembroke, and UNC Wilmington. The survey will be fielded in January 2022 and the results presented in May 2022.

Lastly, Mr. Powers reported that the committee reviewed the 2020-21 Report on Free Speech and Free Expression within the University, which is an annual report that is required by state law pursuant to G.S. 116-301 (see Appendix S). The committee also reviewed and approved the annual report of the Committee on University Governance from July 1, 2020, through June 30, 2021, for submission to the full Board (see Appendix T).

Report of the Committee on Military and Public Affairs

Mr. Byers, chair of the committee, reported that the committee heard updates on federal relations, state relations, and military affairs. Regarding state relations, the committee reviewed and approved the annual report of the Committee on Public Affairs from July 1, 2020, through June 30, 2021, for submission to the full Board (see Appendix U). The committee heard an update on the status of the budget process and the 2021 UNC System's budget and legislative priorities. The committee received detailed information on the House budget, which was passed on August 12, 2021. The budget included many of the UNC System's legislative and capital improvement priorities. He thanked the state legislators for their continued support of the UNC System. Regarding federal relations, the committee heard an update on activities from Washington, D.C. on the Congressional agenda, including recent actions on two infrastructure bills and the annual appropriation bills.

Regarding military affairs, the committee heard an update on the latest personnel announcements. The committee also received an update on the System's progress with implementing new federal legislation regarding student veterans.

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

Mr. Holton, chair of the committee, reported that the committee reviewed and approved the Committee's Oversight Responsibilities and Operating Procedures (see Appendix O) and the UNC System Office Internal Audit 2020-21 Year-End Report (see Appendix P). The committee voted to place both these items on the day's consent agenda, which was approved by the full Board. The committee also reviewed and approved the annual report of the Committee on Audit, Risk Management, and Compliance from July 1, 2020, through June 30, 2021, for submission to the full Board (see Appendix V). The committee heard a summary of the UNC System's Office internal audit activities for fiscal year 2020-21.

Next, the committee received a presentation on a new internal audit internship program at the UNC System Office. An internal audit manager was hired for the position to oversee the development and management of the program. The program is designed to promote shared services related to internal audits, increase resource capacity, and build a pipeline for students to gain real world experience in pursuing an internal auditing career. The program is a joint venture supported by the Office of State Budget and Management.

Regarding campus safety issues, Mr. Holton reported that the UNC System Office has implemented several initiatives and strategies to attract and preserve necessary public safety resources needed for campus police departments across the UNC System. Regarding enterprise risk management, Mr. Holton recalled that in April 2021, the committee approved seven recommendations designed to strengthen information technology security throughout the system. At its meeting the previous day, the committee heard an update from the UNC System's IT staff on the status of implementing these recommendations and the committee will continue to monitor its progress.

Finally, Mr. Holton referred to the North Carolina Office of the State Auditor's report that was recently conducted at Fayetteville State University. The committee heard a summary of the findings from the audit report. Based on the findings, the campus has taken corrective action.

Report of the Committee on Historically Serving Minority Institutions (HMSI)

Mr. Holley, chair of the committee, provided an update on the work of the committee since its last meeting in April 2021. Mr. Holley mentioned that he has visited all six of the UNC System's HMSI institutions. He commented that

each institution has its own unique identity and attributes. He recognized the chancellors, all of whom are leading dynamic, innovative universities. Next, the committee received an informational report on a project titled, *The Innovators: The Transformative Power of NC's Historically Black & American Indian Universities*. The project is a multi-platform series of stories highlighting innovation and the impact at the UNC System's HMSI campuses. PBS North Carolina will air a series featuring faculty, students, and alumni from each institution (Elizabeth City State University, Fayetteville State University, N.C. A&T State University, North Carolina Central University, UNC Pembroke, and Winston-Salem State University). The program will feature 18 short stories from each UNC System's HMSI campuses beginning on September 20, 2021, culminating in the broadcast premiere of an hour-long documentary on October 18, 2021. A video trailer of the project was shared with the Board.

Report of the Subcommittee on Laboratory Schools

Mr. Byers, chair of the subcommittee, reported that the committee heard renewal reports from leaders at The ECU Community School and The Catamount School summarizing each schools' progress. Mr. Byers explained that pursuant to G.S. 116-239.7, legislation called on the Board of Governors to create nine laboratory schools across the UNC System for a five-year term. In 2017, The ECU Community School and The Catamount School were the first laboratory schools to open. The 2021-22 academic year marked the fifth year of operation for both schools. The subcommittee voted to renew each school for an additional five-year term. At its next meeting, the subcommittee will consider three additional laboratory schools.

Chair's Report

Chair Ramsey announced that this fall marks the 50th Anniversary of the consolidated UNC System. Since its consolidation in 1971, the 16 constituent institutions have shared a mission of education, research, and public service. Chair Ramsey praised our former leaders for their vision in creating the UNC System and thanked our legislators for their strong support throughout the years and into the future. Chair Ramsey shared his thoughts on the future of the University and the challenges as we look ahead to the next 50 years. He also outlined a list of the Board's and the UNC System's extraordinary accomplishments. For Chair Ramsey's complete report, please see Appendix W.

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 Statutes 143-318.11(a)(1), (3), and (6) for the purposes stated in the written motion as included in the Board materials (see Appendix X), which had been publicly made available.

Motion: Pearl Burris-Floyd

Motion seconded: Mrs. Kellie Blue

Motion carried

The Board went into closed session at 10:15 a.m. and returned to open session at 10:46 a.m.

Report of the Committee on University Personnel

Mrs. Blue, chair of the committee, mentioned that the Board approved the renaming of the committee to the Committee on University Personnel. At its meeting, the committee reviewed and approved the annual report of the Committee on Personnel and Tenure from July 1, 2020, through June 30, 2021, for submission to the full Board (see Appendix Y). The committee also reviewed an informational report on recent salary increase requests and several other routine informational reports, which were available on BoardEffect.

The committee discussed and approved a resolution to grant the president the authority to develop and issue detailed instructions for the annual pay raise process for SHRA and EHRA employees at the UNC System Office and the constituent institutions. Mrs. Blue offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors approve the Resolution on Implementation of Fiscal Year 2021-22 Compensation Adjustments for Employees Pursuant to the Appropriations Act of 2021 and the University's Annual Raise Process (see Appendix Z).

Motion: Kellie Hunt Blue
Motion carried

Next, the committee discussed and approved a resolution to grant the president the authority to develop and implement an early retirement incentive program. The program would allow the president to establish guidelines and regulations for the program, which was authorized by the legislature earlier this year. Mrs. Blue offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors approve the Resolution Authorizing the President to Establish and Implement an Early Retirement Incentive Program (see Appendix AA).

Motion: Kellie Hunt Blue
Motion carried

Mrs. Blue reported that during its closed session meeting, the committee discussed a request by NC State University's Board of Trustees to approve a performance and retention plan payment for Chancellor Randy Woodson. Mrs. Blue shared a few highlights of the impressive work Chancellor Woodson has accomplished since becoming chancellor in 2010. In 2015, the NC State Board of Trustees created Chancellor Woodson's contract, which he has since exceeded expectations and surpassed the goals. Based on Chancellor Woodson's outstanding performance over the past six years, under the terms and conditions of the Performance and Retention Plan, the NC State Board of Trustees concluded that the Chancellor Woodson is entitled to the full amount of the performance bonus of \$1.5 million and requested approval of the full bonus. Mrs. Blue stated that the money to pay the chancellor's performance bonus was raised by the trustees and no state or university funds were used to pay the bonus.

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors approve the requested payment to Chancellor Randy Woodson under the Performance and Retention Plan and as outlined in his employment agreement.

Motion: Kellie Hunt Blue
Motion carried

Lastly, in closed session the committee discussed a request by the NC State University's Board of Trustees to approve a two-year contract extension for Chancellor Randy Woodson. The committee reviewed and approved the request. Mrs. Blue made the following motion:

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors approve Chancellor Randy Woodson's contract extension for two additional years.

Motion: Kellie Hunt Blue
Motion carried

There being no further business, the meeting adjourned at 10:57 a.m. The next meeting of the Board of Governors is scheduled for Thursday, November 18, 2021, at the James B. Hunt Jr. Library at NC State University.

Pearl Burris-Floyd, Secretary

APPENDICIES

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>

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Appendix B	Capital Improvement Projects
Appendix C	Sale of Special Obligation Bonds – N.C. A&T State University, UNC Charlotte
Appendix D	Section 1000.1.1, <i>Policy on Tuition Rates</i> (Supersedes <i>Establishing Tuition and Fees</i>)
Appendix E	Section 1000.1.2, <i>Policy on Tuition with Respect to Student Exchange Programs with Institutions Abroad</i> (Repealed)
Appendix F	Section 1000.1.3, <i>Tuition Rates for Special Talent and Graduate Nonresident Students</i> (Repealed)
Appendix G	Section 1000.1.5, <i>Tuition Surcharge</i> (Repealed)
Appendix H	Section 1000.1.7, <i>Policy for the Tuition Guarantee Program</i> (Repealed)
Appendix I	UNC System Academic Degree Program Action
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Appendix R	Annual Report of the Committee on Educational Planning, Policies, and Programs from July 1, 2020, through June 30, 2021
Appendix S	2020-21 Report on Free Speech and Free Expression Within the University
Appendix T	Annual Report of the Committee on University Governance from July 1, 2020, through June 30, 2021
Appendix U	Annual Report of the Committee on Public Affairs from July 1, 2020, through June 30, 2021
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Appendix W	Chair Ramsey's Report
Appendix X	Closed Session Motion
Appendix Y	Annual Report of the Committee on Personnel and Tenure from July 1, 2020, through June 30, 2021
Appendix Z	Resolution on Implementation of Fiscal Year 2021-22 Compensation Adjustments for Employees Pursuant to the Appropriations Act of 2021 and the University's Annual Raise Process
Appendix AA	Resolution Authorizing the President to Establish and Implement an Early Retirement Incentive Program