



November 17, 2022 at 9:00 a.m.
Via Videoconference and PBS North Carolina Livestream
East Carolina University
Main Campus Student Center, Ballroom A
Greenville, North Carolina

AGENDA

OPEN SESSION

1. Invocation Mr. Holley
2. Roll Call..... Secretary Burris-Floyd
3. Chair’s Report Chair Ramsey
4. President’s Report President Hans
5. Recognition of the UNC System Campus Police Awards Mr. Hutchens
6. Consent Agenda Chair Ramsey

Minutes

- a. Minutes (Open) of October 20, 2022

Committee on Budget and Finance

- b. FY 2022-23 Maintenance Repairs and Renovations Capital Projects
- c. Exceeding the Policy Limit on Nonresident Freshman Enrollment – N.C. A&T State University
- d. Capital Improvement Projects
- e. Section 200.6, *Policy of Delegation of Authority to the President* (amend) (approved October 19, 2022)
- f. Section 600.1.1, *Policy on Design, Construction, and Financing of Capital Improvement Projects* (amend) (approved October 19, 2022)
- g. Chapter 100.1 – *The Code*, Appendix 1, Delegations of Duty and Authority of Boards of Trustees (amend) (approved October 19, 2022)

Committee on Educational Planning, Policies, and Programs

- h. Section 400.1.5, *Policy on Fostering Undergraduate Student Success* (amend) (approved October 19, 2022)

Committee on University Personnel

- i. Section 300.2.14, *Policy on Non-Salary and Deferred Compensation* (amend) (approved October 19, 2022)

Committee on Audit, Risk Management, and Compliance

j. Approval of UNC Systemwide Internal Audit Plan 2022-23

7. Report of the Committee on Budget and Finance..... Mr. Holmes
 - a. Approval of the Performance Weighting Component of the Funding Model
8. Report of the Committee on Educational Planning, Policies, and ProgramsMr. Sloan
 - a. Report on the UNC System Faculty Assembly.....Mr. Maki
9. Report of the Committee on University Governance Ms. Blue
 - a. Liability Trust Fund Council Appointments
 - b. North Carolina Teaching Fellows Commission Appointment
10. Report of the Committee on Audit, Risk Management, and Compliance Mr. Hutchens
11. Report of the Committee on Strategic Initiatives.....Mr. Powers
12. Report of the Subcommittee on Laboratory SchoolsMr. Byers

CLOSED SESSION

13. Approval of Minutes (Closed) of October 20, 2022 Chair Ramsey
14. Legal Report Mr. Tripp
15. Report of the Committee on Educational Planning, Policies, and Programs.....Mr. Sloan
16. Report of the Committee on Audit, Risk Management, and Compliance.....Mr. Hutchens
17. Report of the Committee on University Personnel Ms. Coward

OPEN SESSION

18. Report of the Committee on University PersonnelMs. Coward
19. Adjourn

The next regularly scheduled meeting of the Board of Governors is Thursday, January 19, 2023, at the UNC System Office.

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.
- Prevent the premature disclosure of an honorary award or scholarship.
- Consult with our attorney to protect attorney-client privilege.
- Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee.

Pursuant to: G.S. 143-318.11(a)(1), (2), (3), and (6).



The following policy changes to the UNC Policy Manual were recommended at prior committee meetings to be considered by the full Board of Governors on November 17, 2022:

1. Approval of Proposed Amendments to Section 200.6, Delegation of Authority to the President (Budget and Finance)
2. Approval of Proposed Amendments to Section 600.1.1, Design, Construction, and Financing of Capital Improvement Projects (Budget and Finance)
3. Approval of Proposed Amendments to *The Code*, Chapter 100.1, Appendix 1, Delegations of Duty and Authority of Boards of Trustees (Budget and Finance)
4. Approval of Proposed Amendments to Section 400.1.5, Fostering Undergraduate Student Success (Ed Planning)
5. Approval of Proposed Amendments to Section 300.2.14, Non-Salary and Deferred Compensation (University Personnel)

The UNC Policy Manual
200.6
Adopted 11/13/06
Amended 06/08/07
Amended 04/08/11
Amended 08/10/12
Amended 10/11/12
Amended 07/29/16
Amended 10/14/16
Amended 05/22/19
Amended 11/19/20
Amended 05/27/21
Technical Corrections 09/22/21
Technical Correction 01/13/22
Amended 04/07/22
Amended XX/XX/22

Policy on Delegation of Authority to the President

I. Pursuant to N.C.G.S. § 116-11(13) (G.S.), and other North Carolina law as referenced herein, and notwithstanding *The Code* or any other Board of Governors policy,ⁱ the Board of Governors delegates the following authorities to the president of the University of North Carolina (UNC) System:

A. Human Resources

1. Authority to establish and administer a human resources program for employees exempt from the North Carolina Human Resources Act.ⁱⁱ

a. “Human resources program” shall include such personnel actions related to the establishment of positions and the administration of salary ranges; recruitment, appointments, salaries, base-salary adjustments, and temporary salary adjustments; promotion and tenure; leave programs; performance management; non-faculty discontinuation, discipline, and discharge; and non-faculty grievance and appeals processes.ⁱⁱⁱ

b. The president may approve management flexibility plans for special responsibility constituent institutions and may delegate limited authority for human resources actions to constituent institutions that are not authorized as special responsibility constituent institutions.^{iv}

c. Notwithstanding the above provisions, unless otherwise delegated:

(1) The Board of Governors shall retain authority over the appointments, compensation, and salary adjustments for: the president; the chancellors of the constituent institutions, except as provided in paragraph F. of this policy; the chief executive officer of the UNC Health Care System; and the chief executive officer of the UNC Center for Public Media.^v

(2) The Board of Governors shall retain authority over certain contract terms for athletic directors and head coaches of the constituent institutions.^{vi}

(3) The Board of Governors shall retain authority over non-promotional^{vii} salary increases for Tier I Senior Academic and Administrative Officers of the constituent institutions that both exceed 10 percent of the June 30 base salary as of the most recent fiscal year and exceed the 75th percentile of the applicable salary range.

(4) The president shall consult with the Board's Committee on University Personnel on appointments, compensation, and salary adjustments for the senior officers of the UNC System Office who report directly to the president.

(5) The president shall consult with the chair of the Committee on University Personnel and may then approve an emergency retention salary increase for a Tier I Senior Academic and Administrative Officer of the constituent institutions in lieu of any required pre-approval by the Committee as set forth in section I.A.1.C. of this policy when necessary to avoid loss of any key senior officer to an external offer of employment. The details of such an action shall be reported to the committee at its next regularly scheduled meeting.

d. Based on demonstrated institutional need and research activity, the president may authorize constituent institutions with special authority to directly create and/or modify EHRA non-faculty instructional, research, and information technology (IRIT) positions in accordance with UNC System Office classification procedures and guidelines. All such positions must fall within salary ranges established by the UNC System Office.

e. All other approvals for human resources actions are delegated to the President, who may further delegate actions to the boards of trustees for the constituent institutions or the boards of trustees may further delegate such actions to the chancellors as provided in Section 600.3.4 of the UNC Policy Manual.

2. Authority to approve all actions relating to the administration of the Optional Retirement Program^{viii} and the Phased Retirement Program.^{ix}

3. The president shall report in writing on actions taken under the authority of these delegations to the appropriate committee of the Board of Governors no less than annually, or as otherwise requested by the chair of the Board of Governors or the chair of the Committee on University Personnel.

B. Governance

1. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than \$250,000.^x

2. The authority to settle potential or pending litigation by or against a constituent institution or the University of North Carolina System, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than \$250,000 or, if the University is to receive a payment, the amount the University claimed is less than \$250,000.^{xi}

3. Authority to approve the political activities of employees of the UNC System who are candidates for or serving in public office.^{xii}

C. Reports. The authority to approve and submit any report the UNC System or the Board of Governors is required to submit to the General Assembly, the State Board of Education, or any other state or federal agency or officer.

D. Real Property and Capital Improvement Projects

1. The power to authorize acquisition or disposition of the following interests in real property without obtaining approval of the Board of Governors, subject to any necessary approvals from state officials and agencies:

a. Any interest in real property, other than a leasehold, with a value less than \$750,000; and

b. A leasehold interest in real property with annual value less than \$750,000 and a term of not more than 10 years.

The president's authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president's discretion.^{xiii}

2. Authority to approve capital improvement projects funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money^{xiv} that are projected to cost less than \$750,000.^{xv}

3. Authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money.

4. Authority to administer and execute design and construction contracts for capital improvement projects, requiring the estimated expenditure of public money of \$4,000,000 or less. This authority may be exercised on behalf of the UNC System Office, affiliates, or the constituent institutions at the president's discretion.^{xvi}

5. Authority to approve an increase of up to 10 percent of the cumulative value of an originally-awarded construction contract for a System Office, affiliate, or constituent institution capital improvement project previously authorized by the Board of Governors.^{xvii}

6. After the long-term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short-term financing. The president shall report any such actions to the Committee on Budget and Finance at its next meeting.^{xviii}

E. Institutional Trust Funds. Authority to delegate to the chancellors management of institutional trust funds.^{xix}

F. Chancellors' Incentive Compensation Program

1. Authority to establish and implement an incentive compensation program to provide the president an opportunity to award performance-based compensation to the chancellors.

2. Authority to grant performance-based compensation awards to the chancellors as provided under the incentive compensation program. Awards granted under this authority shall be one-time payments per year, cannot exceed 20 percent of the chancellor's base salary, and are the responsibility of the constituent institution to fund.

3. Authority to modify the incentive compensation program as necessary to maintain alignment between performance goals established by the Board of Governors for the president and those established by the president for the chancellors.

II. The president will report all actions taken under the authority of the delegations in sections I.B., through I.F., above, to the appropriate committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

III. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

IV. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

ⁱThe secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.

ⁱⁱG.S., Chapter 126.

ⁱⁱⁱSections 300.1.1, 300.1.2, and 300.2 of the UNC Policy Manual.

^{iv}Section 600.3.4 of the UNC Policy Manual.

^vSection 500 of *The Code*; Sections 300.1.1 and 1200.1 of the UNC Policy Manual; and G.S. 116-37(c) and 37.1(c). The use of "UNC Center for Public Media" in the statute refers to PBS North Carolina.

^{vi}Section 1100.3 of the UNC Policy Manual.

^{vii}For the purposes of this policy, the term “non-promotional” means salary actions that do not relate to assuming an entirely new position but rather adjusting the salary of the existing position for reasons such as labor market, equity, retention, additional duties, reclassification, and other permitted miscellaneous reasons.

^{viii}G.S.135-5.1

^{ix}Section 300.7.2 of the UNC Policy Manual.

^xSection 200.5 of the UNC Policy Manual.

^{xi}Section 200.5 of the UNC Policy Manual.

^{xii} Sections 300.5.1 and 300.5.2 of the UNC Policy Manual.

^{xiii}The Board of Governors may delegate additional authority to the president or boards of trustees for real property transactions consistent with Sections 600.1.3 and 600.1.3[R] of the UNC Policy Manual.

^{xiv}This delegation shall be interpreted consistent with G.S. 143C-8-12.

^{xv}The Board of Governors may delegate additional authority to the president or boards of trustees for approval of capital improvement projects consistent with Section 600.1.1 of the UNC Policy Manual.

^{xvi} Section 600.1.1 of the UNC Policy Manual. This delegation shall be interpreted consistent with G.S. 116-31.11.

This delegation may be further delegated.

^{xvii} Section 600.1.1 of the UNC Policy Manual

^{xviii} Section 600.1.1 of the UNC Policy Manual

^{xix}Sections 600.2.4 and 600.2.4.1 of the UNC Policy Manual.

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Policy on Non-Salary and Deferred Compensation

I. Non-salary Compensation

A. Irrespective of the campus' status regarding management flexibility in personnel, all constituent institutions and the UNC System Office shall have a policy concerning the granting of non-salary compensation for all personnel exempt from the North Carolina Human Resources Act except for the chancellor and the president. The policy shall either provide specified non-salary compensation to a defined category of employees uniformly or shall require the appropriate approval by the board of trustees, Board of Governors, chancellor, or president, respectively, and as provided in this policy, regarding non-salary compensation granted to an individual employee before non-salary compensation is provided.

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B. Each policy that provides specified non-salary compensation to a defined category of employees shall set out what types of non-salary compensation the campus or UNC System Office will provide, and the criteria for awarding such compensation. The awarding of non-salary compensation may be based on any reason or reasons considered relevant to attracting or retaining a faculty and staff of the highest possible quality. Decisions concerning non-salary compensation shall not be based in whole or in part upon any of the protected statuses included in Section 103 of *The Code*.

C. The funding source for non-salary compensation shall not be state funds, and non-salary compensation may be provided directly by an associated foundation if permitted by policy. An exception permitting non-salary compensation to be funded from State funds may be approved by a board of trustees or the Board of Governors only when permitted by the Office of State Budget and Management (OSBM). Any club membership for an employee or the granting of special campus services or benefits must be job related, and the club must have a policy prohibiting discrimination against groups protected by federal and North Carolina law. Non-salary compensation shall be appropriately reported to federal and state tax agencies.

D. The hiring approval process may include payment of moving expenses in accordance with authority from the Office of State Budget and Management. The decision of whether to include payment of moving expenses in an employment offer may be delegated no lower than the provost/vice chancellor level or vice president level.

E. Provision of housing, when occupancy of the housing is required as a part of the job, reimbursement of professional- or work-related travel, and the provision of equipment to perform the work of the position, even if used at home, including computers, cellular phones, personal data assistants (PDA), pagers and similar work-related items, are permissible and are not considered "non-salary compensation" as used in this policy.

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F. Sign-on, Retention, and Performance-Based Bonus Compensation.¹ The Board of Governors delegates authority to the constituent institution boards of trustees to administer sign-on, retention, and performance-based bonus programs for employees exempt from most provisions of the North Carolina Human Resources Act. Equivalent authorities are granted at the direction of the president to administer such programs for UNC System Office employees exempt from most provisions of the North Carolina Human Resources Act.

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1. A sign-on bonus may not exceed the lesser of \$25,000 or 20 percent of the annualized base salary of the new position without seeking the approval of the president or the president's designee.

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2. A retention bonus may not exceed the lesser of \$25,000 or 20 percent of the employee's current base salary without seeking the approval of the president or the president's designee.

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3. Performance-based bonus compensation awarded in a single fiscal year that exceeds either 20 percent of an individual employee's current base salary or \$50,000 must receive approval from the president and the Committee on University Personnel of the Board of Governors.

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4. An employee may receive either a sign-on bonus or a retention bonus, but not both, within any 24-month period. The award of performance-based bonus compensation shall be administered independently from any sign-on or retention bonus program and shall be tied to an annual performance review for non-faculty employees and to the provisions of a written incentive compensation plan for covered faculty. Performance-based pay for clinical faculty is subject to the relevant approved clinical incentive pay plans and is exempt from these provisions. When applicable, and in accordance with Plan documents, performance-based bonus awards for Plan-eligible employees may be directed to an executive retirement plan administered by the UNC System Office, in lieu of a cash payment.

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5. The boards of trustees may delegate authority to approve sign-on, retention, and/or performance-based bonuses to the chancellor and/or chancellor's designee(s) with the exclusion of such bonuses for Tier I SAAOs, which may not be delegated. For employees of the UNC System Office, the president has authority to approve sign-on, retention, and performance-based bonuses, including such bonuses for Tier I SAAOs.

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6. Institutions may establish rules to require an employee to pay back all or part of sign-on or retention bonus payments already received if the employee separates from the institution fewer than 12 months after payment of the bonus award.

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7. Bonuses may be provided using either state funds or non-state funds. For State funds, such use must be permissible under the policies of OSBM.

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8. Institutions must establish specific procedures for reviewing and monitoring sign-on, retention, and performance-based bonuses.

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9. The president may establish guidelines for periodic reporting on these bonus compensation programs.II. Delayed or Deferred Salary/Compensation

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A. The State of North Carolina and the University of North Carolina System offer employees options for deferred compensation and insurance. Unless expressly approved by the Board of Governors, constituent institutions and the UNC System Office may not provide any other employer-paid options for deferred compensation or other delayed compensation to its employees.

B. For purposes of this policy, delayed and deferred salary or compensation shall be broadly defined to include, but are not limited to, any employer payment or contribution paid (1) directly to an employee, (2) to the employee's account or plan, or (3) to a person acting in a capacity similar to a trustee for the employee, which is paid later than the regular or next subsequent payment cycle, except for an error that is promptly corrected upon discovery. Delayed and deferred salary/compensation also includes traditional 457 deferred compensation plans, any retirement plans or accounts, annuities, and life insurance accumulating any cash value. Delayed and deferred compensation also include both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

C. This policy does not prohibit a campus from making any permitted employer contribution to the Optional Retirement Program or the Teachers' and State Employees' Retirement System.

III. Non-Salary or Deferred Compensation of Chancellors and President. Other than a state provided car or a car of comparable value, a chancellor's or the president's residence as provided for in Section 300.1.5 of the UNC Policy Manual, work related club memberships, reimbursement of moving expenses upon initial employment as a chancellor or president, and benefits uniformly provided to all employees exempt from the North Carolina Human Resources Act, only the Board of Governors may approve non-salary or deferred compensation for a chancellor or the president. The funding source for non-salary compensation for a chancellor or the president, other than that specified in this paragraph, shall not be state funds, but an exception may be approved by the Board of Governors. Club memberships may never be paid using State funds.

IV. Employees Exempt from this Policy. Members of faculty medical practice plans, such as physicians, dentists, and veterinarians, are exempt from this policy. Athletic directors and head coaches remain subject to Section 1100.3 of the UNC Policy Manual, and are exempt from this policy.

V. Review and Approval. Campus policies on non-salary and delayed/deferred salary/compensation must be submitted as a part of the campus request for management flexibility to appoint and fix compensation. Campuses already granted management flexibility in personnel shall submit their policies to the UNC System Office for review. Subsequent changes to the policies must be submitted for review by the UNC System Office prior to submission to the campus board of Trustees for approval. In some cases, policies with extensive revisions will be reconsidered by the Committee on University Personnel of the Board of Governors.

VI. Other Matters

A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.

C. Regulations and Guidelines. ~~This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.~~

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¹~~See May 26, 2022, Resolution of the Board of Governors of The University of North Carolina System "Delegated Authorities Regarding Non-Base Salary Compensation for University Employees Exempt from the State Human Resources Act." Cf. Section 300.2.14.2[R].~~

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Policy on Fostering Undergraduate Student Success

I. Purpose. The University of North Carolina (UNC) System’s policies on student success adopted by the Board of Governors direct constituent institutions to:

- A. Set academic progress and degree attainment as primary outcomes;
- B. Promote academic quality, rigor, and integrity; and
- C. Make possible “seamless” educational opportunities across the UNC System constituent institutions, with the North Carolina Community College System (NCCCS), and early college high schools.

Improving retention, graduation rates, and time to degree are important aspects of such policies. However, the Board of Governors also recognizes that students come into the system from a number of different life circumstances and their paths to success vary accordingly. Policies, therefore, set parameters within which a constituent institution can best meet the needs of these diverse student populations.

II. University-Wide Policies

A. The Board of Governors has adopted the following policies for all institutions comprising the University of North Carolina System except the North Carolina School of Science and Mathematics.¹

- 1. Constituent institutions will require no more than 120 semester credit hours for a four-year baccalaureate degree program unless an exception is granted by a board of trustees as described in Section 400.1.5[R] of the UNC Policy Manual.
- 2. Constituent institutions will follow the credit hour limits for five-year baccalaureate degree programs as described in Section 400.1.5[R] of the UNC Policy Manual.
- 3. Constituent institutions will develop academic policies within the regulations established by the UNC System on:
 - a. Satisfactory Academic Progress (SAP)
 - b. Course Adjustment Periods (“Drop/Add”)

- c. Course Withdrawal
 - d. Grade Exclusion or Replacement
 - e. Minimum, Maximum, and Average Course Load
4. Constituent institutions will establish a student success and support structure to review and to issue regular reports on:
- a. Retention, academic progression, graduation, and time to degree;
 - b. Course scheduling as it relates to whether courses required for graduation are offered on a timely basis and with an adequate number of sections and seats;
 - c. Course offerings and grade requirements to assess if any undue additions to general education requirements exist or if such requirements unintentionally lengthen time to graduation; and
 - d. The academic advisement system to ensure students receive appropriate assistance in proceeding toward graduation in a timely manner.
5. Constituent institutions will be compliant with Title IV regulations that define student eligibility for and receipt of federal financial aid.
6. Constituent institutions will be compliant with the Comprehensive Articulation Agreement with the NCCCS and are encouraged to develop policies that promote seamless transfer among schools in the University of North Carolina System.
7. The UNC System Office shall, in consultation with faculty and staff from the constituent institutions, establish and maintain a common course numbering system for undergraduate lower division courses, which shall be mapped to the unique course numbers used at each respective institution of higher education. The president shall approve regulations to describe and implement this common undergraduate course numbering system, which shall be established and operational by the 2022-23 academic year.

7.8. UNC institutions will either (1) accept for transfer academic credit issued by regionally-accredited institutions for a student's participation in internships and academic programs managed by The Washington Center for Internships and Academic Seminars (TWC), or (2) enter into an agreement with TWC that provides that the UNC institution will issue academic credit for a student's participation in TWC internships and academic programs.

- B. These policies are designed to ensure that campus and system-wide policies and practices facilitate behaviors that support retention and timely graduation.

III. Other Matters

- A. Effective Date. The requirements of this policy shall be effective on the date of adoption of this policy by the Board of Governors.
- B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, those statutory enactments which may govern or relate to the subject matter of this policy.
- C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

¹The North Carolina School of Science and Mathematics shall track data on student attrition, completion rates of its high school curriculum, and high school graduation. See G.S. 116-235.

Policy on Design, Construction, and Financing of Capital Improvement Projects

I. Authority. G.S. 143C-8-12 provides the Board of Governors with authority to approve certain expenditures for capital improvement projects that will be funded and operated entirely from non-General Fund or non-State Capital and Infrastructure Fund money, including expenditures to plan, construct, and change the scope of such projects.

Additionally, G.S. 116-31.11 delegates to the Board of Governors the authority for the administration of design and construction contracts with regard to the construction, or renovation of buildings, utilities, and other property developments requiring the estimated expenditure of public money of \$4,000,000 or less. This authority includes the negotiation of fees for all design contracts and the supervision and letting of construction and design contracts, the establishment of procedures in performance of those responsibilities, and specific reporting requirements to the State Building Commission. The Board is also authorized to delegate its authority to constituent institutions and affiliates of the University of North Carolina if a constituent institution or affiliate is qualified under guidelines developed in consultation with the director of the budget and the State Building Commission.

Pursuant to and consistent with its authority under the North Carolina General Statutes, including G.S. 116-11(13), the Board of Governors adopts the following policy regarding authority of the president and boards of trustees of the constituent institution to approve and administer certain capital improvement projects.

II. Approval and Administration of Certain Capital Improvement Projects

A. General Delegations of Authority to the President and Boards of Trustees for Approval of Certain Capital Improvement Projects Pursuant to G.S. 143C-8-12.

1. The Board of Governors delegates to the president and the boards of trustees the power to approve capital improvement projects that are funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money with a total project budget of less than \$750,000.¹ The president's authority may be exercised on behalf of the UNC System Office, affiliates , or the constituent institutions in the president's discretion. Capital improvement projects that are funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money with a total project budget of \$750,000 or more must be approved by the Board of Governors.

2. The Board of Governors delegates to the president and the boards of trustees authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money.²

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3. The Board of Governors delegates to the president the authority to approve an increase of up to 10 percent of the cumulative value of an originally-awarded construction contract for a System Office, affiliate, or constituent institution capital improvement project previously authorized by the Board of Governors.

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4. After the long-term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short-term financing. The president shall report any such actions to the Committee on Budget and Finance at its next meeting.

B. General Delegation of Authority to the President and Boards of Trustees for the Administration of Design and Construction of Certain Capital Improvement Projects Using Public Money.

1. In accordance with The UNC Policy Manual, Appendix 1, Para. VI, the Board of Governors delegates to the boards of trustees, subject to policies of the Board of Governors and all legal requirements relative to the construction of state-owned buildings, the responsibility for the following matters concerning campus capital construction projects which have been approved by the Board of Governors and authorized by the State of North Carolina: (1) the selection of architects or engineers for buildings and improvements requiring such professional services; (2) the approval of building sites; (3) the approval of plans and specifications; and (4) the final acceptance of completed buildings and projects. Consistent with UNC Policy 200.1, the president has authority to execute design and construction contracts for capital improvement projects; this authority may be delegated.

2. The Board of Governors delegates to the president the authority for the administration of design and construction contracts for capital improvement projects, which have been approved by the Board of Governors and authorized by the State of North Carolina, requiring the estimated expenditure of public money of \$4,000,000 or less. The president's authority may be exercised on behalf of the UNC System Office, affiliates, or the constituent institutions in the president's discretion, subject to G.S. § 116-31.11.

3. The Board of Governors delegates to the board of trustees the authority for the administration of constituent institution design and construction contracts of capital improvement projects, which have been approved by the Board of Governors and authorized by the State of North Carolina, requiring the estimated expenditure of public money less than \$750,000.

C. Additional Delegations of Authority to the Boards of Trustees for Administration of Capital Improvement Projects.

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Deleted: 1. The Board of Governors may delegate to the president additional authority to approve capital improvement projects funded entirely with non-General Fund money that are projected to cost less than \$1,000,000.³

1. Upon request by the board of trustees of a constituent institution and with the recommendation of the president, the Board of Governors may delegate to the board of trustees of a constituent institution additional authority to administer capital

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Deleted: or affiliated entity

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improvement projects funded with public money that are projected to cost less than \$2,000,000.⁴

Deleted: entirely

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2. The senior vice president for finance and administration, in consultation with the senior vice president and general counsel, shall establish the process by which a constituent institution may request and maintain delegated authority consistent with G.S. 116.31.11 and other relevant state law. The minimum criteria a constituent institution must meet to receive and maintain authorization from the Board of Governors shall include, but not be limited to, the following:

Deleted: 3. Should the Board of Governors delegate additional authority to one or more boards of trustees or affiliated entities consistent with paragraph 2., above, the president shall automatically receive authority to approve capital improvement projects at a level equal to the highest level of authority delegated to a board of trustees or affiliated entity. The president's authority may be exercised on behalf of the UNC System Office, affiliated entities, or the constituent institutions in the president's discretion.¶

Deleted: 4.

Deleted: 143C-8-12

Deleted: , performance of a written, comprehensive self-assessment that demonstrates

a. The constituent institution demonstrates it has the administrative, technical, and support resources necessary to properly administer capital projects in compliance with the General Statutes of North Carolina, State Construction Office requirements, and UNC System Office standards.

Deleted: has performed a written, comprehensive self-assessment that

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b. The chancellor has certified in writing that the constituent institution will maintain the administrative, technical, and support resources necessary to properly administer capital projects in compliance with the General Statutes of North Carolina, State Construction Office requirements, and UNC System Office standards.

c. The constituent institution has an architect or engineer licensed in the State of North Carolina in a minimum of two key management positions. At a minimum, the associate vice chancellor over design and construction of capital projects or equivalent shall be a registered architect or licensed engineer in the State of North Carolina with substantial experience in managing capital improvement projects. The requirements for professional licensure or registration may be waived if the key personnel have comparable certifications, education, training, and work experience.

Deleted: c. The constituent institution has a properly constituted and active campus capital project review committee comprised of individuals with sufficient technical expertise, strategic perspective and executive authority to perform the duties required herein.¶

Deleted: d.

Deleted: an individual on staff

Deleted: and the chancellor has designated that individual as the campus capital project coordinator

d. The constituent institution has appropriate and sufficient technical and professional staff with demonstrated capability in the planning, financing, and oversight of capital improvement projects.

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e. An assessment team, assembled and led by the senior vice president for finance, has reviewed the constituent institution's self-assessment, has performed an on-site capabilities appraisal that confirms the institution's self-assessment, and has recommended delegation to the president.

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Constituent institutions will be reviewed for re-authorization under this section on a periodic basis, to be established by the senior vice president for finance and administration, but not less than every three years.

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3. The president or the Board of Governors may revoke or suspend the additional delegated authority of a constituent institution for any reason in its sole discretion. Once authority has been revoked or suspended all future capital improvement projects for the institution involved shall be completed in accordance with the General Statutes of North Carolina and the general delegations of authority provided for in section II.B of this policy. In addition to the foregoing, the additional delegated authority for the administration of

Deleted: Upon review in response to a request for re-authorization or in response to a report of noncompliance with this policy or its associated regulations, for good cause, and consistent with G.S. 143C-8-12 and other relevant state law, t

Deleted: or take other remedial action as the president deems necessary and appropriate.

Deleted: pursuant to this policy,

capital improvement projects shall be immediately suspended if the position for the associate vice chancellor over design and construction (or equivalent position) becomes vacant. Newly established capital projects shall be administered under the general delegated authority while the position is vacant. The additional delegated authority will be reinstated when the position is filled consistent with II.C.2.c of this Policy.

III. Construction Delivery Method Reporting Requirement. In accordance with G.S. 143-133.1, constituent institutions that contract with a construction manager at risk, designer-builder, or private developer under a public-private partnership shall report to the System Office (in a manner prescribed by the president or the president's designee) the following information within 60 days of award for contracts utilizing such alternative delivery methods:

- A. A detailed explanation of the reason why the particular construction manager at risk, design-builder, or private developer was selected;
- B. The terms of the contract with the construction manager at risk, design-builder, or private developer;
- C. A list of all other firms considered but not selected as the construction manager at risk, design-builder, or private developer;
- D. A report on the form of bidding utilized by the construction manager at risk, design-builder, or private developer on the project; and
- E. A detailed explanation of why the particular delivery method was used in lieu of the delivery methods identified in G.S. 143-128(a1) subdivisions (1) through (3) and the anticipated benefits to the public entity from using the particular delivery method.

The information shall be collectively reported annually to the Board for all projects awarded during the fiscal year and submitted with the annual report of the Committee on Budget and Finance.

IV. Procedures and Reporting Requirements. The senior vice president for finance and administration shall have general authority to establish such procedures and reporting requirements for constituent institutions and affiliated entities as may be prudent to enable implementation of this policy and associated regulations.

V. Other Matters

- A. Effective Date. The requirements of this policy shall be effective on the date of adoption by the Board of Governors.
- B. Relation to Other Laws. This policy is designed to supplement, and does not purport in any way to supplant or modify, those statutory enactments and rights which may govern capital improvement projects in the State of North Carolina.
- C. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted by the president.

Deleted: III. Administration of Design and Construction of Certain Capital Improvement Projects. Delegations of the Board of Governors authority for the administration of design and construction of capital improvement projects requiring the estimated expenditure of public money of \$2,000,000 or less shall be in accordance with G.S. 116-31.11 and "The University of North Carolina Design and Construction Guidelines." ¶

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¹This delegation of authority shall be interpreted consistent with G.S. 143C-8-12. See also Appendix 1 to *The Code* and Section 200.6 of the UNC Policy Manual.

²Unless otherwise indicated by the Board of Governors, this delegation of authority to boards of trustees to approve advance planning efforts shall not be further delegated.

⁴See endnote 1, above.

THE CODE

Appendix 1 -

DELEGATIONS OF DUTY AND AUTHORITY TO BOARDS OF TRUSTEES

Pursuant to authority vested in it by the General Statutes (G.S.), and consistent with the provisions of *The Code of the University of North Carolina (The Code)*, the Board of Governors hereby delegates to the boards of trustees of the constituent institutions of the University of North Carolina System the following duties and powers:

I. ACADEMIC AND ADMINISTRATIVE PERSONNEL

A. Appointment and Compensation

1. Upon recommendation of the chancellor, the board of trustees of a special responsibility constituent institution with management flexibility for personnel appointments shall, for all positions exempt from the North Carolina Human Resources Act except the position of the chancellor, appoint, promote, and set the compensation for such employees consistent with the policies and salary ranges set by the Board of Governors and the regulations and guidelines established by the Office of the President.

2. Personnel actions at a constituent institution, other than a special responsibility constituent institution with management flexibility, shall be governed as follows:

a. With respect to all faculty positions with permanent tenure and all senior administrative positions, namely vice chancellors, provosts, deans and directors of major educational and public service activities, the chancellor, following consultation with the board of trustees, shall forward to the president recommendations with respect to such appointments, promotions, and compensation; if the president concurs in such recommendations, the president shall forward them to the Board of Governors for approval. Notwithstanding the requirements of this paragraph, a board of trustees may promote in rank a faculty member with permanent tenure, upon the recommendation of the chancellor, and without approval by the Board of Governors.

b. With respect to all faculty and administrative positions other than those identified in subparagraph 2.a., above, and other than those subject to the North Carolina Human Resources Act, the chancellor shall forward the chancellor's recommendations for appointment, promotion, and compensation to the board of trustees; subject to applicable provisions of *The Code* and to such policies as may be established by the Board of Governors, the action of the board of trustees with respect to such personnel actions shall be final.

B. Discharge or Suspension

Subject to regulations of the board of trustees and consistent with applicable policies of the Board of Governors, all discharges or suspensions of faculty members and administrative personnel, other than those subject to the North Carolina Human Resources Act, shall be effected by the

chancellor. A discharged or suspended employee shall have such rights of appeal from the action of the chancellor as may be prescribed by *The Code*, policies of the Board of Governors, or regulations of the board of trustees.

C. Personnel Policies

The board of trustees may adopt personnel policies not otherwise prescribed by state law, *The Code*, or policies of the Board of Governors, for personnel in all categories of university employment. Policies adopted by a board of trustees regarding academic tenure and promotion shall be effective upon review by the senior vice president for academic affairs and the vice president and general counsel, and approved by the president.

D. Chancellor Selection

In the event of a vacancy in the chancellorship, the board of trustees shall establish, in consultation with the president, a search committee composed of representatives of the board of trustees, the faculty, the student body, staff, the alumni, the local community, and other campus constituencies as may be appropriate. Upon the establishment of the search committee, the chair of the board of trustees, in consultation with the president shall establish a budget and identify staff for the committee.

The search committee, through the chair of the board of trustees, shall make a preliminary report to the president when the committee is preparing a schedule of initial interviews. At the completion of the campus interview process, the search committee shall recommend an unranked slate of no fewer than two candidates to the trustees for consideration.

The board of trustees, following receipt of the report of the search committee, shall, subject to the direction of the president, recommend an unranked slate of no fewer than two candidates for consideration by the president in designating a nominee for the chancellorship for approval by the Board of Governors.

II. ACADEMIC PROGRAM

The board of trustees shall be responsible for ensuring the institution's compliance with the educational, research, and public service roles assigned to it by the Board of Governors, either by express directive or by promulgated long-range plans of the Board of Governors.

III. ACADEMIC DEGREES AND GRADING

Subject to authorization by the Board of Governors of the nature and general content of specific degree programs which may be offered by an institution, each institution shall determine whether an individual student shall be entitled to receipt of a particular degree. Each institution also shall determine what grade a student will be assigned in a particular course. No appeal from any of these decisions or any other academic determination is allowable to the president or to the Board of Governors.

IV. HONORARY DEGREES, AWARDS AND DISTINCTIONS

The board of trustees shall be responsible for approving the names of all individuals on whom it is proposed that an honorary degree or other honorary or memorial distinction be conferred by the institution, subject to such policies as may be established by the Board of Governors.

V. BUDGET DEVELOPMENT AND ADMINISTRATION

On an annual basis, the board of trustees shall approve a comprehensive, “all-funds” budget of the constituent institution for the upcoming fiscal year. The budget shall reflect estimated General Fund, Institutional Trust Fund, and other revenues and expenditures as defined by and in a manner prescribed by the president or the president’s designee. The board of trustees’ approval of a constituent institution all-funds budget shall not be delegated and shall be made by the full board of trustees.

The board of trustees shall advise the chancellor with respect to the development, execution, and administration of the budget of the constituent institution, consistent with actions by the General Assembly and the Board of Governors.

VI. PROPERTY AND BUILDINGS

The board of trustees of a constituent institution shall be responsible, subject to policies of the Board of Governors and all legal requirements relative to the construction of state-owned buildings, for the following matters concerning campus capital construction projects which have been approved by the Board of Governors and authorized by the state of North Carolina: (1) the selection of architects or engineers for buildings and improvements requiring such professional services; (2) the approval of building sites; (3) the approval of plans and specifications; and (4) the final acceptance of all completed buildings and projects.¹

The board of trustees of a constituent institution shall have the authority to approve capital improvement projects that are funded entirely with non-General Fund or non-State Capital and Infrastructure Fund money with a total project budget of less than \$750,000.

The board of trustees of a constituent institution shall have the authority to approve advance planning of capital improvement projects, where the advance planning effort is to be funded entirely with non-General Fund money. Unless otherwise indicated by the Board of Governors, this delegation of authority to boards of trustees to approve advance planning efforts shall not be further delegated.

The board of trustees of a constituent institution shall have the authority for the administration of constituent institution design and construction contracts for capital improvement projects, which have been approved by the Board of Governors and authorized by the State of North Carolina, requiring the estimated expenditure of public money less than \$750,000.

Upon request by the board of trustees of a constituent institution and with the recommendation of the president, the Board of Governors may delegate to the board of trustees of a constituent institution additional authority to administer capital improvement projects funded with public money with a total project cost less than \$2,000,000¹.

The board of trustees shall be responsible to the Board of Governors for preparing and maintaining a master plan for the physical development of the institution, consistent with the total academic and service mission of the institution as defined and approved by the Board of Governors.

Any proposal involving the acquisition or disposition by an institution of any interest in real property shall be recommended by the board of trustees to and shall be approved by the Board of Governors; provided, that:

- a. If a proposal involves acquisition or disposition of any interest in real property other than a leasehold, the board of trustees may authorize such a transaction with a value less than \$500,000, and the president may authorize such a transaction with a value less than \$750,000, without obtaining approval of the Board of Governors; and

b. If a proposal involves acquisition or disposition of a leasehold interest in real property, the board of trustees may authorize such a transaction with an annual value less than \$500,000 and a term of not more than 10 years, and the president may authorize such a transaction with annual value less than \$750,000 and a term of not more than 10 years, without obtaining approval of the Board of Governors;² and

c. If the president or a board of trustees of a constituent institution has been delegated additional authority by the Board of Governors to do so under Section 600.1.3 of the UNC Policy Manual, the president or board of trustees of a constituent institution may authorize acquisition or disposition of an interest in real property with a value greater than that listed in paragraphs (a) and (b), above, without obtaining approval of the Board of Governors.

The Board of Governors, under circumstances which it considers appropriate and following notice from it to the board of trustees, may take action necessary to effect the acquisition or disposition of an interest in real property which is related to or which affects the institution, without receipt of a recommendation from the board of trustees.³

All delegations of authority in this section are subject to any necessary authorizations and approvals from state officials and agencies.

VII. ENDOWMENTS AND TRUST FUNDS

Subject to applicable provisions of state law and to such terms and conditions as may be prescribed from time to time by the Board of Governors, each board of trustees shall be responsible for the preservation, maintenance, and management of all properties, both real and personal, funds and other things of value which, either separately or in combination, constitute all or any part of the authorized endowment or trust funds, either currently in existence or to be established in the future, for the benefit of the individual constituent institution. [See G.S. 116-11(2); 116-12; 116-36; 116-36.1; 116-36.2]

VIII. ADMISSIONS

Subject to such enrollment levels and minimum general criteria for admission as may be established for a constituent institution by the Board of Governors, each constituent institution of the University of North Carolina System shall establish admissions policies and resolve individual admission questions for all schools and divisions within the institution. No appeal concerning an individual admission case shall lie beyond the institutional board of trustees.

IX. TUITION, FEES, AND DEPOSITS

A. General Authority of Boards of Trustees

The boards of trustees of the constituent institutions other than the board of the North Carolina School of Science and Mathematics shall cause to be collected from each student, at the beginning of each semester, quarter, or term, such tuition, fees, and other amounts necessary to pay other expenses for the term, as have been approved by the Board of Governors. [See G.S. 116-11(7) and G.S. 116-143]

B. Tuition and Fee Deposits

Each board of trustees shall require the payment of such advance deposits, at such times and under such conditions as it determines are appropriate or as may be required by state law or by the Board of

Governors. [See G.S. 116-143]

C. Application Fee

Each board of trustees shall require the payment of such nonrefundable application fees, in connection with each application for admission, as may be required by state law or by the Board of Governors. [See G.S. 116-143]

D. Acceptance of Obligations in Lieu of Cash

Subject to policies prescribed by the Board of Governors, the boards of trustees shall establish regulations concerning the acceptance of obligations of students, together with such collateral or security as may be deemed necessary or proper, in lieu of cash, in payment of tuition and fees. [See G.S. 116-143]

E. Fee Recommendations

Subject to policies prescribed by the Board of Governors, each board of trustees, in consultation with the chancellor, shall recommend to the president the amounts to be charged at the constituent institution for application, athletics, health services, student activities, educational and technology, retirement of debt incurred for capital improvements projects authorized by the General Assembly, course, and special fees. In carrying out this responsibility, each board of trustees and the chancellor shall ascertain that the benefits of the activity or service are commensurate with the recommended fee which is required to support the activity or service. Recommended fees should be consistent with the philosophy set forth in the North Carolina Constitution which states that the benefits of the University of North Carolina System should be extended to the people of the state free of expense, as far as practicable.

X. STUDENT FINANCIAL AID

All scholarships and other forms of financial aid to students which are limited in their application to or are supported from sources generated by an individual campus shall be administered by the constituent institution pursuant to such regulations as may be prescribed by the board of trustees and subject to the terms of any applicable laws and to policies of the Board of Governors.

XI. STUDENT SERVICES

Each board of trustees, upon recommendation of the chancellor, shall determine the type, level, and extent of student services (such as health care, athletic programs, and counseling) to be maintained for the benefit of students at the institution, subject to general provisions concerning types and levels of student services as may be prescribed by the Board of Governors.

XII. STUDENT ACTIVITIES AND GOVERNMENT

Under such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the regulation and approval of organized, institutionally recognized student activities, the definition of roles and functions of any institutionally recognized system of student self-government and student participation in the governance of any aspect of the institutional programs and services. No appeal concerning such activities are allowable to the president or to the Board of Governors.

XIII. INTERCOLLEGIATE ATHLETICS

Subject to such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the establishment and supervision of the institution's program of intercollegiate athletics.

XIV. TRAFFIC AND PARKING REGULATIONS⁴

XV. CAMPUS SECURITY

Subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the board of trustees, the chancellor shall be responsible for the maintenance of campus security

XVI. Pursuant to applicable provisions of state law and policies of the Board of Governors, the boards of trustees of affected constituent institutions shall have authority and responsibility for the adoption of policies applicable to and the control and supervision of campus electric power plants and water and sewer systems, other utilities and facilities [G.S. 116-35], and child development centers [G.S. 116-38].

¹See Section 600.1.1 of the UNC Policy Manual for additional detail.

²The value of an interest in real property shall, with respect to a leasehold interest, be deemed the annual rental value thereof.

³Board of trustees are authorized to delegate to the respective chancellors the power to authorize for the institutions the acquisition or disposition of any interest in real property valued at less than \$50,000, subject to any necessary approval from state officials and agencies, in accordance with Section 600.1.3 of the UNC Policy Manual.

⁴Legislation adopted by the 1973 session of the General Assembly, on recommendation of the Board of Governors, gave the boards of trustees broad authority in this area and superseded the authority originally granted in this paragraph; hence it is omitted here. [See G.S. 116-44.3, *et. seq.*]