

DRAFT MINUTES

July 19, 2023
Via Videoconference and PBS North Carolina Livestream
The UNC System Office
223 S. West Street, Board Room (17th Floor)
Raleigh, North Carolina

Call to Order

The University of North Carolina Board of Governors met on July 19, 2023, at the UNC System Office in Raleigh, North Carolina. Chair Randy Ramsey called the meeting to order at 11:04 a.m. He welcomed everyone to the meeting. He stated that the meeting is denoted as a special meeting of the Board, meaning those members who have joined by electronic means will count toward quorum and may vote in today's meeting.

Invocation

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

Roll Call

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

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| Lee Barnes | Reginald R. Holley |
| Kellie Hunt Blue | Mark Holton |
| Kirk J. Bradley | Terry Hutchens |
| Harry Brown | J. Alex Mitchell |
| Pearl Burris-Floyd | Wendy Floyd Murphy |
| C. Philip Byers | Sonja Philips Nichols |
| Swadesh Chatterjee | Art Pope |
| Jimmy D. Clark | Randy Ramsey |
| Gene Davis | Lee Roberts |
| Joel Ford | Temple Sloan |
| John Fraley | Woody White |
| Estefany Gordillo-Rivas | Michael Williford |

The following members were absent:

Carolyn Coward

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.

Chair's Report

Chair Ramsey deferred his report until later in the meeting.

President's Report

President Hans spoke on the topic of college admissions. He stated the big challenge facing American higher education is not a scarcity of highly selective admission slots. He said our public universities are focused on getting more students in and on the affordable path to graduation. He brought up the fact that a million college students are missing from across the nation; they are not enrolling in universities or community colleges. This concern represents a cultural and economic shift, a symptom of social disconnection. He stressed how technology and automation may now disrupt the settings where many of our graduates make their living. He reminded us of the importance of the need to refresh our human intelligence to adapt and thrive. He is concerned that higher education has become distracted from its core mission. To answer these challenges, he states it will take real focus and commitment. The System will continue the mission of service and prepare our teachers for the coming generations. For President Hans' complete report, please see APPENDIX A.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 5 on the day's agenda. Chair Ramsey entertained a motion to approve the consent agenda items. The motion was properly seconded, and the motion passed.

Minutes

- a. Minutes (Open) of May 25, 2023

Committee on Budget and Finance

- b. Sale of Special Obligation Bonds – North Carolina Agricultural and Technical State University APPENDIX B
- c. Loan Agreement and Promissory Note – University of North Carolina at Pembroke APPENDIX C
- d. Capital Improvement Projects APPENDIX D
- e. Disposition of Property by Lease – NC State University APPENDIX E

Committee on Educational Planning, Policies, and Programs

- f. Section 400.3.4 of the UNC Policy Manual, *Policy on Monitoring Faculty Teaching Workloads* (amend) (approved May 24, 2023) APPENDIX F

Report of the Committee on Budget and Finance

Mr. Roberts, chair of the committee, reported that at the morning committee meeting, the University of North Carolina at Chapel Hill Chancellor Kevin Guzkiewicz answered questions about the institution's plans to cover out-of-pocket costs for tuition and fees—after applying other grants and scholarships—for North Carolina undergraduates whose families make less than \$80,000 and have typical assets. He noted that the university is not waiving tuition and fees and that no additional state funds or tuition dollars will be used to make the commitment.

He stated that the 2023-24 conference budget has not yet been approved by the North Carolina General Assembly, and they anticipate the budget will be enacted into law before the next board meeting.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Committee on Budget and Finance be delegated the authority to allocate funds made available by the General Assembly, if the state budget is ratified prior to the next Board meeting. There would be a special meeting for this purpose and the entire Board would be invited to participate, either in-person or via Zoom. APPENDIX G

Motion: Mr. Roberts

Motion carried

Mr. Roberts indicated the committee also reviewed and approved several routine and transactional items: the sale of special obligation bonds for North Carolina A&T to finance the construction of the Bluford Street Residence Hall; the loan agreement and promissory note for UNC Pembroke to finance the construction of the Campus Recreation/Baseball Softball Outdoor Complex; and the refinance of UNC Pembroke's share of the outstanding 2008A UNC System Pool Revenue Bonds. Capital improvement requests included the authorization of seven new projects at five institutions for approximately \$11.9 million and approximately \$2.4 million in increased authorizations, and authorization for NC State to dispose of 0.13 acres by ground lease to the USDA's Agricultural Research Service. These last four items were approved by the full Board through the consent agenda. Senior Vice President Jennifer Haygood announced that the Report on Need-Based Aid from Tuition (APPENDIX H) and the University of North Carolina Quarterly Capital Project Report (APPENDIX I) for July 1, 2023, were completed and available on BoardEffect.

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

Secretary McCullen offered the following motion:

Motion: Resolved, that the Board go into closed session pursuant to N.C. General Statutes §143-748 and §143-318.11(a)(1), (2), (3), and (6), for the purposes stated in the written motion that was included in the meeting materials, which have been publicly noticed (APPENDIX J). The motion was properly seconded.

Motion: Mr. Byers

Motion carried

The Board went into closed session at 11:21 a.m. and returned to open session at 12:07 p.m.

Report of the Presidential Assessment Committee

Mr. Ramsey, chair of the Board, addressed the many accomplishments of the leadership provided by President Hans and the Board. He praised President Hans for creating more efficient operations and better value for the taxpayers. He also mentioned how President Hans won the confidence of state lawmakers in both parties, and opened doors for students who once thought a college degree was unattainable. He reviewed how the System, under the president's leadership, has streamlined the NC Scholarship program, supported security training for campus law enforcement, and addressed behavioral health issues across the System. He said that President Hans embodies passion, commitment, accountability, responsibility and a spirit of learning and servant leadership—all values we hope our students will bring to the world. Based on the review of President Hans' performance on the quantitative metrics set by the Board last year, along with its assessment of his leadership and management of the UNC System, the Presidential Assessment Committee unanimously recommended the Board approve the resolution for the incentive compensation contribution in the Senior Administrative Officer Retirement Program.

Motion: Resolved, that on behalf of the Presidential Assessment Committee, I move that the Board of Governors vote to approve the resolution calling for a one-time incentive compensation payment for the president in the

amount of \$475,200 to be made as a contribution to the president's Senior Administrative Officer Retirement Program. (APPENDIX K)

Motion: Chair Ramsey

Motion carried

There being no further business and without objection, the meeting was adjourned at 12:13 p.m. The next meeting of the Board of Governors is scheduled for Thursday, September 14, 2023, at the UNC System Office in Raleigh, North Carolina.

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>

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| Appendix A | President Hans' Report |
| Appendix B | Sale of Special Obligation Bonds – North Carolina Agricultural and Technical State University |
| Appendix C | Loan Agreement and Promissory Note – University of North Carolina at Pembroke |
| Appendix D | Capital Improvement Projects |
| Appendix E | Disposition of Property by Lease – NC State University |
| Appendix F | Section 400.3.4 of the UNC Policy Manual, <i>Policy on Monitoring Faculty Teaching Workloads</i> (amend) (approved May 24, 2023) |
| Appendix G | Authorization of Delegated Authority 2023-2024 Allocation of Funds |
| Appendix H | Budgeted Tuition Revenue Allocated to Need-Based Financial Aid |
| Appendix I | Capital Project Report |
| Appendix J | Closed Motion Full Board |
| Appendix K | Resolution for Incentive Compensation Contribution for President Hans |