

## DRAFT MINUTES

September 18, 2025

Via Videoconference and PBS North Carolina Livestream

University of North Carolina System Office

223 S. West St., Board Room

Raleigh, North Carolina

### Call to Order

The University of North Carolina Board of Governors met on September 18, 2025, at the UNC System Office, Raleigh, North Carolina. Chair Wendy Murphy called the meeting to order at 10 a.m. She welcomed everyone and recognized Ms. Kaity McNeill, the new associate secretary joining the Office of the Secretary. Chair Murphy shared her comments and thoughts on the recent assassination of Charlie Kirk, stating that we have a responsibility to set the example of how to act and live, setting the tone to ensure we continue to be a country that truly values freedom of speech. She stressed that we must ensure that our campuses, communities, and classrooms are a safe place where “everyone can gather to share without prejudice or fear.”

### Invocation

Chair Murphy called on Mrs. Kathryn Crisp Greeley to give the invocation. Chair Murphy called upon Secretary Burris-Floyd to call the roll.

### Roll Call

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

|                       |                        |
|-----------------------|------------------------|
| Dr. Lee Barnes        | Reginald R. Holley     |
| Kellie Hunt Blue      | Mark Holton            |
| Kirk J. Bradley       | Terry Hutchens         |
| Harry Brown           | Javier Limon           |
| Pearl Burris-Floyd    | J. Alex Mitchell       |
| C. Philip Byers       | Wendy Floyd Murphy     |
| Swadesh Chatterjee    | Sonja Phillips Nichols |
| Jimmy D. Clark        | Art Pope               |
| Carolyn Coward        | Randy Ramsey           |
| Gene Davis            | Woody White            |
| Joel Ford             |                        |
| Kathryn Crisp Greeley |                        |

The following members were absent:

John Fraley  
Michael Williford

### **State Ethics Act**

Chair Murphy 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 Murphy started by sharing that enrollment is up 3.4 percent Systemwide. She appreciated the leadership of the president and chancellors in holding tuition steady for nearly a decade and recognized the investment of the taxpayers of North Carolina in making this possible. She then announced that after careful consideration, the Board will allow the universities to propose modest tuition increases of up to three percent for resident undergraduates. She stated that an increase in resident undergraduate tuition will apply only to new students who enroll in the fall of 2026, with a cap on student fees. Any request to add to mandatory fees will undergo careful review. Even with the adjustment in tuition, Chair Murphy affirmed that tuition for North Carolina students will remain among the lowest in the nation. She explained that campuses will develop proposals with community input, and boards of trustees must approve those proposals before they come to this Board for review in February 2026. The Board will scrutinize every request to ensure it is consistent with our mission. She closed her remarks by stating that the Board acknowledges the reality of rising costs and the need to protect our institutions, preserve the quality of instruction, and ensure student success. She then called on President Peter Hans for his report.

### **President's Report**

President Hans spoke about artificial intelligence (AI) and what it means for the future of higher education. He expressed excitement over the discovery and promise of AI, outlining various AI initiatives currently taking place at UNC System institutions. He expanded his thoughts on the type of work we expect students to create using AI tools, and how the University will manage the risks it poses as an enterprise. While he is excited about AI as an educational tool for research and collaboration, as well as for teaching and improving day-to-day operations, he outlined his concerns, including the threat AI poses to our ability to find "true knowledge" and its potential to overwhelm users with generated nonsense in the pursuit of wisdom. He also expressed concern about the motivation of those who will choose not to do the heavy and deep thinking required of learners, i.e., "cognitive offloading," and how that will impact the University's mission when human intelligence is at the core of what we do. The president also noted AI's potential to accelerate the slide into isolation and anxiety for those that rely on it. He finished his report by outlining support measures for institutions, and by encouraging everyone to be alert to the opportunities and the challenges that AI holds for us all, stating that we "can't outsource life to artificial intelligence." For President Hans' complete report, please see APPENDIX A.

### **Consent Agenda Items**

Chair Murphy referred to the consent agenda items listed as Item 5 on the day's agenda. Chair Murphy asked if there were any items that members of the Board would like to have removed for discussion. There were none. Chair Murphy entertained a motion to approve the consent agenda items. The motion was properly seconded, and the motion passed.

#### Minutes

- a. Subcommittee on Laboratory Schools Minutes (Open) of June 30, 2025
- b. Minutes (Open) of July 24, 2025

#### Committee on Budget and Finance

- |                                                                          |            |
|--------------------------------------------------------------------------|------------|
| c. 2025 Hurricane Helene Grant Allocations                               | APPENDIX B |
| d. Capital Improvement Projects                                          | APPENDIX C |
| e. Disposition of Property by Lease — East Carolina University           | APPENDIX D |
| f. Acquisition of Property by Deed — North Carolina A&T State University | APPENDIX E |
| g. 2025-26 Operating Budget Allocations                                  | APPENDIX F |

- h. 2025-26 State Capital and Infrastructure Fund (SCIF) Repairs and Renovations (R&R) Allocations APPENDIX G
- i. Section 1000.2.3 of the UNC Policy Manual, *Policy on Tuition Discounts for Military-affiliated and Employer-sponsored Students* (adopted) (approved July 24, 2025). APPENDIX H

Committee on Educational Planning, Policies, and Programs

- j. UNC System Academic Degree Program Actions APPENDIX I
- k. Comprehensive Articulation Agreement Annual Report APPENDIX J
- l. Revisions to Comprehensive Articulation Agreement APPENDIX K

Committee on University Governance

- m. Department of Defense Security Clearance Resolution APPENDIX L

Committee on Audit, Risk Management, and Compliance

- n. CARMC and IA Charters (Oversight Responsibilities and Operating Procedures) APPENDIX M
- o. UNC System Office 2025-26 Internal Audit Plan APPENDIX N

Chair Murphy then called on Mr. Bradley for the report of the Committee on Budget and Finance.

**Report of the Committee on Budget and Finance**

Mr. Bradley, chair of the committee, stated that the committee met virtually on September 15, during which it approved its Annual Report, summarizing the actions of the committee during FY25, and reviewed the FY25 Alternative Project Delivery Report. Next, the committee reviewed and approved four routine and transactional items that were included on the consent agenda that the Board just approved. Mr. Bradley stated that during its regular meeting on September 17, the committee received presentations on the General Fund Budget and 2026-27 Tuition and Fees Instructions. These presentations were for information, and no votes were required. The committee reviewed and approved the 2025-26 Operating Budget Allocations as well as FY26 State Capital and Infrastructure Fund allocations for repairs and renovations projects totaling just under \$45 million. These two items were also included on the consent agenda, and the full details are included on BoardEffect. The committee also approved an amendment to Section 600.1.3 of the UNC Policy Manual, *Policy on Authority for Real Property Transactions*. The amendment increases the authority levels for delegated real property transactions, defines real property terms, and aligns with the policies for millennial campuses and associated entities. This item will be voted on by the full Board through the consent agenda at its next meeting. Finally, the committee reviewed and approved the recommended Performance Funding Reallocations (APPENDIX O). It is proposed that each institution contribute to a \$30 million performance pool through a proportional, recurring reduction based on its FY24 operating revenues and State appropriations. The performance pool will then be allocated annually based on the Board-approved performance funding model.

**Motion:** Resolved, on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the performance funding reallocations.

**Motion:** Mr. Bradley

**Motion carried**

Chair Murphy called on Mr. Hutchens for his report from the Committee on Educational Planning, Policies and Programs.

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

Mr. Hutchens, chair of the committee, said the committee reviewed and approved the committee's 2024-25 Annual Report, four new academic degree program establishments, and three academic degree program

discontinuations/consolidations, all of which were earlier approved by the full Board through the consent agenda. The committee also reviewed and approved revisions to Section 700.7.1 of the UNC Policy Manual, *Policy on Military Student Success*; and Section 400.1.6 of the UNC Policy Manual, *Policy on the University of North Carolina Academic Calendar and Credit Requirements*, both of which will be considered by the full Board on the consent agenda at the next meeting. The committee reviewed and approved the Comprehensive Articulation Agreement Annual Report (APPENDIX P), which documents increases in NCCCS-to-UNC transfers in fall 2024 (10,049 total transfers, the first uptick since 2018) and confirms that students who complete the AA/AS before transfer perform comparably to native juniors at the institution. The report outlines continued work on transfer efficiency, technology for credit mobility, and governance alignment. The committee considered and approved revisions to the Comprehensive Articulation Agreement that clarify language and policy, so institutions apply the agreement consistently statewide; reflect recommendations from the 2025 biannual review; and add appendices that formalize appeals, requests to the Transfer Advisory Committee, and updates to the Transfer Course List. Both the Annual Report and the Proposed Revisions to the Comprehensive Articulation Agreement were approved by the Full Board through the consent agenda earlier and will be voted on by the NC State Board of Community Colleges at an upcoming meeting. Finally, the committee received an overview of the annual report on admissions to the UNC System of students who graduated from a North Carolina Cooperative and Innovative High School, heard an update on the Request for Proposals for the Student Health Insurance Plan for the University of North Carolina System, and received preliminary enrollment figures for fall 2025 from President Hans. Mr. Hutchens called on Mr. Byers for his report of the Subcommittee on Laboratory Schools.

#### **Report of the Subcommittee on Laboratory Schools**

Mr. Byers, chair of the subcommittee, reported that the committee met on June 30, 2025, to receive an update from the University of North Carolina at Charlotte on the dissolution of Niner University Elementary. Subcommittee members heard from Chancellor Sharon Gaber as she presented details of the mutual termination agreement that ended lab school operations at Niner University Elementary as of June 30, 2025. The subcommittee voted to approve the dissolution plan that ensured students of Niner University Elementary would be successfully transitioned back to Charlotte-Mecklenburg schools as required by statute. Mr. Byers expressed his deep gratitude to Chancellor Gaber, Cato College of Education Dean Malcolm Butler, and the faculty and staff serving Niner University Elementary's students and their families for five academic years.

Chair Murphy called on Mrs. Coward for her report.

#### **Report of the Committee on University Personnel**

Mrs. Coward, chair of the committee, introduced Ms. Shayna Hill, staff assembly chair, and invited her to give her final report on the UNC Staff Assembly.

Ms. Hill thanked the Board for the opportunity to speak, as her role as staff assembly chair will end in October. Ms. Hill stated that Mr. Allen Porch will be stepping in as the new chair. She thanked everyone for their passion and commitment to the staff employees across the state. She said we can choose to come together to strengthen higher education and wishes everyone a good continuance in this endeavor. Chair Murphy thanked Ms. Hill for her dedicated service.

Chair Murphy appreciated her remarks and the work of the staff at all the institutions. She called on Mr. Mitchell for the report of the Committee on University Governance.

#### **Report of the Committee on University Governance**

Mr. Mitchell, chair of the committee, reported that the committee approved for submission to the full Board the Annual Report that highlights the work the committee undertook during 2024-25. The committee also heard an update from Mr. Andrew Tripp, senior vice president and general counsel, on the Annual Report on Free Speech and Free Expression Within the University of North Carolina. The report finds that constituent institutions are

committed to promoting and protecting free speech and free expression, and that disruptions and interference at scheduled speaking or expressive events have been minimal over the past year. The committee approved the annual resolution on security clearance requirements, which was also approved by the full Board on the consent agenda. This resolution is required by the Department of Defense, so the UNC System maintains a facility security clearance in the performance of classified documents. In connection with this facility clearance, certain senior management officials must obtain an individual security clearance. This 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 also voted on an appointment to the Winston-Salem State University Board of Trustees. The appointment, which is before the full Board, is for Ms. Julia Townsend to fill a partial term starting on September 18, 2025, and ending June 30, 2027. Biographical information is in BoardEffect. (APPENDIX Q)

**Motion:** Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors approve the nomination of Julia Townsend to the Winston-Salem State University Board of Trustees to fill a partial term that ends on June 30, 2027.

**Motion:** Mr. Mitchell

**Motion carried**

Finally, the committee heard from Mr. Tripp on the Certification Reports of Section 300.8.5 of the UNC Policy Manual, *Equality Within the University of North Carolina*.

Chair Murphy thanked Mr. Mitchell. She then called on Mr. Holton for the report of the Committee on Audit, Risk Management, and Compliance.

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

Mr. Holton, chair of the committee, reported that the committee reviewed and approved a series of annual reports and received informational updates on ongoing audit, risk management, and cybersecurity evolution. The committee approved the Annual Report for 2024-25. The committee approved the 2025-26 updates to the CARMC Charter, including the Internal Audit Charter. Ms. Jennifer Myers, chief audit officer, also presented the FY26 Annual Internal Audit Plan for the System Office. The internal audit team conducted a risk assessment as part of the process to develop the annual audit plan for the 2025 fiscal year. This annual risk assessment involved identifying and ranking risks based on management input, current industry and audit trends, prior audit results, financial activity, and other factors. The results of the risk-based plan are as required by the Internal Audit Charter and the Institute of Internal Auditors (IIA) Standards. The committee voted to approve the FY26 Annual Internal Audit Plan. The FY26 Annual Internal Audit Plan for the System Office and updates to the CARMC Charter, including the Internal Audit Charter, were included on the consent agenda. Ms. Myers also presented the FY25 Annual Year-End Report from Internal Audit. The committee approved the projects from the fiscal 2025 audit plan in September 2024 and identified their status as of June 30, 2025 — the internal audit year-end report, which includes the annual disclosures required by the IIA Standards. Mr. Bryan Heckle, director of enterprise risk management, presented the Enterprise Risk Management Annual Report. Each university now has dedicated staffing with ERM responsibilities, reflecting a robust commitment to managing risk effectively. Moreover, universities within the System are increasingly leveraging technology and other resources to enhance their ERM efforts. This adoption of advanced tools, analytics, and systems underscores a proactive approach to identifying, assessing, and mitigating risks, contributing to a more resilient and forward-thinking risk management framework. Mr. Allen Lakomiak, chief information officer, and Dr. Shannon Tufts, senior advisor on cybersecurity, presented on the University of North Carolina's Cybersecurity Evolution, showcasing how far we have come from the origins of cybersecurity. The current recommendations approved by this Board continue to be strong enhancements for all our constituent institutions. As a system, we are beginning to see the benefits of these

enhancements; specifically, many of our smaller institutions are now better positioned to protect themselves from cybersecurity threats.

Chair Murphy called on Mr. Ford for the report from the Committee on Strategic Initiatives.

#### **Report of the Committee on Strategic Initiatives**

Mr. Ford, chair of the committee, said the committee met to receive an update on Project Kitty Hawk along with the launch of their yearlong discussion on achievement culture. First, the committee heard from Dr. Andrew Kelly, president and CEO of Project Kitty Hawk. Dr. Kelly began the meeting with an enrollment update about Project Kitty Hawk's Flight Path programs — notably that it celebrated its largest fall start since its inception. Today, more than 2,300 adult learners across North Carolina have been served through one of Project Kitty Hawk's Flight Path programs. Project Kitty Hawk's impact will expand further with the recent announcement of its partnerships with North Carolina Agricultural and Technical State University to launch seven Flight Path programs. The committee also heard how lessons learned from the inaugural Flight Path partnerships have identified opportunities for universities across the System to streamline the student experience, especially in admissions, transcript processing, financial aid, and registration. The committee heard from Dr. Shun Robertson, senior vice president of Strategy and Policy, who kicked off the committee's focus for this year on achievement culture. First, the committee began with an overview of when achievement culture begins to have a harmful effect on student mental health — that is when students put undue pressure on themselves to meet unrealistic expectations of achievement or even exhibit perfectionism. Dr. Robertson then pivoted the discussion to what can be done to counteract the achievement culture messages students are absorbing. This includes supporting student mental health efforts even before students arrive at one of our institutions. Also, the committee discussed how existing college access efforts at the UNC System are working to ease college admissions pressures among students. Finally, the committee discussed some mental health and resilience initiatives taking place on campuses to support mentally healthy habits for our students. Chair Murphy thanked the committee for their important work on this topic.

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Chair Murphy called on Secretary Burris-Floyd for a motion to go into closed session. (APPENDIX R).

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

**Motion:** Pearl Burris-Floyd

**Motion carried**

The Board went into closed session at 11:26 a.m. and returned to open session at 11:48 a.m.

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Chair Murphy called on Mrs. Coward for her report from the Committee on University Personnel.

#### **Committee on University Personnel**

Mrs. Coward, chair of the committee, said the committee voted on a technical change to the Optional Retirement Program (ORP), adopting a new collective investment trust to be offered in the ORP.

**Motion:** Resolved, that on behalf of the Committee on University Personnel, I move that the Board of Governors vote to approve the adoption of the collective investment trust and authorize the president or his staff to execute the required documents to enter into this arrangement as part of the ORP.

**Motion:** Mrs. Coward

**Motion carried**

In closed session, the committee voted to approve the deferred compensation and buyout provisions of the employment agreement for Mr. Steve Newmark at the University of North Carolina at Chapel Hill.

**Motion:** Resolved, that on behalf of the Committee on University Personnel, I move that the Board of Governors vote to approve the deferred compensation and buyout provisions of the employment agreement for Mr. Steve Newmark.

**Motion:** Mrs. Coward

**Motion carried**

Also, in closed session yesterday, the committee voted to allow the 11 months Chancellor Heather Norris served as interim chancellor to be credited toward the 12 months of service required to participate in the Enhanced Executive Incentive Compensation Program.

**Motion:** Resolved, that on behalf of the Committee on University Personnel, I move that the Board of Governors vote to permit Chancellor Norris' 11 months of interim service be credited toward the 12-month requirement to participate in the Enhanced Executive Incentive Compensation Program, making her eligible to receive a performance award for fiscal year 2024-25.

**Motion:** Mrs. Coward

**Motion carried**

The committee also voted to accept the 2024-25 Annual Report for submission to the full board. The report is available in BoardEffect.

Chair Murphy reminded the Board of the upcoming chancellor installations; Winston-Salem State University's on September 18, 2025, and Appalachian State University's on October 3, 2025. She also reminded the Board of the Board of Trustees Workshop being held at the Lenovo Center in Raleigh on October 15, 2025.

There being no further business and without objection, the meeting was adjourned at 11:51 a.m. The next meeting of the Board of Governors is slated as a Special Meeting and is scheduled for Thursday, October 16, 2025, at the UNC System Office in Raleigh, North Carolina.

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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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