

DRAFT MINUTES

February 26, 2026

UNC System Office

223 S. West Street, Board Room (17th Floor)

Raleigh, North Carolina

Via Videoconference and PBS North Carolina Livestream

Call to Order

The University of North Carolina Board of Governors met on February 26, 2026, at the UNC System Office, Raleigh, North Carolina. Chair Wendy Murphy called the meeting to order at 10 a.m. She welcomed special guests: Mr. Fred Aikens, chief of staff from Senator Dan Blue's office, the 2026 Marian Drane Graham Scholars, as well as Ms. Erin Hart, Ms. Shannon Trapp, and Mr. Shawn Troxler from North Carolina Agricultural and Technical State University.

Invocation

Chair Murphy called on Mr. Javier Limon to give the invocation.

Roll Call

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

Dr. Lee Barnes	Kathryn Crisp Greeley
Kellie Hunt Blue	Reginald Ronald Holley
Kirk J. Bradley	Mark Holton
Harry Brown	Terry Hutchens
Dr. Pearl Burris-Floyd	Javier Limon
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	Michael Williford
John Fraley	

The following members were absent:

J. Alex Mitchell

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. Dr. Barnes recused himself in advance of the meeting (APPENDIX A).

Presentation of the 2025 Governor James E. Holshouser, Jr. Award for Excellence in Public Service

Chair Murphy provided an overview of the Governor James E. Holshouser, Jr. Award for Excellence in Public Service. In 2007, the Board established the award specifically to encourage, identify, recognize, and reward public service by faculty of the UNC System. Now in its 18th year, this award recognizes a faculty member for their contribution to advancing public service and outreach throughout their communities and beyond. She noted that this award is a way of showing our appreciation to our faculty and our respect for what they do.

Chair Murphy thanked the Committee on Educational Planning, Policies, and Programs, chaired by Mr. Hutchens, who oversaw the award process. Mr. Hutchens appointed a subcommittee comprising of Mr. Davis, Mrs. Greeley and Mr. Limon to identify recipients who best personify what the award represents. Chair Murphy thanked the Board members for their service and called on Mr. Davis to introduce this year's recipients.

Mr. Davis stated it was a privilege to introduce the recipients of the 2025 Governor James E. Holshouser, Jr. Award for Excellence in Public Service. After consideration of many qualified nominees, the committee agreed on two applicants for this year's award. The Board recognized Dr. John Paul Jameson, Professor in the Department of Psychology at Appalachian State University and Dr. Carol Durham, Professor for the School of Nursing and Director of Education-Innovation-Simulation Learning Environment at the University of North Carolina at Chapel Hill. Mr. Davis recognized the distinguished guests and family members in attendance for both award winners. Following a video presentation highlighting the scope of their work and achievements, President Peter Hans presented Dr. Jameson and Dr. Durham with an engraved bronze medallion. For a profile of the recipients' achievements, please see APPENDIX B and APPENDIX C.

Chair Murphy called on President Hans for his report.

President's Report

President Hans spoke on the topic of academic freedom. He stated that the System is taking two important steps to strengthen our mission by adopting an actual definition of academic freedom and supporting a range of faculty and student driven work to build cultures of constructive dialogue and open discourse on our campuses. He spoke of the role that technology plays in these conversations, and how it is affecting communication. He said that if we want our universities to survive as free-thinking, truth-seeking institutions, we need to toughen up our commitment to free inquiry and civic discourse. By strengthening *The Code of the University of North Carolina* to include more detail about the purpose and parameters of academic freedom, President Hans said we "hope to make it easier for everyone to appreciate the privileges and obligations that come with serving our public universities." For additional information from his remarks, please see APPENDIX D.

Consent Agenda Items

Chair Murphy referred to the consent agenda items listed as Item 5 on the day's agenda and asked if any items should be 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. Approval of minutes (Open) of January 29, 2026

Committee on Budget and Finance

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|---|------------|
| b. Sale of Special Obligation Bonds – University of North Carolina Asheville | APPENDIX E |
| c. Capital Improvement Projects | APPENDIX F |
| d. Section 700.1.3 of the UNC Policy Manual, <i>Policy on Nonresident Undergraduate Enrollment</i> (amend)
(approved January 28, 2026) | APPENDIX G |

- e. Section 1400.1 of the UNC Policy Manual, *Information Technology* (adopt) (approved January 28, 2026)
APPENDIX H

Committee on Educational Planning, Policies, and Programs

- f. UNC System Academic Degree Program Actions

APPENDIX I

Report of the Committee on Budget and Finance

Mr. Bradley, chair of the committee, said the committee heard two housing redevelopment presentations. First, North Carolina State University's Executive Vice Chancellor for Finance and Administration Mr. Charles Maimone presented the Cates West master plan for replacement of the existing student housing and dining facilities. Next, the UNC-Chapel Hill's Vice Chancellor for Finance and Operations Mr. Nathan Knuffman presented the Carolina Housing Master Plan to renovate, replace, or add student housing beds to support an increase in enrollment. Both presentations were for information only.

The committee also reviewed the final 2026-27 tuition proposals submitted by our institutions. These proposals are the result of a rigorous, iterative process that engages campus and System leadership at multiple levels. It begins with a campus committee composed of faculty, staff, and student representatives, which develops a recommendation for the chancellor. The chancellor reviews the proposal and advances a recommendation to the board of trustees. Upon approval, the board forwards its recommendation to the System president, after which a cross-functional team at the System Office conducts a thorough review before the proposal is presented to the Board of Governors for final action. The committee voted to recommend the proposed tuition increases as provided in the written materials (APPENDIX J).

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2026-27 Tuition Resolution.

Motion: Mr. Bradley

Mr. Pope opposed

Motion carried

Next, the committee reviewed revised 2026-27 fee proposals. The proposals were accompanied by an expenditure plan showing how the additional revenues are important for the fee-supported activity. The proposed fee recommendations were outlined in the materials. (APPENDIX K).

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2026-27 Fee Resolution.

Motion: Mr. Bradley

Motion carried

The committee also reviewed and approved two transactional items that were included on the consent agenda that the Board approved. Finally, the committee's additional materials included the 2026 Report on State Budget Allocations and Policies. This report is available on BoardEffect.

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

Mr. Hutchens, chair of the committee, stated the committee received an academic affairs update from Senior Vice President, Dr. David English. In his reporting he covered the Comprehensive Transition Postsecondary (CTP) programs report to the Joint Legislative Education Oversight Committee, followed by the academic degree program actions where the committee had two new program establishments and one program discontinuation. The changes were presented and approved by the full Board through the consent agenda. Lastly, the committee

held a panel on civil discourse initiatives in the UNC System with Dr. English, Dr. Melanie Escue from the University of North Carolina at Pembroke and Ms. Liz Le Grange from the Constructive Dialogue Institute. Next, Mr. Hutchens introduced Mr. Wade Maki, Faculty Assembly chair, for his report.

Mr. Maki thanked the Board for the opportunity to engage with them for the past four years of his service. He spoke on the top topic of academic freedom as well as on the topic of shared governance. He spoke of Mr. Toby King, the incoming Faculty Assembly Chair, and the productive outreach he will continue in the role. Chair Murphy thanked Mr. Maki for his report and for his work with leadership and faculty to come to a healthy compromise on issues over the course of his service.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, introduced Mr. Alan Porch, UNC Staff Assembly Chair, for his report.

Mr. Porch introduced himself and spoke on issues of concern for the staff. These issues included the price of prescription medicines and no passage of the state budget. He asked that the Board keep salaries as a priority and reminded them of the importance of supporting the annual golf tournament for staff scholarships. He looks forward to bringing more ideas for change to benefit staff.

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

Mr. Holton, chair of the committee, reported that the committee received a report focused on the audit function and process improvements. Chief Audit Officer Mrs. Jennifer Myers summarized the Audit Reports issued by the Office of the State Auditor. The Office of the State Auditor (OSA) released fifteen financial statement audit reports related to the UNC System and constituent institutions for the period that ended on June 30, 2025. There were no audit issues found.

Three financial statement audit reports remain pending. OSA has not released any federal compliance audit reports for the fiscal year 2025. Ms. Myers also told the committee that in December 2025 the OSA launched the State Auditor's Award of Excellence, a new recognition for state entities that demonstrate exceptional discipline, accuracy, and transparency in preparing their annual financial statements and federal compliance audits. For fiscal year 2024, 27 state entities received the State Auditor's Award of Excellence. Of the 27 awards issued, 12 awards were issued to institutions in the UNC System. Ms. Myers next updated the committee, as required, on the progress against the plan of the UNC System Office internal audit function. She reported that the plan is on pace.

Senior Vice President and Chief Financial Officer Ms. Jennifer Haygood briefed on the business process compliance program overview that was originated in 2008 following an operational assessment. This program was established initially to address past challenges, including lack of documented procedures and staffing issues, that led to the need to strengthen financial compliance and accountability systemwide. Through standardized KPIs and regular reporting, the program helps surface potential control and compliance risks at an early stage.

Taken together, the internal audit strategy and enhanced focus as the business process program should strengthen our risk identification and mitigation efforts system wide. Ms. Myers's briefing on the evolution of university systemwide audit departments highlights a vital shift from functional oversight to a proactive strategic partnership. This work effectively demonstrates our commitment to identifying and mitigating risks. Similarly, Ms. Haygood's efforts to dismantle silos and foster collaborative, forward-looking reviews of business processes among a broad group of senior leaders are essential to driving system-wide risk mitigation. Both efforts represent a major step forward as they are transforming how we mitigate risk and drive the value of early detection, prevention, and mitigation across the entire UNC System.

Chair Murphy called on Mr. Clark for the report from the Committee on External Affairs.

Report of the Committee on External Affairs

Mr. Clark, chair of the committee, stated the Committee on Budget and Finance and the Committee on External Affairs held a joint committee meeting to discuss our State Budget and State and Federal Legislative Priorities for the 2026 Short Session at the North Carolina General Assembly and the 119th Congress. Ms. Haygood provided the preview of the Short Session Budget Priorities. These included a draft set of Systemwide operating and capital priorities that focus on our critical enterprise needs – enrollment funding, building reserves, repairs and renovations and previously authorized SCIF named projects. Next, Vice President for Finance and Capital Planning, Ms. Katherine Lynn, provided a preview of the 2026-27 self-liquidating capital improvement projects. Five UNC constituent institutions are requesting approval for six self-liquidating capital improvement projects requiring total debt authority of approximately \$637 million. Senior Vice President for Government Relations Mr. Bart Goodson, then provided a preview to the committees on the 2026 Short Session State Legislative Policy Considerations. These considerations are the non-budget state legislative policy considerations and include increasing the dollar thresholds for “capital projects” definition and “formal” capital projects, providing construction management capacity flexibility for low-capacity institutions, and aligning the North Carolina School of Science and Math residency definition with “legal resident for tuition purposes” and enabling use and reliance on the residency determination service. Lastly, Vice President for Government Relations, Mrs. Elizabeth Morra, provided a preview of the continuing federal priorities for the University of North Carolina System for the 119th Congress. The request includes safeguarding important funding for campus-based aid programs, including Pell Grants and Federal Work-Study, as well as funding for federal research and support for the UNC System’s historically black colleges and universities and minority serving institutions.

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, reported that the committee met to receive an update on Project Kitty Hawk (PKH) from its President and CEO, Dr. Andrew Kelly, and its Vice President of Growth, Ms. Katie Hagan. As of Spring 2026, Project Kitty Hawk has launched 18 bachelor's degree programs and one master's degree program across its four university partners: Appalachian State University, East Carolina University, North Carolina A&T State University, and North Carolina Central University. Also, PKH recently signed a new partnership with Winston-Salem State University which aims to launch three undergraduate programs by Fall 2026, and earlier this week PKH welcomed its newest partner at UNC Wilmington. As PKH’s original aim was to reach in-state adult learners with some college and no degree, Dr. Kelly was pleased to report that 81 percent of its students are North Carolina residents, the average age of a Flight Path students is 32 years, and 75 percent of its students are employed full-time. In addition to its Flight Path partnerships, Dr. Kelly also provided an update on other services provided to our UNC System institutions such as FASTER – an initiative aimed at assessing and improving practices that streamline the enrollment journey. Since the launch of FASTER, PKH has completed its reviews and engagements at both UNC Greensboro and Fayetteville State University and is currently working with three other UNC institutions: Elizabeth City State, Winston Salem State, and UNC Asheville. Finally, the Committee received a financial update from Ms. Katie Hagan of Project Kitty Hawk. Of the original grant provided by the General Assembly, PKH is on track to fully spend down the grant by April of this year. Additionally, PKH was pleased to report to the committee that its breakeven timeline has been accelerated from FY31 to FY29 - in part due to PKH’s strategic decision to in-source key vendor services to reduce costs. Chair Ford thank the team at PKH for their work and looks forward to their success.

Chair Murphy then called on Mr. Andrew Tripp, senior vice president and chief legal counsel for the UNC System Office, to discuss Section VI of *The Code, Academic Freedom and Tenure*. Mr. Tripp provided an overview to the Board with a recap of the timeline, process, and additional amendment to Section VI of *The Code* (APPENDIX L).

Motion: Resolved, I move that the proposal to change Section VI of *The Code, Academic Freedom and Tenure* approved by the Committee on University Governance at its January meeting be modified according to the amendment before the Board, as outlined by Mr. Tripp.

The motion was properly seconded.

Motion: Mr. Ramsey

Motion carried

Chair Murphy stated the motion carried and the proposal to change Section VI of *The Code, Academic Freedom and Tenure*, as amended, is back before the Board.

Chair Murphy asked for a motion.

Motion: Resolved, I move that the Board of Governors approve Section VI of *The Code, Academic Freedom and Tenure*, as amended.

The motion was properly seconded.

Motion: Mr. Holley

Motion carried

Chair Murphy stated the motion carried and the amendments to Section VI of *The Code, Academic Freedom and Tenure* are approved.

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

Secretary Burris-Floyd offered the following motion.

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

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 11:28 a.m. and returned to open session at 11:42 a.m.

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

Report of the Committee on University Personnel

Mrs. Coward stated that in the committee's meeting on February 25, 2026, the committee received a

presentation on recent employee turnover trends which demonstrated that voluntary turnover rates have returned to pre-COVID levels over the past two years. We are now seeing rates of 3.3 percent for faculty and 8.9 percent for staff. Overall, the University's voluntary turnover rates are trending better than benchmark data from the national College & University Personnel Association for Human Resources. The committee also received a presentation on the recent expansion of shared services. The goal of shared services is to improve efficiency and consistency for the University, while freeing up more resources for constituent institutions to complete work more central to their missions. The System Office has implemented shared services in key administrative areas, including human resources, advancement services, and information technology.

There being no further business and without objection, the meeting adjourned at 11:43 a.m. The next meeting of the Board of Governors is scheduled for Thursday, April 16, 2026, at the Morganton Campus of North Carolina School of Science and Mathematics.

Pearl Burris-Floyd, *Secretary*

APPENDICES

The Appendices are part of the official record of the meeting and are posted on the UNC System website at:
<http://www.northcarolina.edu/apps/bog/index.php>

Appendix A	Recusal from vote-Dr. Barnes
Appendix B	2025 Holshouser Award Winner Recipient-Dr. Jameson
Appendix C	2025 Holshouser Award Winner Recipient-Dr. Durham
Appendix D	President Han's Report
Appendix E	Sale of Special Obligation Bonds – University of North Carolina Asheville
Appendix F	Capital Improvement Projects
Appendix G	Section 700.1.3 of the UNC Policy Manual, <i>Policy on Nonresident Undergraduate Enrollment</i> (amend) (approved January 28, 2026)
Appendix H	Section 1400.1 of the UNC Policy Manual, <i>Information Technology</i> (adopt)
Appendix I	UNC System Academic Degree Program Actions
Appendix J	Authorization of 2025-26 Tuition
Appendix K	Authorization of 2025-26 Fees
Appendix L	Proposed and Updated Amendments to Section VI of <i>The Code, Academic Freedom and Tenure</i>
Appendix M	Full Board Closed Motion