

COMMITTEE ON UNIVERSITY GOVERNANCE

April 9, 2015

Item 4a: Proposed Policies on (a) Chancellor Selection; and (b) Expectations and Standards for Board Members

Situation: Last month the Governance Committee considered and recommended adoption of Policy 200.8 (*Chancellor Searches; Board of Governors Participation*); proposed amendments to Appendix I.D. of *The Code (Chancellor search/selection)*; and Policy 200.7 (*Expectations and Standards for Board Members*). Comments have been received from constituent institutions and trustees concerning the proposed policies and amendments.

Background: Proposed policies and amendments are reviewed by constituent institutions as part of the University's policy development process. The feedback from constituent institutions is then shared with the President and the Committee prior to final adoption of policy changes. The Committee may recommend amendments or adjustments to policies prior to their final adoption by the Board of Governors.

Assessment: Summaries of feedback received on policies 200.7 and 200.8 are attached for review and discussion.

Action: Any adjustment or change the proposed policies requires a vote.

Board of Governors Committee on University Governance

Proposed Draft New Policy on Chancellor Searches; Board of Governors Participation; Section 200.8 of the UNC Policy Manual; Proposed Amendment to Appendix I.D. of the Code of the University of North Carolina – Chancellor Selection; and Proposed Chancellor Selection Process Guidance

- Several comments received generally expressed concern that increased involvement and participation of the Board of Governors advisor in the chancellor selection process could have a detrimental effect on the selection process and the system as a whole.
- A number of commenters stated that the placement of a Board of Governors representative on the search committee, as well as allowing Board of Governors members to select additional individuals to serve on the committee, could be construed as an effort to diminish the role of the board of trustees and convey a lack of confidence in them.
- One commenter suggested that Proposed 200.8 should include a description of the ideal skills, experience, and qualities that individuals selected by the Board of Governors for service on the search committee should possess.
- One commenter suggested that the search committee chair should have input on the Board of Governors' selection of individuals to serve on the search committee.
- One commenter suggested that the number of individuals selected to serve on the search committee by the Board of Governors be more specifically limited.
- Another commenter suggested that the policy and guidance give the board of trustees the authority to remove any member of the search committee if the board of trustees finds that there are concerns about the member meeting committee responsibilities.
- One commenter suggested that the policy make explicit that the Board of Governors' representative on the search committee be required to observe all confidentiality requirements in the search process.
- Multiple commenters expressed concern that the Board of Governors' representative would be able to press a preferred candidate without regard for the collective opinion of the search committee. To that end, several commenters requested that the board of trustees be given the authority to submit a ranked slate of candidates to the president. Another commenter suggested that the board of trustees be permitted to submit a one-page summary of each candidate's strengths and weaknesses to the president.
- One commenter expressed concern that the policy does not require the president to interview all candidates, because the president could choose not to interview the board of trustees' preferred candidate. Another commenter suggested that the president should have the chance to interview candidates one-on-one (without the presence of the Board of Governors) since the chancellor would report directly to the president.
- Multiple commenters suggested that the board of trustees chair be involved in any negotiation or discussion about deferred compensation.

Committee on University Governance
UNC Policy Manual § 200.7 - Duties, Responsibilities, and Expectations of Board Members

- **Comment/Suggestion 1:** In Section IV on removal, account for the possibility that the chair of the Committee on University Governance is the subject of an inquiry or has a conflict.

Possible Adjustment(s): This is addressed by other provisions.

- **Comment/Suggestion 2:** Establish more stringent attendance in § III(A).

Possible Adjustment(s): No recommended adjustments; addressed by state statute.

- **Comment/Suggestion 3:** Instead of noting in §§ III(B)(3) and III(B)(7) that board members should seek information from and refer matters to senior administrative officers, the policy should be more specific about utilizing appropriate reporting lines.

Possible Adjustment(s): Reference chief executive or president/chancellor as the point of contact instead of using the general “senior administrative officers” term.

- **Comment/Suggestion 4:** Add specific grounds for removal, such as incompetence or incapacitation, instead of general “for cause” grounds currently in the draft policy.

Possible Adjustment(s): No recommended change to the policy based on this suggestion.

- **Comment/Suggestion 5:** Require that board members serve on at least one committee and address consequences of a board member’s failure to attend committee meetings.

Possible Adjustment(s): No recommended change to the policy to require that board members serve on at least one committee.

- **Comment/Suggestion 6:** Change wording in § III(B)(4) to state that board members will participate “as requested,” instead of “as needed,” in the preparation and revision of long-range plans.

Possible Adjustment(s): Replace “as needed” with “as requested” in § III(B)(4).

- **Comment/Suggestion 7:** Require in § III(C)(4) that board members bring both real and potential conflicts of interest to the attention of the appropriate officer.

Possible Adjustment(s): Add “or real” to § III(C)(4) so that board members are required to bring potential or real conflicts of interest to the attention of the appropriate individual.

- **Comment/Suggestion 8:** Include the word “business” in § IV(C)(1) to clarify how to count the number of days the board member has to submit a written response to a notice of consideration of that member’s removal.

Possible Adjustment(s): Add “business” before “days” in § IV(C)(1).