



MEETING OF THE BOARD OF GOVERNORS
Committee on Budget and Finance
Committee on Public Affairs

December 15, 2017 at 12:30 p.m.
University of North Carolina General Administration
Center for School Leadership Development, Room 128
Chapel Hill, North Carolina

AGENDA

- B-1. [2017-18 Enrollment Funding Allocation](#) Nathan Knuffman
- B-2. [Tuition and Fees Presentation](#) Jonathan Pruitt
- B-3. [Buy North Carolina Resolution](#) Nathan Knuffman
- B-4. Other Business Leo Daughtry and Temple Sloan
- B-5. Adjourn

AGENDA ITEM

B-1. 2017-18 Enrollment Funding Allocation Nathan Knuffman

Situation: While most of the funding for the current operations budget of each institution comes in the base budgets as approved by the General Assembly, some funds for expansions and improvements are appropriated to the Board of Governors for allocation to the institutions. Funding for enrollment is typically allocated directly by the General Assembly to the institutions based on projected enrollment. However, a special provision in the 2017 Appropriations Act [S.L. 2017-57 (S257)] directs the Board to allocate the enrollment funding based on actual enrollment.

The General Assembly also authorized the Director of the Budget, on recommendation of the Board, to allow for transfer of funds to provide additional adjustments for over or under enrollment and to provide for the orderly and efficient operation of institutions

Background: The special provision guiding the enrollment funding allocation required that fall enrollment be verified at census, which does not occur until ten days into the academic semester.

Assessment: It is recommended that the 2017-18 enrollment funding allocation, detailed in Table 1, be approved and that the President be authorized to make refinements in the interest of accuracy and completeness. It is further recommended that the president be authorized to seek such concurrence as may be required of the Director of the Budget in the allocation of foregoing allocation.

Action: This item requires a vote by the Committee on Budget and Finance and a vote by the full Board of Governors.

2017-18 Enrollment Funding Allocation

This document includes four potential allocations of enrollment funding as well as detail on student credit hour enrollment for FY 2017-18. Table 1 reflects the recommend allocation based on a special provision approved by the General Assembly and discussed with the UNC campuses.

It is recommended that the 2017-18 enrollment funding allocation, detailed in Table 1, be approved and that the President be authorized to make refinements in the interest of accuracy and completeness. It is further recommended that the President be authorized to seek such concurrence as may be required of the Director of the Budget in the allocation of foregoing allocation.

Enrollment Change Funding

The General Assembly fully funded the Board’s enrollment change funding request by appropriating \$46,571,112 for 2017-18 and an additional \$48,163,406 for 2018-19. In previous years, enrollment appropriations were either allocated directly to the campuses through the continuation budget or to a BOG reserve account. This year, the General Assembly made the appropriation to an OSBM reserve account. A special provision in the Appropriations Act (Sec. 10.10), included in Appendix A, required that actual enrollment be verified following fall semester census and spring semester funding be based on a three-year average fall-to-spring retention of fundable credit hours. The Board is directed to allocate funds for the fiscal year, subject to the approval of the Director of the Budget. Systemwide, enrollment is calculated to increase by 4,943 FTE students (see Appendix B for additional detail).

Recommended Enrollment Funding Allocation

The enrollment change request and allocations are based on the University’s student-credit-hour funding model, except for the components that remain on the FTE funding model. As required by the special provision, the enrollment numbers applied to the model were based on fall semester census and an estimate of spring semester credit hours calculated using a three-year average fall-to-spring retention of fundable credit hours. It is recommended that the resulting funding be allocated to include a floor limiting any funding reductions to five percent of the institution’s base budget. It is also recommended that any funding need that exceeds what is provided for in the reserve be allocated pro rata. In effect, campuses receive 91.4% of their respective funding increase. The recommended allocation is included in Table 1.

Table 1: FY 2017-18 Recommended Enrollment Funding Allocation

	Actual Enrollment Funding (Fall Act. & Spring Est.)	Reductions (5% Floor)	Increases (91.4% of Funding)	Recommended Allocation	FY 2017-18 Base Budget	Percent of Base
ASU	\$870,758		\$795,747	\$795,747	\$134,672,993	0.6%
ECU	\$8,486,634		\$7,755,556	\$7,755,556	\$284,809,750	2.7%
ECSU	\$148,478		\$135,688	\$135,688	\$29,154,712	0.5%
FSU	(\$1,650,432)	(\$1,650,432)		(\$1,650,432)	\$52,116,162	-3.2%
NCA&T	(\$4,626,784)	(\$4,510,174)		(\$4,510,174)	\$90,203,482	-5.0%
NCCU	(\$2,052,901)	(\$2,052,901)		(\$2,052,901)	\$83,243,559	-2.5%
NCSU	(\$4,689,331)	(\$4,689,331)		(\$4,689,331)	\$407,648,050	-1.2%
UNCA	(\$742,138)	(\$742,138)		(\$742,138)	\$38,750,625	-1.9%
UNC-CH	\$8,113,602		\$7,414,658	\$7,414,658	\$438,974,151	1.7%
UNCC	\$18,463,942		\$16,873,373	\$16,873,373	\$226,376,692	7.5%
UNCG	\$15,696,106		\$14,343,971	\$14,343,971	\$150,156,774	9.6%
UNCP	(\$721,831)	(\$721,831)		(\$721,831)	\$53,715,428	-1.3%
UNCW	\$12,208,074		\$11,156,413	\$11,156,413	\$120,327,946	9.3%
UNCSA	\$463,915		\$423,951	\$423,951	\$30,424,499	1.4%
WCU	\$5,537,736		\$5,060,690	\$5,060,690	\$89,730,641	5.6%
WSSU	(\$10,366,621)	(\$3,235,876)		(\$3,235,876)	\$64,717,512	-5.0%
NCSSM	\$233,897		\$213,748	\$213,748	\$20,959,212	1.0%
Total	\$45,373,104	(\$17,602,683)	\$64,173,795	\$46,571,112	\$2,315,982,188	2.8%

2017-18 Enrollment Funding Allocation

The General Assembly authorized the Director of the Budget, on recommendation of the Board, to allow for transfer of funds to provide additional adjustments for over or under enrollment and to provide for the orderly and efficient operation of institutions. Accordingly, the recommended allocation considers endeavors to hold campuses accountable for the actual enrollment realized, while preventing extreme financial detriment.

Additional Allocation Options for Consideration

In addition to the recommended allocation, three other alternatives were considered. These options included allocating the funds directly generated by the model with no reduction floor, a hold harmless option that prevents any campus that did not project a reduction from being cut, and a 50/50 option that provides half of the difference between the campus funding request and the enrollment reconciled to actuals. In general, these options represent a broad spectrum of approaches ranging between an immediate move to actual enrollment and a more moderate transition. These options are detailed in Table 2, Table 3, and Table 4.

Table 2: FY 2017-18 Enrollment Change Funding – Alternative Option 1

	Actual Enrollment Funding (Fall Act. & Spring Est.)	FY 2017-18 Base Budget	Percent of Base
ASU	\$870,758	\$134,672,993	0.6%
ECU	\$8,486,634	\$284,809,750	3.0%
ECSU	\$148,478	\$29,154,712	0.5%
FSU	(\$1,650,432)	\$52,116,162	-3.2%
NCA&T	(\$4,626,784)	\$90,203,482	-5.1%
NCCU	(\$2,052,901)	\$83,243,559	-2.5%
NCSU	(\$4,689,331)	\$407,648,050	-1.2%
UNCA	(\$742,138)	\$38,750,625	-1.9%
UNC-CH	\$8,113,602	\$438,974,151	1.8%
UNCC	\$18,463,942	\$226,376,692	8.2%
UNCG	\$15,696,106	\$150,156,774	10.5%
UNCP	(\$721,831)	\$53,715,428	-1.3%
UNCW	\$12,208,074	\$120,327,946	10.1%
UNCSA	\$463,915	\$30,424,499	1.5%
WCU	\$5,537,736	\$89,730,641	6.2%
WSSU	(\$10,366,621)	\$64,717,512	-16.0%
NCSSM	\$233,897	\$20,959,212	1.1%
Total	\$45,373,104	\$2,315,982,188	2.0%

Alternative Option 1 allocates funds strictly based on the outcome of the enrollment funding model with no adjustments. While the funding total for the UNC System sums to \$45.4 million, just under the originally requested \$46.6 million, there is wide variation in each institution's allocation. The change to the base budget ranges from a 10.5 percent increase to a 16 percent reduction.

2017-18 Enrollment Funding Allocation

Table 3: Hold Harmless FY 2017-18 Enrollment Change Allocation – Alternative Option 2

	Actual Enrollment Funding (Fall Act. & Spring Est.)	Enrollment Request (Projected Enrollment)	Recommended Allocation	FY 2017-18 Base Budget	Percent of Base
ASU	\$870,758	\$2,304,810	\$870,758	\$134,672,993	0.6%
ECU	\$8,486,634	\$3,995,826	\$3,995,826	\$284,809,750	1.4%
ECSU	\$148,478	(\$259,309)	\$148,478	\$29,154,712	0.5%
FSU	(\$1,650,432)	\$1,466,474	\$0	\$52,116,162	0.0%
NCA&T	(\$4,626,784)	\$2,825,142	\$0	\$90,203,482	0.0%
NCCU	(\$2,052,901)	(\$1,049,215)	(\$1,049,215)	\$83,243,559	-1.3%
NCSU	(\$4,689,331)	(\$6,661,600)	(\$4,689,331)	\$407,648,050	-1.2%
UNCA	(\$742,138)	(\$207,225)	(\$207,225)	\$38,750,625	-0.5%
UNC-CH	\$8,113,602	\$5,379,096	\$5,379,096	\$438,974,151	1.2%
UNCC	\$18,463,942	\$15,251,241	\$15,251,241	\$226,376,692	6.7%
UNCG	\$15,696,106	\$10,543,014	\$10,543,014	\$150,156,774	7.0%
UNCP	(\$721,831)	(\$1,245,172)	(\$721,831)	\$53,715,428	-1.3%
UNCW	\$12,208,074	\$8,257,066	\$8,257,066	\$120,327,946	6.9%
UNCSA	\$463,915	\$697,947	\$463,915	\$30,424,499	1.5%
WCU	\$5,537,736	\$4,066,385	\$4,066,385	\$89,730,641	4.5%
WSSU	(\$10,366,621)	\$1,029,896	\$0	\$64,717,512	0.0%
NCSSM	\$233,897	\$176,736	\$176,736	\$20,959,212	0.8%
Total	\$45,373,104	\$46,571,112	\$42,484,913	\$2,315,982,188	1.8%

Alternative Option 2 limits campuses to expected enrollment funding, as measured by the campus enrollment request, and only provides an increase above the enrollment projection in limited circumstances. The table below provides additional detail.

	Enrollment Funding	Option 2 Adjustment	Campuses
Requested Funding Increase	Larger than Requested Increase	Limit to Enrollment Request	ECU, UNC-CH, UNCC, UNCG, UNCW, WCU
	Smaller than Requested Increase	Limit to Actual Enrollment Funding	ASU, UNCSA, NCSSM
	Funding Reduction	No Increase or Reduction	FSU, NCA&T, WSSU
Expected Funding Reduction	Larger than Expected Reduction	Limit to Expected Reduction	NCCU, UNCA
	Smaller than Expected Reduction	No Adjustment to Actual Enrollment Funding	NCSU, UNCP
	Funding Increase		ECSU

2017-18 Enrollment Funding Allocation

Table 4: 50/50 FY 2017-18 Enrollment Change Allocation – Alternative Option 3

	Actual Enrollment Funding (Fall Act. & Spring Est.)	Enrollment Request (Projected Enrollment)	50% Threshold (Half Act. & Proj. Diff.)	Recommended Allocation	FY 2017-18 Base Budget	Percent of Base
ASU	\$870,758	\$2,304,810	\$717,026	\$1,587,784	\$134,672,993	1.2%
ECU	\$8,486,634	\$3,995,826	\$2,245,404	\$6,241,230	\$284,809,750	2.2%
ECSU	\$148,478	(\$259,309)	\$203,894	(\$55,415)	\$29,154,712	-0.2%
FSU	(\$1,650,432)	\$1,466,474	\$1,558,453	(\$91,979)	\$52,116,162	-0.2%
NCA&T	(\$4,626,784)	\$2,825,142	\$3,725,963	(\$900,821)	\$90,203,482	-1.0%
NCCU	(\$2,052,901)	(\$1,049,215)	\$501,843	(\$1,551,058)	\$83,243,559	-1.9%
NCSU	(\$4,689,331)	(\$6,661,600)	\$986,135	(\$5,675,465)	\$407,648,050	-1.4%
UNCA	(\$742,138)	(\$207,225)	\$267,456	(\$474,681)	\$38,750,625	-1.2%
UNC-CH	\$8,113,602	\$5,379,096	\$1,367,253	\$6,746,349	\$438,974,151	1.5%
UNCC	\$18,463,942	\$15,251,241	\$1,606,351	\$16,857,592	\$226,376,692	7.4%
UNCG	\$15,696,106	\$10,543,014	\$2,576,546	\$13,119,560	\$150,156,774	8.7%
UNCP	(\$721,831)	(\$1,245,172)	\$261,670	(\$983,502)	\$53,715,428	-1.8%
UNCW	\$12,208,074	\$8,257,066	\$1,975,504	\$10,232,570	\$120,327,946	8.5%
UNCSA	\$463,915	\$697,947	\$117,016	\$580,931	\$30,424,499	1.9%
WCU	\$5,537,736	\$4,066,385	\$735,676	\$4,802,061	\$89,730,641	5.4%
WSSU	(\$10,366,621)	\$1,029,896	\$5,698,259	(\$4,668,363)	\$64,717,512	-7.2%
NCSSM	\$233,897	\$176,736	\$28,580	\$205,316	\$20,959,212	1.0%
Total	\$45,373,104	\$46,571,112	\$24,573,029	\$45,972,109	\$2,315,982,188	2.0%

Alternative Option 3 allocates half of the difference between what a campus originally requested, based on enrollment projections, and their FY 2017-18 enrollment funding, calculated using fall actual and spring estimate credit hours.

2017-18 Enrollment Funding Appendix A – Special Provision

Special Provision Guiding Enrollment Change Funding

UNC ENROLLMENT FUNDING/OSBM RESERVE ACCOUNT

SECTION 10.10. Funds appropriated by this act for enrollment adjustments, including funds for the NC Promise Tuition Plan, shall be certified to a reserve account in the Office of State Budget and Management. The appropriation is made on an annual basis and shall be held in reserve until actual enrollment can be verified following the fall semester census. Funds for the spring semester shall be allocated using the actual enrollment from the fall semester and applying the three-year average fall-to-spring retention of fundable credit hours. After verification, the Board of Governors, subject to the approval of the Director of the Budget, shall allocate the funds for the fiscal year to the constituent institutions based on the criteria set out in this section.

Upon authorization by the Director of the Budget, funds may be advanced to constituent institutions whose tuition receipts are insufficient to maintain operations until enrollment is verified. Any institutions receiving funds in advance shall report to the Office of State Budget and Management at the close of the semester to reconcile any differences between funding received for enrollment and actual enrollment. An allocation made pursuant to this section may result in an allocation to a constituent institution that is greater than or less than the amount originally requested for enrollment change funding at that institution. Pursuant to G.S. 116-11(9)c., the Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide additional adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of institutions.

2017-18 Enrollment Funding Appendix B – Student Enrollment

FY 2017-18 Enrollment – Fall Actuals and Spring Estimate

	Student Credit Hours	FTE Funding Model*
ASU	508,398	
ECU	727,809	530
ECSU	37,939	
FSU	140,357	
NCA&T	312,759	
NCCU	193,263	436
NCSU	808,438	450
UNCA	98,475	
UNC-CH	629,952	1,815
UNCC	754,619	
UNCG	498,616	
UNCP	154,953	
UNCW	427,099	
UNCSA	-	1,238
WCU	276,823	
WSSU	133,039	
NCSSM	-	217
Total	5,702,539	4,686

** FTE Model programs include: ECU Medical and Dental School, NCCU School of Law, NCSU School of Veterinary Medicine, UNC-CH Schools of Dentistry, Law, Medicine, and Pharmacy, UNCSA, and NCSSM.*



AGENDA ITEM

B-2. Tuition and Fees Presentation Jonathan Pruitt

Situation: Tuition and fee rates are set annually for undergraduate and graduate students, including professional schools.

Background: This presentation provides background and context on tuition and fees, as well as information related to the 2018-19 process.

Assessment: The 2018-19 campus proposals will be shared with the Board in January and will be presented for a vote in March.

Action: This item is for information only.



TUITION AND FEES

*Board of Governors
Committee on Budget and Finance
Committee on Public Affairs
December 2017*

Presentation Outline

- **Background and Context**
- **2018-19 Tuition and Fees**
- **Comparison to BOG-Approved Peers**



2

Background and Context

Background and Context

■ What Governs Tuition and Fees?

- Statute
- UNC policy
- Annual guidance from UNC System
- Board resolutions, including the one adopted in September that encouraged constituent institutions to identify reductions to tuition and fees for resident undergraduates where possible.



Background and Context

- “The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.”

– *NC Constitution – Article IX, Section 9*

- “The Board shall fix the tuition and fees, not inconsistent with actions of the General Assembly, at the institutions . . . in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance. . . .”

– *G.S. 116-143*



5

Background and Context

Recent Policy Actions by BOG and Legislature to Address Affordability

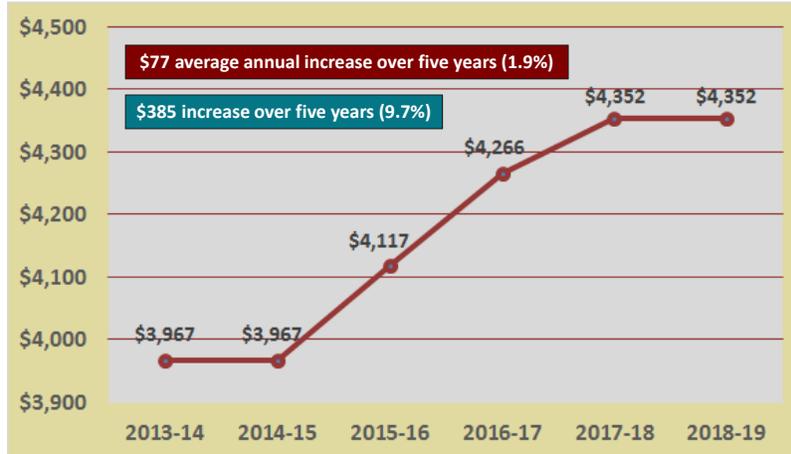
- **Guaranteed (Fixed) Tuition Program**
- **3% Cap on Student Fee Increases**
- **Implementation of NC Promise (ECSU, UNCP, WCU)**
- **Strategic Plan Affordability Goal: limits increases in undergraduate resident tuition rates to no more than the increase in median household income**
- **BOG Resolution endeavoring to reduce tuition and fees at all member institutions while preserving and enhancing the quality of education**



6

Background and Context

UNC Average Undergraduate Resident Tuition (5 years)



7

2018-19 Tuition & Fees

Timeline for Tuition & Fee Process

September 2017	UNC-GA provided Chancellors, Chief Academic Officers, and Chief Finance Officers updates on the tuition and fee process for the biennium.
September/October 2017	Tuition and fee instructions, consistent with the Board's policy, were sent to campuses.
August through November 2017	Campuses held tuition and fee committee meetings to discuss potential rate increases. Committees are comprised of faculty, staff, and students. Student forums are held to discuss proposed rate changes with student body. A student involvement certificate is required from each campus.
October through November 2017	Campuses finalized tuition and fee proposals for review by Board of Trustees.
November through December 2017	Tuition and fee proposals are approved by Board of Trustees at each institution.
Early December	Chancellors will submit tuition and fee requests for 2018-19 to UNC-GA.
December 2017 BOG Meeting	The Finance and Budget Division will provide background and context on tuition and fees during the Budget and Finance Committee meeting.
December 2017 through February 2018	A tuition and fee committee within General Administration is established with representatives from Finance and Budget, Academic Affairs, and IT Divisions. The committee will review tuition and fee requests.
January 2018	Campus tuition and fee proposals will be presented during a BOG Policy Discussion.
January 2018	Tuition and fee detailed information will be provided to BOG members after the January meeting.
March 2018	Board of Governors will consider tuition and fee proposals for 2018-19.



9

2018-19 Tuition and Fees

Annual Guidance from UNC System

- No tuition increases are allowed for resident undergraduates.
- Combined tuition and fee rates for undergraduate residents shall remain in the bottom quartile of an institution's public peers.
- Rates for nonresident undergraduate students should be market driven and reflect the full cost of providing nonresidents with a quality education.
- Graduate and professional schools shall continue to establish rates consistent with each program's unique market and academic requirements.
- Mandatory student fees are capped at 3%. All fee increase proposals must be accompanied by an expenditure plan, including a description of why alternative sources or expenditure reductions are insufficient for addressing the needs of the fee-supported activity.



10

2018-19 Tuition and Fees

Determining Mandatory Fees

- Institutions rely entirely on student fees to finance a number of activities, services, and facilities.
- Fees differ from tuition in several important ways:
 - Fees are identical for resident and nonresident students.
 - The direct operational expenses of student activities are supported entirely from fee revenues without any direct state appropriations.
- Authority to spend fee revenue is held by the campus or campus program for which the fee was established.



11

2018-19 Tuition and Fees

Mandatory Fees

- Athletics
- Health Services
- Student Activities
- Educational and Technology
- Campus Security (no increase allowed)
- Debt Service (*Debt Service fees are subject to the 3% cap and are addressed by the Board when approving capital projects paid from non-appropriated sources.*)



12

2018-19 Tuition and Fees

Factors that Influence Fees

- **Fixed cost increases (salaries, retirement, and health plan)**
- **Economies of scale**
- **Financial condition of the enterprise**
- **Must be used for the purpose for which the fee is authorized**



13

***Comparisons to
BOG-Approved Peers***

Comparisons to BOG-Approved Peers

Institution	Undergraduate Students	
	Resident Rank	Nonresident Rank
ASU	19 of 19	6 of 19
ECU	18 of 19	11 of 19
ECSU	15 of 16	11 of 16
FSU	17 of 17	10 of 17
NC A&T	15 of 18	11 of 18
NCCU	14 of 17	8 of 17
NCSU	15 of 17	16 of 17
UNCA	15 of 15	4 of 15
UNC-CH	11 of 11	7 of 11
UNCC	16 of 18	11 of 18
UNCG	17 of 19	12 of 19
UNCP	15 of 19	11 of 19
UNCW	18 of 18	11 of 18
UNCSA	13 of 14	13 of 14
WCU	15 of 18	10 of 18
WSSU	15 of 17	15 of 17

Campuses are meeting the Board's requirement for undergraduate resident tuition to remain in the lowest quartile of public peer institutions.

Rank was determined by comparing **2016-17** tuition and fees of UNC campuses to **2015-16** tuition and fees of their public peer institutions.

Source: IPEDS



15

QUESTIONS?

CONNECT



www.northcarolina.edu



UNC_System



@UNC_system

AGENDA ITEM

B-3. Buy North Carolina Resolution..... Nathan Knuffman

Situation: The University of North Carolina (UNC), including its constituent institutions and affiliated entities, expends resources on capital projects each year. Given this and the State of North Carolina’s expressed preference for the purchase of North Carolina products and services, the Board of Governors is in a position to encourage UNC’s use of North Carolina products and vendors in capital projects, to the extent doing so is practical and does not increase costs, diminish quality, or result in delay.

Background: G.S. 143-59 declares the State’s preference for the purchase of North Carolina products and services to the extent that such a preference does not result in increased price or loss of quality. As a State entity, UNC is in a position to express a similar preference for North Carolina products and services for capital projects.

Assessment: The proposed resolution would require UNC institutions and affiliates to attempt to use North Carolina vendors and products in its capital projects to the extent practical and only to the extent that this would not increase costs, diminish quality, or result in delay. The proposed resolution would benefit the State of North Carolina and its citizens economically, considering the resources UNC expends on capital projects each year.

Action: This item requires a vote by the Committee on Budget and Finance, with a vote by the full Board of Governors through the consent agenda.



**RESOLUTION OF THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA
BUY NORTH CAROLINA**

WHEREAS, the University of North Carolina expends resources on capital projects each year; and

WHEREAS, the State of North Carolina and its citizens benefit economically when capital projects employ North Carolina businesses, vendors, contractors, professional service providers, trade service providers, and suppliers of materials (“North Carolina Vendors”); and

WHEREAS, the State of North Carolina and its citizens benefit economically when capital projects use goods and materials fully or partially produced, manufactured, or assembled in North Carolina (“North Carolina Products”); and

WHEREAS, the University of North Carolina strives to maximize its economic impact on the State of North Carolina and its citizens, while maintaining efficient business operations; and

WHEREAS, the State of North Carolina, in North Carolina General Statute 143-59, has declared a preference for the purchase of North Carolina products and services, provided that the same can be obtained without increased cost or decreased quality; and

WHEREAS, the Board of Governors finds that it is in the best interest of the University of North Carolina and the State of North Carolina and its citizens to use North Carolina Vendors and North Carolina Products in its capital projects, to the extent that doing so does not increase costs or diminish quality.

NOW, THEREFORE, BE IT RESOLVED by the Board of Governors of the University of North Carolina that the University of North Carolina, including its constituent institutions and affiliates, shall attempt to use North Carolina Vendors and North Carolina Products in its capital projects to the extent practical and only to the extent that the same does not increase costs, diminish quality, or result in delay.

Adopted this 15th day of December 2017

W. Louis Bissette, Jr., *Chairman*

Pearl Burris-Floyd, *Secretary*