



MEETING OF THE BOARD OF GOVERNORS

September 20, 2019 at 9:00 a.m.
UNC System Office
Center for School Leadership Development, Board Room
Chapel Hill, North Carolina

AGENDA

1. InvocationMrs. Nelson
2. Roll Call..... Secretary Burris-Floyd
3. President's Report Interim President Roper
4. Consent Agenda Chair Smith

Minutes

- a. Minutes (Open) of May 22, 2019
- b. Minutes (Open) of June 21, 2019

Committee on Budget and Finance

- c. Disposition of Property by Deed – NC State University
- d. Capital Improvement Projects
- e. Disposition of Property by Demolition – Appalachian State University
- f. Disposition of Property by Demolition – N.C. A&T State University
- g. Acquisition and Disposition of Property by Deed – NC State University
- h. Disposition of Property by Deed – UNC System Office
- i. Amendment to Millennial Campus Ground Lease – Western Carolina University
- j. Amendment to Use Agreement – UNC Pembroke
- k. Sale of Revenue Bonds – UNC Hospitals
- l. Sale of Special Obligation Bonds – UNC Asheville
- m. Sale of Special Obligation Bonds – UNC Greensboro
- n. Sale of Special Obligation Bonds – UNC Wilmington

Committee on Educational Planning, Policies, and Programs

- o. UNC System Degree Program Establishments
- p. UNC System Degree Program Consolidations and Discontinuations
- q. Licensure Program Approvals

Committee on University Governance

- r. Resolution on Clearance Requirements

Committee on Audit, Risk Management, and Compliance

- s. Approval of Annual Internal Audit Plan for 2019-20

Committee on Personnel and Tenure

- t. UNC Policy 200.8 (Amend) – *Policy on Chancellor Searches and Elections* (approved on August 14, 2019)
 - u. UNC Policy 300.8.5 (Adopt) – *Policy on Diversity and Inclusion Within the University of North Carolina* (approved on May 21, 2019)
- 5. Report of the Committee on Budget and FinanceMr. Sloan
 - a. 2019-21 Repairs and Renovations (R&R) Allocation Model
 - 6. Report of the Committee on Educational Planning, Policies, and ProgramsMrs. Nelson
 - a. UNC Faculty Assembly Update Professor Green
 - 7. Report of the Committee on University GovernanceMr. Powers
 - a. North Carolina Central University Board of Trustees Appointment
 - 8. Report of the Committee on Public Affairs.....Mr. Byers
 - 9. Report of the Committee on Audit, Risk Management, and Compliance Mr. Holmes
 - 10. Report of the Committee on Strategic Initiatives..... Mr. Bryan
 - 11. Report of the Subcommittee on Laboratory SchoolsMr. Byers
 - 12. Report of the Committee on Military and Veterans AffairsMr. Daughtry
 - 13. Report of the Presidential Search Committee.....Mr. Ramsey
 - 14. Chair’s Report Chair Smith

CLOSED SESSION

- 15. Approval of Minutes (Closed) of May 22, 2019 and June 21, 2019..... Chair Smith
- 16. President’s Report Interim President Roper
- 17. Legal ReportMr. Shanahan
- 18. Report of the Committee on Personnel and Tenure Mrs. Murphy

OPEN SESSION

- 19. Report of the Committee on Personnel and Tenure Mrs. Murphy
 - a. Incentive Compensation Program for Chancellors
 - b. Updates to Established Salary Ranges for Chancellors
 - c. Paid Parental Leave Benefit for University Employees
 - d. Optional Retirement Plan (ORP) – “Like Plan” Provision Change
 - e. Proposed Board Member Training Requirement on Preventing Sexual Harassment

20. Adjourn

The next regularly scheduled meeting of the Board of Governors is Friday, November 15, 2019, on the campus of Elizabeth City State University in Elizabeth City, North Carolina.

The following policy changes to the UNC Policy Manual were recommended at a prior committee meeting to be considered by the full Board of Governors on September 20, 2019:

1. Approval of proposed amendments to Section 200.8, Policy on Chancellor Searches and Elections (Personnel and Tenure).
2. Adoption of Section 300.8.5, Policy on Diversity and Inclusion Within the University of North Carolina (Personnel and Tenure).

Policy on Chancellor Searches and Elections

The Board of Governors adopts the following policy regarding the chancellor search and election process.

I. Purpose. The search for and election of a new chancellor of a constituent institution of the University of North Carolina requires the participation, involvement, and collaboration of the board of trustees of the constituent institution, the chancellor search committee, the president, and the Board of Governors, each of which performs distinct roles and functions. Within the University, chancellors report to the president. The president therefore has the primary responsibility for ensuring there is a thorough and reliable process for chancellor searches, culminating in the election of the chancellor by the Board of Governors.

Consistent with the statutory responsibilities of the board of trustees, president, and Board of Governors, this policy establishes requirements for the chancellor search and election process, and describes the resources that shall be provided through the UNC System Office and the constituent institutions during each search.

II. Search Process

A. President. As further described in this policy, the president shall have the overall responsibility for overseeing System Office staff with responsibility for managing and supporting chancellor searches, helping determine search committee membership, charging the search committee, developing chancellor leadership competencies, interviewing chancellor finalists, participating in the reference checking process, negotiating the terms of employment for a chancellor-elect consistent with state law and Board policy, and offering a chancellor-elect for final consideration by the Board of Governors.

B. Board of Trustees. As further described in this policy, members of the boards of trustees shall serve as members of the search committee, shall consider candidates proposed by the search committee as potential finalists, and shall refer a final slate of candidates to the president for additional vetting and consideration.

C. Board of Governors. As further described in this policy, selected members of the Board of Governors shall provide input and advice to the president on a slate of finalists and the governors both in committee and then as the full body shall consider and vote on a proposed chancellor-elect.

D. Search Committee

1. The search committee shall be composed of representatives of the board of trustees, the faculty, the student body, the staff, the alumni, the local community, and other campus constituencies as may be deemed appropriate, which can ordinarily be achieved with a committee of no more than 20 members.

2. No member of the Board of the Governors may serve as a member of the search committee.

3. The chair of the board of trustees in consultation with the president shall identify a chair of the search committee; the chair of the board of trustees may also serve as chair of the search committee with the agreement of the president.

4. As further described in this policy, the search committee shall work on behalf of the board of trustees and the president to receive the input of institutional stakeholders and community members, to develop a leadership statement that describes the desired qualities for the new chancellor, to conduct interviews and consider the qualifications of candidates, and to propose a slate of finalists for consideration of the board of trustees, who recommends the slate to the president.

E. Budget and Staff. Upon the establishment of the search committee, the chair of the board of trustees, in consultation with the president, shall establish a budget and identify staff for the committee. With the exception of assigned System Office professional staff and their direct expenses, the costs for a chancellor search are the responsibility of the constituent institution. This shall include the fees and expenses of any engaged outside professional search and/or background investigation firms.

F. UNC System Office. The UNC System Office shall provide the necessary resources and support to effectively carry out a chancellor search, including but not limited to qualified human resources staff with expertise in executive search, logistical and administrative support to the chair of the search committee, and training materials which shall serve to orient trustees and search committee members with respect to their roles and responsibilities in the search process. The System Office may also obtain the support of the constituent institution in providing local logistical support to the operations of the search committee.

G. Search Status. Members of the Board of Governors may elect to receive public notices of search committee meetings and chancellor search open forums. The chair of the board of trustees shall ensure that the president receives periodic updates concerning the status of the search and the projected schedule for concluding interviews and delivering recommendations of ~~three~~two (32) candidates to the president.

H. Engagement of Key Stakeholders

1. The chair of the search committee shall assure that the search process engages a broad cross-section of institutional stakeholders to obtain well-rounded input on candidates. At the discretion of the search committee chair, such engagement could involve students, faculty, staff, alumni, and community members.

2. The search committee chair is encouraged to engage selected members of the Board of Governors who may live within proximity to the institution or otherwise have a particular interest in or knowledge of the institution and its mission to attend constituent forums, candidate receptions, or other events at which candidates are present.

3. All individuals provided the opportunity to meet with chancellor candidates on campus will be expected to sign confidentiality agreements equivalent to that signed by members of the search committee.

I. Confidential Searches and Confidentiality

1. Consistent with state law protecting the identity of applicants, searches for chancellors of the University of North Carolina shall be conducted as “confidential searches,” which shall mean the identity of candidates, semi-finalists, or finalists shall not be disclosed to the general public. Conducting confidential searches is intended to maximize the quality of the candidate pool by not discouraging the interest of individuals who would not otherwise apply in the event of a publicly disclosed candidate pool.

2. Any individual involved in the search process, including but not limited to members of the Board of Governors, the search committee, the board of trustees, and staff, shall keep confidential all search-related records and information that are required by law to be kept confidential. Confidential information includes, but is not limited to, personnel records and information of candidates, attorney-client communications, and closed session deliberations and information.

III. Search Philosophy and Candidates for Chancellor

A. Each chancellor search committee and the boards of trustees for constituent institutions shall make every effort to recruit and consider a pool of exceptionally well-qualified individuals for chancellor vacancies and to consider candidates with both traditional academic experience as well as candidates with alternative backgrounds in business, industry, government, the military, and the not-for-profit sector.

B. The president shall undertake reasonable efforts to develop an internal pipeline of talent within the University of North Carolina that shall serve to benefit future applicant pools for the position of chancellor.

C. The president shall assure that opportunities for chancellor vacancies shall be promoted in a manner that encourages interest from well qualified candidates who are current residents of the State of North Carolina.

D. In keeping with Board policy in order to avoid actual or potential conflicts of interests, no presently serving member of the Board of Governors or a board of trustees shall be eligible to be appointed as an acting or interim chancellor or to be considered for the position of chancellor unless they first resign their position on said body.

IV. Board of Trustees Recommendations to the President. ~~The institutional search committee shall recommend an unranked slate of three candidates to the board of trustees for consideration.~~ The board of trustees, following receipt of the report of the search committee, shall, subject to the direction of the president, recommend ~~the an~~ unranked slate of ~~three no fewer than two (2)~~ candidates for consideration by the president in designating a nominee for the chancellorship, ~~or return the slate to the search committee for further action.~~

V. Consideration by the President. Once the slate of candidates is received from the board of trustees, the president may choose to interview one (1) or more of the candidates and may include members of his or her senior staff in the interviews, as deemed appropriate. The president may also consider asking the appointed officers of the Board of Governors and the chair and vice chair of the Committee on Personnel and Tenure to participate in these interviews to advise on the suitability of the candidates and to build support for a selected finalist before advancing to the next stage of the search process.

VI. Review of Candidate Qualifications and Background Investigation

A. Timing. The president shall initiate a detailed background investigation on one or more of the candidates received from the board of trustees for determining their suitability for election as chancellor.

B. Scope. Any candidate presented to the Board of Governors for election as chancellor must have had a completed background investigation that includes, but is not limited to verification of prior work history and educational credentials, confirmation of most recent total compensation, reference checks, criminal background check, credit check, civil litigation check, and scans of relevant social media and news media references applicable to the candidate. This investigation may address any other issues deemed of relevance to the president to confirm the candidate's suitability to serve as a chancellor.

C. Review of Results. The final results of this background investigation shall be reviewed by the president, appropriate members of the president's senior staff, the officers of the Board of Governors, and the chair and vice chair of the Committee on Personnel and Tenure. This information may be shared with other members of the Board of Governors only with the direct authorization of the chair and the president when deemed necessary for the proper conduct of a search.

VII. Nomination to the Board of Governors. Following interviews and successful completion of an appropriate background investigation, the president may either identify one ~~(1) of the three (3)~~ candidates for nomination to the Board of Governors, or return the slate to the board of trustees with instructions for further action.

VIII. Negotiation of Terms and Conditions of Appointment. The president shall consult with the Board of Governors officers and the chair of the Committee on Personnel and Tenure about the president's proposed nomination and negotiation of conditional terms and conditions of appointment. The negotiated terms and conditions may include: compensation (including base salary, consistent with the Board of Governors approved market salary ranges), retirement plan participation; deferred compensation incentive and retention plans; stipends, and allowances; and written contract provisions, including length of appointment and retreat rights.

IX. Election of the Chancellor

A. The Board of Governors shall vote on the president's nominee and the proposed terms of appointment.

B. All the members of the Board shall have no less than seven (7) calendar days to review written materials for the proposed candidate for chancellor-elect prior to being asked to vote on

said nomination.

C. Prior to being considered by the full Board of Governors, the Committee on Personnel and Tenure shall convene to consider and make a recommendation concerning the president's nomination and the proposed terms and conditions of appointment, including the elements of any employment contract. The Committee on Personnel and Tenure meeting shall be scheduled so as to reasonably accommodate participation by Board of Governors members in person or by telephone.

D. Any Board of Governors member who shall have a concern regarding the veracity or accuracy of any element of a candidate's background for chancellor shall address such concern directly to the president. The president shall have the responsibility to investigate and follow-up on such concerns with the Board of Governors in a timely manner.

E. The chancellor-elect shall not be physically present at any board meeting at which such vote shall be undertaken.

X. Other Matters

A. Effective Date. The requirements of this policy shall be effective for chancellor searches that are initiated on or after the date of adoption of this policy by the Board of Governors.

B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern or relate to chancellor searches.

C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

Policy on Diversity and Inclusion Within the University of North Carolina

I. Purpose

The Board of Governors adopts this policy to support and facilitate efforts across the University to advance diversity and to foster an inclusive environment that engages, respects, and values all members of the University community and to ensure such efforts are carried out in an effective manner.

II. Definitions

For purposes of this policy, the following definitions shall apply:

A. “Chancellor” means the administrative and executive head of a constituent institution of the University of North Carolina, as described in Section 502 of *The Code*.

B. “Constituent Institution” means any one of the 17 degree/diploma-granting institutions that comprise the University of North Carolina.

C. “Diversity” means the ways in which individuals vary, including, but not limited to, backgrounds, personal characteristics, ideas, beliefs, cultures, and traditions that distinguish one individual or group from another, which may include, but are not limited to, Federal, State, University, and constituent institution protected classes.

D. “Inclusion” means the enablement of individuals, including those from underrepresented groups, to fully and equitably have access to, and participate in, the University’s programs, services, facilities, and institutional life.

E. “Diversity and Inclusion (D&I)” collectively means the intentional efforts undertaken to create an institutional culture and a working and learning environment that offers acceptance, support, and respect for a diversity of individuals as they pursue their academic, research, and professional ambitions and interests.

F. “Equal Opportunity (EO)” means the right of individuals to be considered for admission to, employment by, and promotion within the institution on the basis of merit, experience, and qualifications, without unlawful or impermissible discrimination with respect to federal, State, University, and constituent institution protected classes.

G. “President” means the chief administrative and executive officer of the University of North Carolina, as described in Section 501 of *The Code*.

III. Statement of Commitment

The University features equality of opportunity in education and employment as a core value. To support this value and to meet the University’s educational, research, and public-service goals in an increasingly diverse and global society, the University needs the talents and skills of all qualified and

available individuals. To this end, the University is committed to building a culture and community that actively supports and promotes diversity and inclusion for its students, faculty, and staff, and for members of the general public who access our programs, services, and facilities.

IV. Accountability

A. Division of Responsibility. Responsibility for diversity and inclusion efforts shall be shared by the UNC System Office and the constituent institutions as determined by the president or president's designee. Responsibilities shall also incorporate appropriate reporting to the boards of trustees, the president, and the Board of Governors to ensure that individual and collective efforts have a measurable and meaningful effect.

B. System-Wide D&I Metrics. A common set of D&I metrics across the University system is necessary to conduct trend analysis, leverage experiences and successful approaches across constituent institutions, identify areas for future investments, and drive accountability for outcomes from D&I investments. To this end, the president shall set a defined number of system-wide D&I metrics that all constituent institutions shall track. These metrics shall complement the D&I goals specific to the distinctive mission of each constituent institution.

V. Reporting and Dissemination Requirements

A. Reporting to Boards of Trustees. Each constituent institution, through its chancellor, D&I Officer, or other chancellor designee, shall provide a report at least annually to the board of trustees on D&I-related information as identified by the president or president's designee. The board of trustees may request or require additional or more frequent information to be reported related to D&I operations, programs, and activities.

B. Reporting to the System Office and Board of Governors. Each constituent institution shall provide to the System Office, upon request of the president or president's designee, relevant information regarding the EO and D&I operations, programs, and activities of the constituent institution.

C. Dissemination of D&I Policies and Information. Constituent institutions shall periodically provide information describing their institutional D&I policies and programs to students, faculty, and staff, consistent with any requirements set by the president or president's designee.

VI. Other Matters

A. Effective Date. This policy shall be effective on the date of adoption by the Board of Governors.

B. Relation to State Laws. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, statutory enactments which may govern the activities of public officials.

C. Relation to Other University Policies. The foregoing policy as adopted by the Board of Governors is meant to supplement, and does not purport to supplant or modify, other University policies, regulations, and guidelines related to equal opportunity, free speech, and free expression.

D. Regulations and Guidelines. This policy shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.