

DRAFT MINUTES

January 17, 2020
University of North Carolina
Center for School Leadership and Development, Board Room
Chapel Hill, North Carolina

Call to Order

The Board of Governors met in regular session on January 17, 2020, in the Board Room, at the UNC Center for School Leadership Development in Chapel Hill. Chair Ramsey called the meeting to order at 9:00 a.m. and welcomed the guests.

Invocation

Chair Ramsey called on Mr. Holton to give the invocation.

Roll Call

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

Darrell T. Allison	Steven B. Long
W. Louis Bissette, Jr.	J. Alex Mitchell
Kellie Hunt Blue	Wendy F. Murphy
Pearl Burris-Floyd	Anna Spangler Nelson
C. Philip Byers	R. Doyle Parrish
Carolyn L. Coward	David M. Powers
Thomas H. Fetzer	Randy C. Ramsey
Thomas C. Goolsby	Robert A. Rucho
Reginald Ronald Holley	Adam J. Schmidt
James L. Holmes, Jr.	O. Temple Sloan III
Mark Holton	Dwight D. Stone
Terry Hutchens	Michael L. Williford
W. Marty Kotis, III	

The following member was absent:

N. Leo Daughtry

State Ethics Act

Chair Ramsey 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.

President's Report

Interim President Roper reported that, with a new year underway, the University System Office and the campuses were back in full force doing the important work for the people of North Carolina – educating, discovering, innovating, and serving. Next, Interim President Roper highlighted recent campus accomplishments. He mentioned that the latest data measuring the progress toward the University's Strategic Plan goals. Notably, the percentage

of UNC System students who graduated in five years has climbed steadily, standing at 71 percent, which exceeds the national average. Interim President Roper expressed his concerns regarding the state budget. The budget impasse will hurt our institutions, faculty, and our communities. He stressed that the UNC System Office will work to keep the budget crisis from causing irreparable damage to our institutions. For Interim President's complete report, please see Appendix A.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 4 on the day's consent agenda:

Minutes

- a. Minutes of December 13, 2019

Committee on Budget and Finance

- b. Capital Improvement Projects Appendix B
- c. Disposition of Property by Deed and by Ground Lease (Historic Warehouse District – ECU) Appendix C
- d. Disposition of Property by Ground Lease (Hotel – ECU) Appendix D
- e. Sale of Special Obligation Bonds – UNC School of the Arts Appendix E

Committee on Educational Planning, Policies, and Programs

- f. UNC Degree Program Discontinuations Appendix F
- g. Licensure Program Approvals Appendix G

Motion: Resolved, that the Board of Governors approve the consent agenda items listed on the day's meeting agenda.

Motion: Phil Byers

Motion carried

Report of the Committee on Budget and Finance

Mr. Sloan, chair of the committee, reported that, at its meeting the previous day, Mr. Parrish, chair of the Task Force on Capital Construction, shared preliminary details for next week's task force meeting. The task force is scheduled to meet on Thursday, January 23, 2020. Next, the committee heard a presentation on the UNC System Internal Bank (SIB) concept. The SIB would serve as an internal lender to our constituent institutions and secure funding to make loans available for various capital construction projects. The practice has been used effectively by other multi-campus universities and large private universities.

The committee also received information on the 2020-21 Tuition and Fee Proposals that each of the constituent institutions submitted for review. The committee will hold a workshop on February 19, 2020, to discuss the proposals in detail. All the members of the Board were encouraged to attend.

Next, Mr. Sloan stated that the committee reviewed and approved routine administrative and transactional items, including two disposition of property items for East Carolina University (see Appendix B and Appendix C), and one special obligation bond for UNC School of the Arts (see Appendix D). The committee approved these items and voted to place them on the day's consent agenda.

Finally, the committee reviewed five capital improvement projects requested by five UNC System institutions – East Carolina University, Fayetteville State University, NC School of Science and Mathematics, NC State, and UNC-Chapel Hill. Two projects were for advance planning and three projects for increased authorization.

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

Mrs. Nelson, chair of the committee, reported that, at its meeting the previous day, the committee approved the discontinuation of two degree programs – the Master of Arts in Gerontology at UNCC and the Educational Specialty in Intermediate Recognition at UNCG (see Appendix F). The committee also approved four licensure requests (see Appendix G).

Next, the committee heard an update on the data and highlights related to the UNC System’s Strategic Plan. The goals of the plan include focus on access, affordability and efficiency, student success, economic impact, and excellent and diverse institutions. Mrs. Nelson stated that strong progress has been made toward these goals. The committee also discussed the Minimum Admissions Requirement (MAR) Pilot Evaluation report and a proposed revision to the requirements was discussed. The committee also received an update on the UNC System Peer Institutions Study, as well as the North Carolina Teaching Fellows Program.

Lastly, Mrs. Nelson called on Professor David Green, chair of the UNC Faculty Assembly, for an update. Professor Green was proud to recognize the University’s faculty. Currently, there are over 10,000 faculty members in the UNC System. He profiled four faculty from across the 17 institutions – Tony Frazier, assistant professor of history at NC Central University; Janna Levin, associate professor of liberal arts at UNC School of the Arts; Liz Peeples, humanities instructor at North Carolina School of Science and Math; and Molly Worthen, associate professor of history at UNC-Chapel Hill. He provided a summary of how each is committed to student success, and he stressed the importance of retaining our outstanding faculty and recognizing the value of their contributions.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that, at its meeting the previous day, the committee continued its discussion on policy review for the 2019-2020 academic year. The purpose of the review is to determine if any policies need to be updated or changed to improve the effectiveness or clarity of the policy. The committee reviewed UNC Policy 300.5.1 – *Political Activities of Employees* and UNC Policy 300.5.2 – *Candidacy for Elective Office; Office holding (Elective and Appointive Public Office)*. The committee determined that no changes were necessary to either of these policies at this time.

Regarding board vacancies, the committee considered and approved two *ex officio* vacancies on the Vidant Medical Center Board of Trustees. In accordance with the affiliation agreement between the UNC System, East Carolina University, and Vidant Medical Center, the Board of Governors appoints nine of the twenty total seats. Two of the Board appointees on the Vidant Medical Board consist of the ECU chancellor and the dean of the ECU Brody School of Medicine, who both serve as *ex officio* members.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors approve the appointments of ECU Interim Chancellor, Ron Mitchelson, and the dean of ECU Brody School of Medicine, Mark Stacy, as *ex officio* appointees on the Vidant Medical Center Board of Trustees.

Motion: David M. Powers

Motion carried

Lastly, Mr. Powers referred to the 2020 Spring Commencement schedule. He encouraged the members to review the list of commencements and participate in one of the ceremonies to bring greetings on behalf of the Board. He stated that it was important to have a Board representative at each commencement.

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that, at its meeting the previous day, the committee heard a summary of activities that have taken place since its last meeting in November. The committee heard updates on both state and federal relations. Regarding state relations, the North Carolina Legislature returned earlier in the week for a continuation of the 2019 session. The legislators took action to address the funding shortfall in the Scholarship for the Children of Wartime Veterans (Senate Bill 560), and the bill passed unanimously. The Senate was unable to override Senate Bill 354 – Strengthening Educator Pay Act, which would have provided pay increases to UNC System faculty and staff. They were unable to reach an agreement on the budget, and the stalemate continues. The committee crafted a resolution regarding the state budget impasse and distributed the resolution to the Board.

Motion: Resolved, that on behalf of the Committee on Public Affairs, the Board of Governors approve the Resolution of the University of North Carolina dated January 17, 2020.

Motion: C. Phil Byers

Motion Amendment: Mr. Holmes motioned to amend the language of the last paragraph of the Resolution to read: NOW, THEREFORE, BE IT RESOLVED, that the Board of Governors of the University of North Carolina strongly encourages all elected leaders who support and value the world class higher educational systems in North Carolina to move swiftly to enact House Bill 966 and approve with the provisions originally included in Senate Bill 354. Further, we call on all boards of trustees to create and approve a concurring resolution as soon as practical.

Motion: Jim Holmes

Seconded by David Powers

Vote: Passed unanimously

Motion: Resolved, that on behalf of the Committee on Public Affairs, the Board of Governors approve the passage of the Resolution, as amended (see Appendix H).

Motion: Chair Ramsey

Motion carried

Next, Mr. Byers reported that the committee heard an overview of the policy agenda submitted by the institutions, and due to the uncertainty of the state budget, the committee will consider the policy agenda at its next meeting.

Regarding federal relations, the committee heard an overview of last month's end-of-the-year legislative wrap up in Congress that resulted in the completion of the FY 2020 appropriations process. Funding increases for education initiatives and federal research were authorized. Congress passed the FUTURE Act, which permanently reauthorizes \$255 million in mandatory federal funds for STEM-related programs at Historically Minority-Serving Institutions. The legislation also included simplification of the student aid form (also known as FAFSA). Staff also shared insights into the federal funding process and the prospects for a comprehensive Higher Education Act (HEA) reauthorization.

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

Mr. Holmes, chair of the committee, reported that, at its meeting the previous day, the committee heard an update on the UNC System's Public Safety Training Center pilot – a partnership between the UNC System and the Department of Public Safety Samarqand Training Academy. A temporary training coordinator will be hired to help plan a series of training events during the year.

Next, the committee heard an update on the internal audit work at the UNC System Office for the 2019-2020 fiscal year. It reviewed the status of the project on the fiscal year 2020 audit plan. The committee also received an update on the UNC System Enterprise Risk Management efforts.

The committee was briefed on the System-wide training efforts designed to assist institutions with implementing UNC System policy related to minors on campus. The staff will lead an initiative to bring individuals from across the System together for training and discuss best practices.

Lastly, the committee discussed the University's evaluation of insurance risks. Mr. Holton has been overseeing this effort and is working with the UNC System Office staff to assess the University's insurance risks and identify potential system-level recommendations. The committee will continue to discuss this item in more detail at future meetings.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, reported that, at its meeting the previous day, the committee focused on two of its top priorities – Summer School Study and reforms to the UNC Need-based Grant Program. The committee heard an overview on the efforts that the UNC System Office is undertaking to develop a more detailed proposal for summer school expansion. Each institution was asked to provide a list of courses offered in the summer that would help students complete their degree in a timely fashion. The committee also discussed how expanded summer school offerings would impact the institutions' staffing and operations during the summer months.

Next, the committee heard from a panel of financial aid administrators. The panel consisted of Rachelle Feldman from UNC-Chapel Hill; Sharon Oliver from NC Central University; and Krista Ringler from NC State University. The panelists spoke about the current structure of the UNC Need-based Grant Program and opportunities to reform the program, including consolidating state aid programs into one scholarship, amending the formula to make it transparent and predictable from year to year, and creating a spreadsheet or resources that help families determine whether their child is eligible for financial aid.

The committee will continue discussion around these topics. It will formalize proposals for summer school expansion and UNC Need-based Grant reform, and will report back to the Board at a future meeting

Report of the Committee on Military Veterans Affairs

Mr. Powers, secretary of the committee, reported that, at its meeting the previous day, the committee heard an update from Secretary Larry Hall, NC Department of Military & Veterans Affairs. Secretary Hall spoke about the North Carolina Scholarship for Children of Wartime Veterans and mentioned that, in November 2019, the state legislature made cuts to the program, which affected nearly 600 UNC System students who were set to receive reduced scholarship payments at the end of the fall 2019 semester. Fortunately, during the legislative session held earlier this week, funds were appropriated to cover the scholarship program for the remainder of the year. Mr. Powers noted that the UNC System leadership will continue to work with Secretary Hall to ensure the scholarship program continues to be supported.

The committee heard a presentation on best practices and recommendations for retaining and supporting military-affiliated students. The UNC System Office staff reported on highlights from the National Student Veterans of America Conference. More than 30 UNC System military-affiliated students attended the conference.

Next, the committee heard from a panel of student veterans from select UNC System institutions on the important role campus-based student veteran organizations play in improving retention rates among student veterans. These campus-based organizations are critical to helping military-affiliated students assimilate to the academic environment and increasing military-students' success.

Lastly, the committee heard a presentation on University of North Carolina at Greensboro's (UNCG) new Military Mentoring Program. This new program pairs active duty and prior military students with military-affiliated faculty mentors and, later, with UNCG alumni working in their field of interest. Further updates will be forthcoming as the program progresses.

Chair's Report

Chair Ramsey commented on the previous evening's event, in which the Board hosted a reception to welcome its newest members and honor the immediate past members. He thanked everyone involved with planning the event. He welcomed Chancellor Guskiewicz, who was elected last month as the permanent chancellor at UNC-Chapel Hill. He recognized Mr. Dwight Stone, the newest member of the Board, who was appointed last November.

Next, Chair Ramsey commented on the lack of a state budget and expressed concern over the negative impact it will have on the UNC System, the faculty, the students, and the communities we serve. Without a new state budget, enrollment growth goes unfunded, NC Promise schools will not receive funding, capital construction projects across the campuses will be delayed, among other issues.

He also spoke of the accomplishments that the UNC System has achieved. This year, the UNC System has exceeded its five-year goal for improving graduation rates, and graduation rates have improved for students from rural and underrepresented areas. He thanked the members for their hard work and dedication, and encouraged everyone to help the Board keep moving in a positive direction.

In closing, he provided brief comments on the Presidential Search Committee. The committee had held 17 listening sessions across the state was starting to develop a position profile, which identifies the qualities the UNC System will require in its next leader.

Secretary Burris-Floyd moved that the Board go into closed session pursuant to N.C. General Statute 143-381.11(a)(1), (3), and (6), for the purposes stated in the written motion that was included in the meeting materials, which have been publicly made available.

The Board went into closed session at 9:57 a.m. and returned to open session at 10:50 a.m.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, reported that, at its meeting the previous day, the committee heard updates on the effects of not having a state budget in place and the impact it will have on the UNC System. The lack of a budget will prevent the University from being able to accomplish its annual merit-based salary increase process for this fiscal year or grant bonus leave to employees.

The committee heard updates on several items, including a report on peer institutions, the status of ongoing chancellor searches, and the UNC System's new executive leadership institute. The committee also received

updates related to potential human capital legislative initiatives and the UNC System turnover and engagement metrics. Lastly, the committee reviewed and approved routine transactional items.

There being no further business, the meeting adjourned at 11:03 a.m. The next meeting of the Board of Governors is scheduled for Friday, February 21, 2020, at the UNC Center for School Leadership Development in Chapel Hill.

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 Interim President Roper's Report and "Notable News from the UNC System Office" January 2020
- Appendix B Capital Improvement Projects
- Appendix C Disposition of Property by Deed and by Ground Lease (Historic Warehouse District – ECU)
- Appendix D Disposition of Property by Ground Lease (Hotel – ECU)
- Appendix E Sale of Special Obligation Bonds – UNC School of the Arts
- Appendix F UNC Degree Program Discontinuations
- Appendix G Licensure Program Approvals
- Appendix H Resolution of the Board of Governors of the University of North Carolina dated January 17, 2020