

MINUTES

July 23, 2020

University of North Carolina

Via Videoconference and UNC-TV Live Stream

Call to Order

The Board of Governors met on July 23, 2020, in-person and by videoconference. Chair Ramsey called the meeting to order at 9:00 a.m. He announced that the day's meeting would be conducted pursuant to the amendments to the Open Meetings Act, which apply during states of emergency. All votes are required to be taken by roll call. He reminded the members that all chats, instant messages, texts, or other written communications between members of the Board regarding the transaction of the public business during the remote meeting are deemed a public record.

Invocation

Chair Ramsey called on Mrs. Coward to give the invocation.

Roll Call

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

Darrell Allison	Terry Hutchens
W. Louis Bissette, Jr.	W. Marty Kotis, III
Kellie Hunt Blue	Steven B. Long
Pearl Burris-Floyd	J. Alex Mitchell
C. Philip Byers	Wendy Floyd Murphy
Jimmy D. Clark	Anna Spangler Nelson
Carolyn Coward	R. Doyle Parrish
N. Leo Daughtry	Art Pope
Thomas C. Goolsby	David Powers
Isaiah Green	Randy Ramsey
Reginald Ronald Holley	Temple Sloan
James L. Holmes, Jr.	Dwight D. Stone
Mark Holton	Michael Williford

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 reflected on his service at the UNC System. This marked his final meeting as interim president as his term is set to expire on July 31st. In October 2018, the Board of Governors tapped Dr. Roper to lead the UNC System and he began his term as interim president in January 2019. Having spent most of his working life in public service, Dr. Roper stated that leading this wonderful institution had been a high honor and privilege. He was proud of the work the Board, the chancellors, the leadership team, faculty, staff, and he have accomplished.

He thanked everyone for their support and guidance. He wished incoming President Hans the very best as he begins his presidency.

Next, Interim President Roper introduced Dr. David Weber, medical director of hospital epidemiology and associate chief medical officer of UNC Health Care. Interim President Roper recalled that Dr. Weber provided a report on the COVID-19 pandemic to the Board at its March 2020 meeting and welcomed him back to the day's meeting for an update. Dr. Weber provided a slide presentation highlighting the current trends and status of the COVID-19 pandemic as well as the latest on medical research on health and safety (see Appendix A).

Chair Ramsey thanked Dr. Weber for his report and stressed that the Board and the UNC System Office were planning for the safe return of students and employees to the campuses in the fall.

In closing, Interim President Roper announced that this marked the first Board of Governors meeting for Dr. Sharon Gaber, chancellor of UNC Charlotte. He welcomed Chancellor Gaber and was excited about the future of UNC Charlotte under her leadership. For Interim President's complete report, please see Appendix B.

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 May 20, 2020
- b. Minutes of June 19, 2020

Committee on Budget and Finance

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| c. Sale of Special Obligation Bonds – N.C. A&T State University | Appendix C |
| d. Sale of Special Obligation Bonds – Western Carolina University | Appendix D |
| e. Approval of SBPA Replacement Remarketing Agent – UNC Hospitals | Appendix E |
| f. Disposition of Property by Ground Lease (Warehouse District) – East Carolina University | Appendix F |

Committee on Audit, Risk Management, and Compliance

- | | |
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| g. UNC System Office 2020-21 Internal Audit Plan | Appendix G |
| h. Committee on Audit, Risk Management, and Oversight Responsibilities and Operating Procedures | Appendix H |
| i. Section 1300.7.1 of the UNC Policy Manual, Policy on Insurance Coverage | Appendix I |

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

Motion: Pearl Burris-Floyd

Motion carried (Roll Call vote taken; see Appendix P)

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that during its meeting the previous day, the committee considered the 2020-21 Operating Budget Allocations. Included in the budget allocations were recommendations for enrollment funding, the NC Promise tuition buy down, and other related bills (see Appendix J).

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors approve the proposed 2020-21 Operating Budget Allocations.

Motion: James L. Holmes, Jr.

Motion carried (Roll Call vote taken; see Appendix P)

Next, the committee heard a presentation on the 2020-21 Capital Improvements Allocations from the Reserve for Repairs & Renovations (R&R). Mr. Holmes recalled that the 2020 General Assembly appropriated \$85.2 million from the State Capital Infrastructure Fund to the R&R fund. It also appropriated \$15 million pursuant to H.B. 1023, of which \$6 million would be allocated to the Board of Governors. The committee recommended that the R&R funds be distributed based on the allocation model that was previously approved by the Board in September 2019. It also recommended that the president be authorized to make refinements in the interest of accuracy and completeness (see Appendix K).

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors approve the 2020-21 Capital Improvements Budget Allocations.

Motion: James L. Holmes, Jr.

Motion carried (Roll Call vote taken; see Appendix P)

Mr. Holmes reported that the committee also considered and approved routine administrative and transactional items including N.C. A&T State University's request for the sale of special obligation bonds (see Appendix C); Western Carolina University's request for the sale of special obligation bonds (see Appendix D); UNC Hospital's request for SBPA replacement remarketing agent (see Appendix E); and East Carolina University's request for disposition of real property (see Appendix F). The committee voted to approve these items and place them on the day's agenda, which the Board approved earlier today.

Next, the committee received the annual report Budgeted Tuition Revenue Allocated to Need-Based Financial Aid for the period 2013-14 to 2020-21, as well as an update on the Internal Bank (UNC Funding, a subsidiary of the UNC Foundation).

The committee heard a report from Mr. Parrish, chair of the Capital Construction Task Force. The task force submitted its final report, which included recommendations for changes to the capital project design and construction policies, procedures, and processes. The task force identified specific action items for each recommendation, which included six focus areas (see Appendix L). The committee voted to accept the recommendations. This item will be presented to the full Board at its next meeting.

Mr. Holmes reported that the committee discussed tuition and fees scenarios for the upcoming fall semester as each of the constituent institutions are preparing for the return of students this fall. He explained that some instructional formats for parts of the 2020-21 academic year may need to change in response to the uncertainties created by the COVID-19 pandemic and that questions would arise about how our institutions will approach tuition and fees during this time. From the Board's perspective, it is important that our universities continue to operate and provide instruction, and the tuition and fees that we collect are important to sustaining this important mission not just for today's students, but for the students who will attend our institutions in the future. Mr. Holmes offered the following motion (see Appendix M).

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors affirm that the tuition and fees charged for the 2020-21 academic year will remain in place and shall not be refunded by any institution regardless of any changes in instructional format that may occur for any part of the 2020-21 academic year.

Motion: James L. Holmes, Jr.

Motion carried (Roll Call vote taken; see Appendix P)

Finally, Mr. Holmes announced that a committee will be formed to discuss the tuition and fees process. The purpose will be to conduct a comprehensive review of the entire tuition and fee process. The committee will be chaired by Mr. Mitchell and staffed by Senior Vice President Andrew Kelly. Other members of the committee will be identified in the coming weeks and will include representatives from the constituent institutions. Following the committee's next meeting, it will host an open session where Board members and other constituents can voice their ideas on any topics, issues, or areas of concern that the committee should explore.

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

Mr. Sloan, chair of the committee, reported that during its meeting the previous day, the committee reviewed and approved the Annual Report of the Committee on Educational Planning, Policies, and Programs from July 1, 2019 through June 30, 2020 (see Appendix N). The committee also heard an update on the UNC System's continued response to the impact of COVID-19 from the fully online summer session, the fall 2020 semester, and beyond. The committee heard an update on H.B. 1043 COVID-19 Response Project. The General Assembly allocated \$5 million that will be used to support three areas of online education: a virtual student support initiative, a digital course enhancement initiative, and designing effective online course initiative.

Next, the committee discussed a waiver pertaining to UNC Policy Section 700.1.1 – Policy on Minimum Eligibility Requirements for Undergraduate Admissions to the UNC System. The impact of COVID-19 has reduced options for standardized testing. The committee considered a one-year temporary waiver to the requirements of the policy. The committee voted to waive the standardized testing component of UNC Policy Section 700.1.1 for students applying for admission in the Spring, Summer, and Fall 2021 semesters.

Motion: Resolved, that on behalf of the Committee on Educational Planning, Policies, and Programs, the Board vote to accept a temporary waiver to portions of UNC Policy Section 700.1.1 – Policy on Minimum Eligibility Requirements for Undergraduate Admissions to the University of North Carolina System as described above.

Motion: O. Temple Sloan

Mr. Long expressed concern with suspending the University's standardized test scores and offered an amended motion as follows.

Amended Motion: Resolved, that the Board of Governors provide that students applying for admission in the Spring, Summer, and Fall 2021 semesters need not provide a standardized test score as a condition of admission if they provide a written certification that they have not been able to take a standardized test and retest due to the COVID-19 pandemic, and that upon receipt of the certification, the University will disregard any standardized test scores of that student in considering their admission.

Amended Motion: Steve Long

Motion seconded: Thomas Goolsby

Motion failed (Roll Call vote taken; see Appendix P)

Following discussion, Chair Ramsey called on Mr. Sloan to restate the original motion and called for a vote.

Motion: Resolved, that on behalf of the Committee on Educational Planning, Policies, and Programs, the Board vote to accept a temporary waiver of portions of UNC Policy Section 700.1.1. – Policy on Minimum Eligibility Requirements for Undergraduate Admissions to the University of North Carolina System. The impacts of COVID-19 have reduced options for standardized testing and have resulted in approximately 250 colleges and universities

waiving testing requirements for the upcoming admission cycle. The committee heard from enrollment managers and UNC-Chapel Hill and NC State, who explained the impact that this is having on their market competitiveness and on unconstructed student stress. The committee did not consider a permanent policy change, but only a one-year temporary waiver to the requirement of the policy directly related to the impacts of COVID-19. The committee voted to waive the standardized testing component of Section 700.1.1 in the spring, summer, and fall of 2021.

Motion: O. Temple Sloan

Motion carried (Roll call vote taken; see Appendix P)

In closing, Mr. Powers expressed concern about the wellbeing of students, given the fact that when they return to campus, students will spend a lot of time in their dorm rooms with severely limited campus activities and safe opportunities to socialize. He asked about the measures that our institutions are taking to address this challenge. Chancellor Martin stated that all the campuses are focusing a great deal of attention and energy on ensuring students' safe return to the campuses for the new academic year. He spoke about the strategies that N.C. A&T State has implemented, which include extended access to certain campus facilities, increased counseling services, and virtual-service counseling.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that during its meeting the previous day, the committee discussed board vacancies. At the North Carolina Arboretum, there was one vacancy on the Board of Directors for the term ending June 30, 2023, due to the resignation of Dr. Alison Morrison-Shetlar. The committee recommended the appointment of Chancellor Kelli Brown of Western Carolina University to serve.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors vote to approve the appointment of Chancellor Brown to serve on the North Carolina Arboretum Board of Directors.

Motion: David Powers

Motion carried (Roll call vote taken; see Appendix P)

Next, Mr. Powers reported that there were three vacancies on the Vidant Medical Center (VMC) Board of Trustees consisting of Seat 1, Seat 10, and Seat 11. Mr. Arthur Keeney, whom occupied Seat 11, has completed his service. The nominating committee recommended the appointment of Ms. Deborah Davis to Seat 11 for a five-year term beginning March 1, 2020 and ending on February 28, 2025. The other two vacancies would be considered later.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors vote to approve the appointment of Ms. Deborah Davis to Seat 11 on the Board of Trustees at Vidant Medical Center.

Motion: David Powers

Motion carried (Roll call vote taken; see Appendix P)

Mr. Powers reported that 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. At its February 20, 2020 meeting, the committee reviewed UNC Policy Section 200.7 – Duties, Responsibilities, and Expectations of Board Members – and directed staff to make further revisions. At its meeting the previous day, the committee reviewed the revisions and voted to recommend the revised policy to the Board. This policy will be presented to the Board at its next meeting.

In April 2020, the Board of Governors created the Student Elections Working Group. The working group reviewed each campuses policies and practices regarding student government election policies and made recommendations

for improvements. It also discussed policy changes regarding improper influence by University employees or other officials. The working group considered a new section of the UNC Policy Manual Section 700.3.2 – Policy on Student Government Elections. This policy will be brought to the full Board for approval at its next meeting.

Finally, Mr. Powers reported that the committee reviewed a proposed calendar for the 2020-2021 Boards of Trustees selection process along with a current list of UNC Boards of Trustees members.

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that during its meeting the previous day, the committee reviewed the activities that have taken place since its last meeting on May 20, 2020. Regarding state relations, Mr. Byers reported that the legislature met from mid-May through the end of June. During that time, the legislature passed 14 bills that impact the University and that fund many Board-approved priorities. In addition, there were several bills that provide important liability protections for the University that were signed into law.

Regarding federal relations, the committee heard an update from vice president for Federal Relations on congressional efforts to negotiate and finalize a fourth COVID-19 stimulus package prior to the end of July when unemployment benefits are set to expire and Congress recesses in August. The committee also heard an update on a new U.S. Department of Homeland Security rule that affects international students as well as the progress that has been made in the House of Representatives to pass FY 2021 appropriations bills.

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

Mr. Holton, chair of the committee, reported that, during its meeting the previous day, the committee received a presentation from the vice president for Compliance and Audit related to oversight responsibilities and operating procedures. The presentation highlighted the key areas including, risk management, the UNC System Hotline, information technology, campus safety and security, external audits, and the University's systemwide internal audit. Key components of the internal audit charter were also presented. The committee reviewed and approved the report on Oversight Responsibilities and Operating Procedures (see Appendix H) and placed the item on the day's agenda, which was approved by the full Board. The committee also reviewed a summary of the UNC System Office Internal Audit for 2019-2020 Year-end Report. Following that presentation, the committee reviewed the UNC System Office 2020-21 Internal Audit Plan (see Appendix G). The committee approved the plan and voted to place the item on the day's agenda, which was approved by the full Board.

Finally, the committee heard an update on the UNC System's Public Safety Training Center located in Moore County. In-service training will be made available for all 17 UNC System's campus police departments beginning this month. Mr. Holton encouraged the members to visit the center.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, reported that, during its meeting the previous day, the committee continued discussion on student mental health issues. The committee discussed trends and the utilization of student mental health services. Dr. Ben Locke, senior director of counseling & psychological services at Pennsylvania State University, shared key information from his research on student mental health delivery, staffing levels, and student demand. He recommended that the UNC System examine its capacity to offer these services. The committee will gather data related to the cost of financing mental health services.

The committee also heard a presentation by Dr. J.J. Brown, vice chancellor for student affairs, and Mr. Paul Forte, vice chancellor for business affairs, both from Appalachian State University, related to how its campus has freed up resources for mental health services. The committee will continue further discussion on this important topic at its next meeting.

Report of the Committee on Historically Minority-Serving Institutions

Mr. Allison, chair of the committee, reported that during its meeting in June, the committee reviewed the work it has completed to date. The committee heard an update regarding the University's historically minority-serving institutions and reviewed the committee's charge. The committee also heard an update on the annual SHRA compensation review, SHRA market rates, and current market indexes. It heard an update on the University's executive leadership talent pilot program and received an update on the University's current marketing efforts at the historically minority-serving institutions. Mr. Allison recalled that this past spring, the University's historically minority-serving institutions collaborated with the UNC Center for Public Television and the System Office to create videos to utilize on social media and other campus platforms.

Next, Mr. Allison reported that the committee received an overview on the University's Constituent Relationship Management (CRM) and the data mart shared services project, which was of great importance and has proven to be transformational for fundraising efforts not only at the historically-minority serving institutions but also at UNC Asheville, UNC School of the Arts, and the North Carolina School of Science and Math.

Finally, Mr. Allison mentioned the partnership with the North Carolina Policy Collaboratory at UNC-Chapel Hill to award \$6 million in COVID-19 funding to the UNC System's historically-minority serving institutions and to UNC Asheville. Each institution will participate in a variety of COVID-19 related activities, including research, community testing, and other related activities that support minority and rural populations. The information gathered from these collaborative activities will be provided to our state's legislative leaders and policymakers.

Report of the Committee on Military and Veterans Affairs

Mr. Daughtry, chair of the committee, reported that, during its meeting the previous day, the committee focused on the value that military students bring to our University and our state. Over the past three years, the UNC System has seen a gradual increase in enrolled military-affiliated students. Mr. Daughtry spoke of the positive attributes that veterans bring to college and university campuses. He noted that the UNC System has seen a 24 percent revenue increase for those utilizing federal Veterans Administration's educational benefits, which totaled \$61 million in 2019. He stressed the importance of the UNC System to prioritize recruiting, retaining, and graduating military-affiliated students.

In conclusion, the committee is working with the faculty assembly leadership and has appointed two faculty liaisons to support the University's efforts to ensure that UNC remains a national leader in military-student education.

Chairman's Report

Chair Ramsey welcomed the two new members of the Board, Mr. Jimmy Clark and Mr. Art Pope, who were elected the previous month. He also welcomed Chancellor Gaber, who began her term in July at UNC Charlotte, and incoming President-elect Hans, who was slated to begin his term on August 1. Chair Ramsey reported that a lot of critical work has taken place across the UNC System to prepare for the reopening of campuses this fall. He emphasized that bringing students, faculty, and staff back together is vital to the mission of the University. The UNC System has clear guidelines for requiring each institution to have policies in place that mandate face coverings, social distancing, cleaning routines, and collaboration with local health agencies. The Board remains fully committed to resuming all campus operations and instruction this fall as the University community returns to an environment where it is safe to study, conduct research, teach, live, and work.

Next, Chair Ramsey thanked Interim President Roper for his invaluable contributions to the University. Interim President Roper was slated to step down on July 31, 2020. Chair Ramsey recalled the priorities that Dr. Roper had set for himself upon taking the helm. Those priorities included working collaboratively with the Board, the chancellors, and the UNC System team; continuing the forward progress towards the University's Strategic Plan goals; and empowering the UNC System staff to support our institutions and strengthen the UNC System. Chair

Ramsey emphasized that Dr. Roper met and exceeded these priorities. He stated that earlier this year when the pandemic crisis hit, Dr. Roper's collaborative spirit pulled us all together. His calm, thoughtful demeanor helped us all think through our System-wide response rationally, and his expertise helped us react quickly.

In closing, Chair Ramsey recognized outgoing Interim President Roper for his distinguished service to the University with the following presentations. On behalf of Chancellor Cummings and the UNC Pembroke staff, Chair Ramsey presented Dr. Roper with a framed display case that included 17 metal lapel pins depicting each of the UNC institutions. Next, he announced that, at Elizabeth City State University, Chancellor Dixon will recognize Dr. Roper with an honorary degree in public service. Chair Ramsey also announced that on behalf of Chancellor Guskiewicz and the board of trustees at UNC-Chapel Hill, a building or an identified area, will be named in Dr. Roper's honor. Lastly, Chair Ramsey called on Mr. Holley, who offered a resolution honoring Dr. William L. Roper (see Appendix N).

Motion: Reginald Holley

Motion seconded: James L. Holmes, Jr.

Motion carried (Roll Call vote taken; see Appendix P)

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

Motion: Resolved, that the Board go into closed session pursuant to N.C. General Statute 143-318.11(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 (see Appendix O).

Motion: Pearl Burris-Floyd

Motion seconded: Wendy Floyd Murphy

Motion carried (Roll Call vote taken; see Appendix P)

The Board went into closed session at 11:30 a.m. and returned to open session at 12:30 p.m.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, reported that during its meeting the previous day, the committee heard an update from the senior vice president for Human Resources on the most updated human resources provisions implemented since mid-March in response to COVID-19. The provisions include special pay administrative leave, a pause on nonessential human resource actions, and expanded authorities around emergency temporary furloughs, pay reductions, and reduction in force.

Next, the committee voted to accept proposed amendments to *The Code* Sections 610 and 603 of the UNC Policy Manual. The amendments will clarify the obligation of the University to include contingency provisions in special faculty employment contracts. The committee also voted to accept proposed revisions to UNC Policy Section 200.8 – Chancellor Searches and Elections. The amended policy will be brought to the full Board at its next meeting.

Next, the committee reviewed and approved routine informational reports. It also voted to request that the UNC System Office continue to provide informational reports on requests for salary increases and newly established positions that previously were mandated for consultation by state statute.

Motion: Resolved, that on behalf of the Committee on Personnel and Tenure, the Board of Governors approve that the UNC System Office provide the informational reports that were repealed by the General Assembly.

Motion: Kellie Hunt Blue

Motion failed (Roll Call vote taken; see Appendix P).

Finally, Mrs. Blue reported that during its closed session, Mr. Hans consulted with the committee regarding his appointments of a chief financial officer and a chief operating officer for the UNC System. The committee voted to accept both appointments. It also reviewed and approved a resolution authorizing the president to establish and implement an incentive compensation program for the chief operating officer.

Motion: Resolved, that on behalf of the Committee on Personnel and Tenure, the Board of Governors approve the resolution authorizing the president to establish and implement an incentive compensation program for the chief operating officer of the UNC System.

Motion: Kellie Hunt Blue

Motion carried (Roll Call vote taken; see Appendix P).

President-elect Han's Employment Contract

Chair Ramsey reported on President-elect Hans' employment contract. The Board voted to approve the terms and conditions of Mr. Hans' appointment as the next president of the UNC System, and the terms of his contract will be incorporated into a written five-year employment contract.

Motion: Randy Ramsey

Motion Seconded: Marty Kotis

Motion carried

There being no further business, the meeting adjourned at 12:53 p.m. The next meeting of the Board of Governors is scheduled for Thursday, September 17, 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	Update and presentation on COVID-19 by Dr. David Weber
Appendix B	Interim President Roper's Report
Appendix C	Sale of Special Obligation Bonds – N.C. A&T State University
Appendix D	Sale of Special Obligation Bonds – Western Carolina University
Appendix E	Approval of SBPA Replacement Remarketing Agent – UNC Hospitals
Appendix F	Disposition of Property by Ground Lease (Warehouse District) – East Carolina University
Appendix G	UNC System Office 2020-21 Internal Audit Plan
Appendix H	Committee on Audit, Risk Management, and Oversight Responsibilities and Operating Procedures
Appendix I	Section 1300.7.1 of the UNC Policy Manual, Policy on Insurance Coverage
Appendix J	2020-21 Operating Budget Allocations
Appendix K	2020-21 Capital Improvements Allocations (R&R)
Appendix L	Report of the Capital Construction Task Force
Appendix M	2020-21 Academic Year Tuition and Fee Scenario Planning
Appendix N	University of North Carolina Board of Governors' Resolution Honoring Dr. William Lee Roper
Appendix O	Closed Session Motion
Appendix P	Roll Call Votes