



MEETING OF THE BOARD OF GOVERNORS
Committee on Public Affairs

February 17, 2021 at 2:30 p.m.
Via Videoconference and PBS NC Live Stream
University of North Carolina System Office
Center for School Leadership Development, Board Room
Chapel Hill, North Carolina

AGENDA

- A-1. Approval of the Minutes of January 20, 2021.....C. Philip Byers
- A-2. State Government Relations Update.....Bart Goodson
- A-3. Federal Government Relations UpdateElizabeth Morra
- A-4. Adjourn

DRAFT MINUTES

January 20, 2021
University of North Carolina System Office
Center for School Leadership Development, Board Room
Chapel Hill, North Carolina

This meeting of the Committee on Public Affairs was presided over by Chair C. Philip Byers. The following committee members, constituting a quorum, were also present in person or by Video: N. Leo Daughtry, Steven B. Long, and Dwight D. Stone. The following committee members were absent: Temple Sloan.

Chancellors participating were Peggy Valentine and Robin Cummings.

Staff members present included Bart Goodson, Timothy Minor, Elizabeth Morra, Austen Nowell, and others from the UNC System Office.

1. Call to Order and Approval of OPEN Session Minutes (Item A-1)

Chair Byers called the meeting to order at 2:05 p.m., on Wednesday, January 20, 2021.

Chair Byers called for a motion to approve the open session minutes of October 21, 2020, and November 18, 2020.

MOTION: Resolved, that the Committee on Public Affairs approve the open session minutes of October 21, 2020 and November 18, 2021, as distributed.

Motion: N. Leo Daughtry
Motion carried

Roll Call Vote	
Byers	Yes
Stone	Yes
Long	Yes
Daughtry	Yes
Sloan	Absent

2. University Advancement Update (Item A-2)

Chair Byers called on Mr. Timothy Minor to present the Fiscal Year 2019-2020 University Advancement Update. Mr. Minor highlighted the UNC System strategic directions, shared services, NC gift giving, COVID-19 impact, and System Wide Fundraising. Mr. Blake MacIver provided the committee with an update on data modernization and the shared services project.

3. 2021 Legislative Proposals (Item A-3)

Chair Byers called on Ms. Austen Nowell to present two additional proposals to add to the 2021 Legislative priorities. The priorities were approved during the November meeting. These proposals align with the University's Strategic Plan, and reinforce the efforts of the UNC System Office and UNC System constituent institutions to achieve the goals of previous legislation instated by the General Assembly.

MOTION: Resolved, that the Committee on Public Affairs approve the two additional proposals, as distributed.

Motion: N. Leo Daughtry

Motion carried

Roll Call Vote	
Byers	Yes
Stone	Yes
Long	Yes
Daughtry	Yes
Sloan	Absent

4. Federal Government Relations Update (Item A-4)

Chair Byers called upon Ms. Elizabeth Morra to provide a federal government relations update to the Public Affairs Committee. Since the committee's last meeting, Congress passed a second COVID-19 Relief Bill. Ms. Morra provided an overview of the recently enacted bill and gave an update on the FY 2021 Omnibus Appropriations bill. Next, Ms. Morra introduced the UNC System Federal Priorities for the 117th Congress. These priorities will come for a vote before the committee and full Board at its next meeting.. Finally, Congress recently passed Veterans Health and Benefits legislation and Ms. Morra explained how this legislation affects the UNC System.

5. Adjourn (Item A-5)

There being no further business and without objection, the meeting adjourned at 3:06 P.M.

Steven B. Long, Secretary



MEETING OF THE BOARD OF GOVERNORS
Committee on Public Affairs
February 17, 2021

AGENDA ITEM

A-2. State Government Relations Update Bart Goodson

- Situation:** The committee will receive an update on the 2021 Legislative Session.
- Background:** The North Carolina General Assembly (NCGA) convened on Wednesday, January 13, 2021, for the 2021-22 Biennium. The committee will hear how the System Office has begun promoting the 2021 state operating budget proposal and legislative agenda.
- Assessment:** Mr. Goodson will provide an update to the committee on activities and meetings at the NCGA.
- Action:** This item is for information only.



AGENDA ITEM

A-3. Federal Government Relations Update..... Elizabeth Morra

- Situation:** The committee will receive an update on federal legislative issues and UNC System Federal Priorities.
- Background:** Ms. Morra will provide an update the status of the next Covid-19 Stimulus package, which is pending before Congress. Additionally, Ms. Morra will recap the UNC System Federal Priorities for the 117th Congress.
- Assessment:** This briefing will summarize new stimulus legislation, as well as the UNC System Federal Priorities.
- Action:** This item requires a vote by the committee and a vote by the full Board of Governors.

FEDERAL PRIORITIES FOR 117th CONGRESS

OVERVIEW

The unique and diverse campuses of the University of North Carolina System have for generations provided opportunities for upward mobility for graduates and served as a powerful economic engine in many communities across the state. The UNC System's 17 institutions, which reach from the mountains to the coast, offer hope and promise of a brighter future for all North Carolinians.

With this incredible responsibility, comes the challenge to do more. Far too many low-income, first-generation, and underrepresented groups still face barriers to a four-year college degree. Despite innovations in affordability such as NC Promise, which offers greatly reduced tuition rates at three UNC System campuses in communities that need it most, there is still much work to be done to make a college degree more accessible.

Adding to existing challenges, the COVID-19 pandemic has stretched resources and funding beyond what anyone could have predicted. Federal support provided in the CARES Act and, most recently, the Coronavirus Response and Relief Supplemental Appropriations Act of 2021, have greatly relieved some of the pressures on UNC System institutions. However, more federal support is necessary to recoup lost time and scientific advances at research laboratories, mitigate effects of the pandemic on campuses, and address ongoing challenges to keep students academically engaged and successfully on track to a degree despite interruptions. There are also increasing pressures on universities to create economic opportunities providing jobs that offset losses caused by the pandemic.

The UNC System is fortunate that the state legislature has stood firmly behind its mission for many years, but federal support remains critical to future success. UNC System FY 2022 federal priorities outlined below fall under three main categories:

1. Support for federal research
2. Commitment to expanding access, affordability, and promoting student success
3. Support for colleges and universities during the COVID-19 pandemic

17 INSTITUTIONS.

**INDIVIDUALLY
REMARKABLE.
COLLECTIVELY
EXTRAORDINARY.**

Appalachian State University

East Carolina University

Elizabeth City State University

Fayetteville State University

North Carolina A&T State University

North Carolina Central University

North Carolina State University

UNC Asheville

UNC-Chapel Hill

UNC Charlotte

UNC Greensboro

UNC Pembroke

UNC School of the Arts

UNC Wilmington

Western Carolina University

Winston-Salem State University

N.C. School of Science and Mathematics

PRIORITY 1: SUPPORT FEDERAL RESEARCH

Federal research funding is the lifeblood of the nation's universities and colleges. The UNC System is no different. Every year, the UNC System relies on approximately \$1.1 billion in federal research funding to advance important discoveries, including medical priorities such as vaccines and treatments for vexing public health challenges. Federal research funding also provides future researchers and scientists invaluable laboratory experience, fosters innovation and competitiveness through the development of new knowledge, and grows the future workforce in STEM fields and social sciences. The major federal agencies and their programs UNC System institutions rely on most for funding to achieve research outcomes, include:



The National Science Foundation (NSF)

National Aeronautics Space Administration (NASA)

Science Mission Directorate, Aeronautics Research Directorate, Space Technology, Space Grant Program



National Oceanic and Atmospheric Administration (NOAA)

Oceanic and Atmospheric Research, Sea Grant Program



National Institute of Standards and Technology (NIST)

Manufacturing Extension Partnerships (MEP), National Network for Manufacturing Innovation (NNMI)



Economic Development Agency (EDA)

Regional Innovation



US Department of Agriculture (USDA)

National Institute of Food and Agriculture (NIFA); Hatch Act Funds, Smith Lever Funds 3(b) and 3(c), Evans-Allen Program, McIntire-Stennis Cooperative Forestry, 1890 Institutions Extension Services



Department of Defense (DoD)

Science & Technology, S&T Basic Research, Medical Research, DARPA



Department of Energy (DOE)

Office of Science: Advanced Research Projects Agency for Energy (ARPA-E)



National Endowment for the Humanities (NEH)



Department of Interior

U.S. Geological Survey (USGS) Water Resources Research Institutes



Environmental Protection Agency (EPA)

Office of Science and Technology



Department of Education (ED)

Student Aid: Pell Grants, Graduate Assistance in Areas of National Need (GAAN), Supplemental Educational Opportunity Grants (SEOG), Federal Work Study, TRIO, GEAR UP



National Institutes of Health (NIH)

Additional Research Priorities:

- Support the RISE (Research Investment to Secure the Economy) Act/\$25 Billion for Federal Agencies.
- Support Cooperative Approaches to Research Security. The UNC System recognizes the need to engage with Congress and identify how to effectively collaborate with federal agencies to address potential security threats to the country's research and scientific interests.
- Support expansion of research focusing on the impacts of Covid-19 on students K-12 and postsecondary, including effects on mental health.
- Support the implementation of the National Artificial Intelligence Research and Development Strategic Plan, including funding research aimed at developing scalable AI systems and fostering AI research.
- Support legislation targeting department and agency R&D investments in advanced manufacturing, specifically smart and digital manufacturing and advanced industrial robotics, as well as cybersecurity.

PRIORITY 2: COMMITMENT TO EXPANDING ACCESS, AFFORDABILITY, AND STUDENT SUCCESS

The Coronavirus Response and Relief Supplemental Appropriations Act of 2021, included several priorities for higher education long supported by the UNC System, such as simplifying the Free Application for Student Aid (FAFSA) form. The Act also expanded the Pell Grant program by the largest amount in a decade, including an easier method for students to predict eligibility. However, there are a number of key education authorization and funding issues the UNC System would like to see addressed in the 117th Congress to make college more attractive, accessible and affordable for students:

■ **Support and increase Pell Grant funding:** These need-based grants have a proven success rate of increasing graduation rates, as they keep students on track for degree completion. Currently, UNC System universities receive approximately \$346 million annually in Pell Grant funding, supporting more than 72,000 students at System universities. Congress should consider ways to:

- Increase the maximum Pell Grant award annually. Pell Grants are well-targeted to students with clear financial need: Approximately three-fourths of all Pell Grant dollars are awarded to students with a family income below \$30,000. For many students, Pell Grants make the difference between being able to afford college or not, but over the years the size of the grant has not kept pace with the costs of attending college. While the maximum grant used to cover about 80 percent of college costs, today the 2020-2021 maximum grant of \$6,495 covers just 30 percent of the cost of attending college.
- Fund the Pell Grant Program on the mandatory side of the budget so that it automatically responds to increases and decreases in student enrollment without the need for congressional action, OR
- Extend the annual inflation adjustment levels, which expired after the 2017-2018 academic year. Without the inflation adjustment, Pell funding will decline as inflation rises, jeopardizing access to higher education for the neediest students.

■ **Support and increase campus-based student aid programs:**

- Preserve Supplemental Educational Opportunity Grants (SEOG) for the neediest of students.
- Preserve and expand the federal Work-Study program for all students, including graduate students.
- Preserve and support TRIO, GEAR UP, and Graduate Assistance in Areas of National Need (GAAN) - all of which help UNC System campuses attract and retain students who otherwise might not be able to access or afford college.

■ **Support for Students (undergraduate, graduate, and postdoctoral):**

- Including federal financial aid, loans, scholarships, fellowships, research awards, transitions to the workforce, mental health services, and related programs.

PRIORITY 2: (CONTINUED)

■ Address the Perkins Loan Reimbursement Issue; Colleges Still Owed Millions:

- o The Perkins Loan Program, which expired in 2017, provided low-interest loans for students with financial needs. It was funded through a partnership between the federal government and institutions of higher education. The program allowed certain debts to be cancelled if a student entered public service fields such as teaching, law enforcement, or military service. However, for the past ten years, the burden of covering the cost of the cancellations has fallen solely on colleges and universities, with no federal assistance, despite a statutory obligation to do so.
- o Nationally, it is estimated that colleges and universities are owed in the range of \$250-300 million in unreimbursed Perkins Loan funds. The UNC System is owed \$6.2 million. Even though annual appropriations bills have included language directing the Department of Education to reimburse the cancellation costs to colleges and universities, it has not done so to date, and the Department claims it does not have the funding to pay the debts.

■ Pass the College Transparency Act (CTA):

- o Students and parents deserve more information about costs and outcomes when making one of the single largest financial commitments of their lives: a college education.
- o Accurate graduation and employment rates are key data components that are currently not available on a consistent basis or comparable nationwide.
- o The CTA provides a balanced approach to addressing concerns about privacy and security while giving families key information needed to make impactful decisions.

■ Preserve and Clarify Public Service Loan Forgiveness (PSLF):

- o Provide more statutory clarity on which non-profit organizations qualify. This will ensure that graduates know what they are signing up for, as PSLF requires 10 years of public service in designated careers such as military service, nursing, or teaching.
- o Revamp the Employer Certification Form process to eliminate situations in which borrowers are initially told their work qualifies, and then later receive an adverse determination.
- o Speed the processing of applications for discharge.

PRIORITY 3: SUPPORT COLLEGES AND UNIVERSITIES DURING COVID-19 PANDEMIC

■ Federal funding to colleges and universities for lost time in research labs, COVID-19 testing and tracing, PPE, and related sterilization supplies will continue to be a priority as the pandemic rages on.

- o \$120 billion was requested by the higher education community for the last pandemic relief bill and \$23 billion was provided. Additionally, university research relief funding was largely left unaddressed in both pandemic bills. The UNC System strongly supports its inclusion in any future aid package.
- o Liability Protections – The UNC System will continue advocating for limited and targeted liability protections during the pandemic, which is also a top priority for the higher education and business communities.

OTHER TOP PRIORITIES

■ **Protect Student Veterans and their Families by Closing the 90/10 Loophole**

- o The Higher Education Act precludes for-profit colleges and universities from receiving more than 90% of their revenue from federal student aid. The rule, however, excludes funding from the Department of Defense (DoD), or the Department of Veterans Affairs (VA).
- o This loophole has exposed some student veterans to predatory recruitment campaigns from institutions with questionable credentials.
- o Close the 90/10 loophole to protect veteran students from disproportionate risk in the for-profit education sector.

■ **Ensure Quality Accreditation Standards**

- o Encourage the Department of Education to ensure accreditors are tough gatekeepers, and prevent a ‘race-to-the-bottom’ for accreditation.

■ **Protect the North Carolina State Approving Agency (SAA) Model**

- o Congress recently enacted a wrap-up veterans benefits and health care bill, the Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020 (H.R. 7105). The bill, unfortunately, included a provision which prohibits the colocation of state SAAs within university systems, which is the model in North Carolina.
- o Support any efforts to grandfather in or change the current statute, which will create significant disruption to the GI Bill benefits processing system for the state.

■ **Support the Pathfinder Airborne Program**

- o UNC System institutions are developing a collaborative partnership for soldier-led innovation with the Army Futures Command and the 82nd Airborne Division at Fort Bragg. The FY 2021 DoD appropriations bill included an initial \$8 million for the project. The UNC System will seek continued funding for this partnership beyond FY 2021.

■ **Support UNC System’s Historically Minority-Serving Institutions (HMSIs)**

- o The UNC System is made up of six distinct HMSIs which includes Elizabeth City State University, Fayetteville State University, N.C. A&T State University, NC Central University, UNC Pembroke, and Winston-Salem State University. Its five Historically Black Colleges and Universities (HBCUs) and one Native American-Serving Nontribal Institution (NASNTI) make a significant impact to the state’s economy through academic offerings, research, and partnerships that serve the community and region. The HMSIs are also essential to providing access and affordable options to students in some of the most underserved areas of the state.
- o **Fully Fund Title III, Part B: Strengthening Historically Black Colleges and Universities.** The Department of Education programs are critical to enhance and sustain the quality of HBCUs and help HBCUs expand their capacity to compete and to address the needs of low-income and rural students in underserved and underrepresented areas of our state. These programs support the university’s ability to address national challenges associated with global competitiveness, job creation, and changing demographics. Funding supports a number of services, including educational equipment, teacher education, campus construction activities, counseling, and student aid services.
- o **Increase Funding for Native American-Serving Nontribal Institutions (NASNTIs):** UNC Pembroke is one of 37 NASNTIs not federally recognized in the United States. UNC Pembroke is one of the most diverse campuses in the UNC System and a leader in addressing health disparities in the southeastern region. The university is one of the state’s three NC Promise schools that offer \$500/semester tuition. NASNTIs, such as UNCP, are historically underfunded in comparison to other minority-serving institutions (MSIs).

■ **Support Funding for Campus Resilience Related to Natural Disasters**

- o The UNC System supports the inclusion of funding for campus resiliency related to natural disasters in any future emergency supplemental spending bill.

OTHER TOP PRIORITIES

■ Support the EAGLES Act

- o The United States desperately needs a comprehensive approach to identify, investigate, assess, and mitigate threats before horrific tragedies, like school shootings, take place.
- o The EAGLES Act, which has been introduced in previous Congresses, would reauthorize and expand the Department of Homeland Security and the National Threat Assessment Center (NTAC), housed within the U.S. Secret Service, which researches targeted violence to assist law enforcement, government agencies, schools, campuses, and others in preventing attacks using a behavior-based threat assessment model.
- o The EAGLES Act would allow NTAC to provide communities with the latest best practices and training to identify at-risk individuals and intervene to stop violent attacks before they occur.
- o The EAGLES Act enjoys bipartisan support in Congress and is supported by UNC System police chiefs.

■ Support Legislation for Student Athletes

- o Federal legislation is needed to create a level playing field for implementation of Name, Image, and Likeness (NIL) payment rules for athletes. Recent state legislation in Florida and California will bring NIL revenues to athletes in those states.
- o National legislation is necessary to avoid an uneven playing field in recruitment and to ensure that the NIL contracts are not used as recruiting inducements.
- o The UNC System supports federal legislation that is consistent across the NCAA regarding Name, Image and Likeness for student athletes.

■ Support Legislation that Protects and Encourages International Students, Scholars and Faculty

- o The UNC System employs and attracts some of the world's most talented research scientists, faculty, doctors, and postdoctoral fellows. International faculty and students contribute greatly to our college campuses, workplaces, and communities throughout North Carolina and our country.
- o There are more than 8,500 undergraduate and graduate international students making contributions on UNC system campuses.
- o Support federal legislation that promotes and fosters the work of bright and highly-skilled international students, scientists, and doctors, as they continue their development as productive members of our universities and communities.

■ Fund Emergency Communications and Equipment Upgrades for UNC-TV

- o More than 10 million North Carolinians rely on UNC-TV broadcasts for important and often lifesaving information during and following emergency situations.
- o During recent hurricanes, critical transmissions sites for local emergency communications were stretched to maximum capacity, including the use of power generators.
- o UNC-TV received \$1.4 million from the CARES Act to help offset costs for equipment upgrades, but still needs \$16.4 million in federal funding, of a total \$24 million, to replace and/or update current communications infrastructure, including approximately 20-year-old equipment that is difficult to maintain and is dependent on parts that are no longer available.

■ Support Next Gen TV Case Study to Close the Digital Gap

- o UNC-TV is playing a critical role in minimizing the pandemic's statewide educational impact and is uniquely positioned to prepare North Carolina to combat future disruptions to in-person instruction.
- o UNC-TV is seeking \$4.5 million in federal funding for a pilot program to employ Next Gen TV technology to solve the statewide homework gap.
- o This new broadcast standard combines free television with an enriched digital environment. It can help close the growing digital divide for an estimated 1.6 million NC families without home internet.
- o Next Gen TV may be the pathway to providing North Carolina's 1.5 million K12 public school students with customized content, while enhancing the learning opportunities of the state's 140,000 home-schooled students.





PUBLIC AFFAIRS

Meeting of the Board of Governors

February 17, 2021



STATE RELATIONS UPDATE

Bart Goodson, Senior Vice President of Government
Relations

Update on activities and meetings

Presentations to:

House Education, Universities Committee – 2/4

Senate Education/Higher Education Committee – 2/10

Meetings with:

House Education, Universities Committee, Chair

House Appropriations, Education Committee, Chairs

House Appropriations Committee, Senior Chairs and Chairs

Senate Appropriations/Base Budget, Chairs

Various House and Senate Members

House and Senate Leadership Staff

Other items:

Governor Cooper's plan for allocating federal COVID-19 relief funds

General Fund Revenue Consensus Forecast



FEDERAL RELATIONS UPDATE

Elizabeth Morra, Vice President for Federal Relations

Next Big Stimulus

- ✓ \$350 billion for state and local governments
- ✓ \$60 billion vaccines, testing, tracing
- ✓ \$1,400 direct stimulus checks
- ✓ \$7.6 billion broadband access
- ✓ \$40 billion for higher education

House ED and Labor COVID-19 Stimulus

HEERF 3 (Higher ED Emergency Relief Fund)

- \$170 billion for education; \$40 billion for higher education
- Estimated \$509 million new funds for UNC System Institutions
- Formula: 50% Total FTE; 50% Total Enrollment
- Half for direct student aid; half institutional
- 7.5% for HBCUs, MSIs and SIPS (10 Campuses)

HEERF 3 Continued

- Does not include \$5 billion Governor's education discretionary fund

- Crackdown on for-profit colleges
 - Limits funds to 1%, as opposed to 3%
 - Closes 90/10 loophole
 - Current law excludes GI bill benefits from requirement that for-profits receive no more than 90% of funding from Dept of ED; vet groups argue provision led to predatory recruitment of student veterans

HEERF 3 Estimates for UNC System Campuses

New House ED & Labor Committee Stimulus Bill, HEERF 3	Total New HEERF 3 Allocation	HEERF 3 to be Split: Half for Institutions/Half Student Grant Aid	Pell Exclusively Online (Student Grant Aid Only)
Appalachian State University	\$42,493,157	\$42,100,876	392,281
East Carolina University	\$55,602,572	\$53,284,451	2,318,122
Elizabeth City State University	\$6,307,597	\$6,165,502	142,095
Fayetteville State University	\$16,421,732	\$15,301,755	1,119,977
North Carolina Agricultural & Technical State University	\$40,240,959	\$39,554,406	686,553
North Carolina Central University	\$25,689,027	\$25,050,169	638,858
North Carolina State University	\$49,556,928	\$49,013,081	543,848
University Of North At Carolina Wilmington (The)	\$30,205,975	\$29,301,311	904,664
University Of North Carolina	\$9,624,913	\$9,600,513	24,400
University Of North Carolina - Chapel Hill	\$45,201,895	\$44,946,190	255,705
University Of North Carolina - Charlotte	\$69,275,353	\$68,744,700	530,653
University Of North Carolina -Greensboro	\$53,734,668	\$52,228,999	1,505,669
University Of North Carolina At Pembroke	\$19,396,482	\$18,332,148	1,064,333
University Of North Carolina School Of The Arts	\$2,221,385	\$2,221,385	0
Western Carolina University	\$25,919,330	\$24,988,178	931,151
Winston-Salem State University	\$18,034,163	\$17,524,486	509,677
TOTAL New Funds	\$509,926,137		

What's Next?

HEERF 3 included in \$2 trillion reconciliation bill

Game Plan:

- House vote before end of Feb
- Senate HELP Committee will mark up bill
- Reconciliation requires simple majority vote; 60 votes not required in Senate
- Signed into law prior to mid March

UNC System Federal Priorities for 117th Congress

Recommendations solicited from all UNC System
Campuses

Three Priority Focus Areas:

1. Support for federal research
2. Commitment to expanding access, affordability, and promoting student success
3. Support for campuses during the COVID-19 pandemic

THANK YOU

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