

DRAFT MINUTES

May 27, 2021

University of North Carolina

Center for School Leadership Development, Board Room

Via Videoconference and PBS North Carolina Live Stream

Call to Order

The Board of Governors met on May 27, 2021. Chair Ramsey called the meeting to order at 9:00 a.m., and he reminded members of the Board that the Board would move back to pre-pandemic standard operating procedure requiring that members attend in-person to count for a quorum and to vote. Chair Ramsey also mentioned that the Board implemented the practice of action by unanimous consent, which allows meeting bodies to take quick, efficient action without a vote when the action is announced by the chair and there is no objection noted.

Invocation

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

Roll Call

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

W. Louis Bissette, Jr.	W. Marty Kotis, III
Kellie Hunt Blue	Steven B. Long
Pearl Burris-Floyd	Wendy Floyd Murphy
C. Philip Byers	Anna Spangler Nelson
Jimmy D. Clark	Raymond Palma
Carolyn Coward	R. Doyle Parrish
Joel Ford	Art Pope
Reginald Ronald Holley	David M. Powers
James L. Holmes, Jr.	Randy Ramsey
Mark Holton	Temple Sloan
Terry Hutchens	Michael Williford

The following members were absent:

N. Leo Daughtry	J. Alex Mitchell
Thomas C. Goolsby	Dwight D. Stone

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.

Administration of the Oath of Office

Chair Ramsey announced that Mr. Ray Palma, a junior at the University of North Carolina at Chapel Hill, was recently elected president of the University of North Carolina Association of Student Governments (UNCASG). In that capacity, Mr. Palma would become an *ex officio* member of the Board of Governors. Chair Ramsey welcomed Mr. Palma. Next, he introduced the Honorable Associate Justice Phil Berger, Jr., who administered the oath of office.

Following the administration of the oath, Mr. Palma thanked Associate Justice Berger for presiding at the day's swearing-in ceremony and provided brief remarks.

Recognition of the Executive Leadership Institute

Chair Ramsey recognized 23 distinguished employees, who were part of the inaugural cohort of the UNC System's Executive Leadership Institute (ELI). Each of these individuals had demonstrated the ability and aspiration to grow their careers. A profile of the ELI cohort was distributed (see Appendix A). The ELI program is a product of the Board's commitment to develop the System's talent and recognize and reward the extraordinary individuals who serve across the UNC System.

President's Report

President Hans spoke about how the job market has dramatically changed over the past several decades and why higher education is so important in today's changing world. He stressed the need for a new expanded version of whom our colleges and universities are meant to serve beyond traditional college-age students. He spoke about the importance of supporting adult learners, which can be achieved by improving online course offerings and partnering with our community colleges. As we emerge from the pandemic, he noted that the UNC System is poised to respond to and meet the needs of our changing world. For President Hans' complete report, please see Appendix B.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 6 on the day's consent agenda. Mr. Long asked that Item 6l. – Section 700.1.1 of the UNC Policy Manual, *Minimum Course Requirements for Undergraduate Admissions*, be removed. Chair Ramsey entertained a motion to approve the remaining consent agenda items. The motion was properly seconded. The motion carried.

Minutes

- a. Minutes of April 22, 2021

Committee on Budget and Finance

- b. Section 600.1.1, *Policy on Design, Construction, and Financing Capital Improvement Projects* (Amended) Appendix C
- c. Report on FY 2020 UNC System Debt Capacity Study Appendix D
- d. Establishment of For-Profit Associated Entity – UNC-Chapel Hill Appendix E
- e. Capital Improvement Projects Appendix F
- f. Disposition of Property by Reallocation – NC State Appendix G
- g. Remarketing of Special Obligation Bonds – UNC-Chapel Hill Appendix H
- h. Sale of Special Obligation Bonds – UNC-Chapel Hill Appendix I

Committee on Educational Planning, Policies, and Programs

- i. Faculty Teaching Workload Report Appendix J
- j. UNC System Academic Program Actions Appendix K
- k. Licensure Program Approvals Appendix L
- l. Section 700.1.1 of the UNC Policy Manual – Waiver of the SAT/ACT Requirements **REMOVED** Appendix M
Item voted on separately.
- m. NC State Early College High School Off-Campus Waiver Appendix N

Committee on Personnel and Tenure

- n. Section 200.6, *Policy on Delegation of Authority to the President* (Amended) Appendix O

Next, Chair Ramsey called on Mr. Long to discuss Item 6l. Section 700.1.1 – *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System*. Mr. Long expressed his objection to waiving the testing requirement that students submit SAT/ACT scores with their applications for the fall 2022 admission process. He proposed the following substitute motion:

Substitute Motion: Resolved, that the Board of Governors allow applicants a waiver of the SAT/ACT testing requirements for fall 2022 if a student, despite reasonable efforts, had not been able to take two standardized tests.

Substitute Motion: Steven B. Long

Motion seconded: Marty W. Kotis, III

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

Next, Chair Ramsey entertained a motion to approve Item 6l. as reflected on the day’s consent agenda. Mr. Holley offered a motion to approve the item in question.

Motion: Resolved, that the Board of Governors approve Item 6l. Section 700.1.1 of the UNC Policy Manual – Waiver of the SAT/ACT Requirements (*Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System*). (See Appendix M).

Motion: Reginald Ronald Holley

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 the committee held a joint meeting with the Committee on Personnel and Tenure. During the joint meeting, an analysis of the UNC System’s workforce trends over the past five fiscal years was presented. The data showed modest growth in employee headcount and the data described how the institutional mission impacts employee headcount. The committee will analyze the data in further detail.

Following the joint meeting, the committee heard a report on the 2019-20 UNC System Consolidated Financial Report, which focused on balance sheet trends. The report showed that the UNC System is in a strong financial position. The committee also heard an overview of the UNC System’s new initiative of an “all funds” budget. A template was created and will be implemented at each institution. The System Office will begin developing guidance on an “all funds” budget process.

The committee also considered and approved routine administrative action items, including the FY 2020 UNC System Debt Capacity Study (see Appendix D), the establishment of a for-profit associated entity at UNC-Chapel Hill (see Appendix E), and three capital improvement requests from NC State, UNC Asheville, and North Carolina School of Science and Mathematics (see Appendix F). The committee also considered the disposition of a property item for reallocation requested by NC State (see Appendix G) and two financing requests from UNC-Chapel Hill (see Appendices H and I). The committee approved these items and voted to place them on the day’s consent agenda, which was approved by the full Board.

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

Mr. Sloan, chair of the committee, reported that the committee reviewed and approved two academic degree programs for establishment – Master’s degree program in Advanced Architectural Studies at NC State and a Ph.D., degree program in Computer Science at UNC Greensboro (see Appendix K). The committee considered and approved three licensure degree programs (see Appendix L). The committee also reviewed and approved the 2020

Faculty Teaching Workload Report (see Appendix J). These items were placed on the day's consent agenda and approved by the full Board.

The committee considered and approved a waiver of the SAT/ACT testing requirement for the fall of 2022 under Section 700.1.1, *Minimum Course Requirements for Undergraduate Admissions*, of the UNC Policy Manual (see Appendix M). The committee also reviewed and approved the request from NC State to waive the requirement for the STEM Early High School to be located on NC State's campus effective January 2022 (see Appendix N).

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, called on Mr. Garrett Killian, chair of the UNC Staff Assembly, for a brief update. Mr. Killian reported that the UNC Staff Assembly approved a resolution in support of the UNC System's Budget Priorities, which include enrollment funding, support of the NC Promise Program, funding for building reserves, and increases in faculty and staff salaries. He also spoke about the Erskine B. Bowles Staff Service Award, which was established in 2010 to recognize exemplary public service to our campuses and communities. He announced that the UNC Staff Assembly presented the 2020 Erskine B. Bowles Staff Service Award to Dr. Veronica Cateté, a research scientist at NC State. Mr. Killian mentioned that PBS North Carolina is producing a short video highlighting Dr. Cateté extraordinary contributions to public service.

Lastly, Mr. Killian reported that the UNC Staff Assembly will host the annual Chancellors' Cup Golf Tournament on September 29, 2021, at Tobacco Road Golf Club in Sanford. The event raises money to support the Janet B. Royster Memorial Staff Scholarship Fund. He encouraged the members of the Board and the chancellors to participate in this year's tournament.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, thanked the members, who had participated in this year's spring commencement ceremonies. Next, Mr. Powers reported on four vacancies on the North Carolina Arboretum Board of Directors for a term ending June 30, 2025. The committee recommended the appointments of Janet A. Leath, Karen LeVert, Leah McGrath, and Rodney Swink, to serve on the North Carolina Arboretum Board Directors.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board accept the appointments of Ms. Leath, Ms. LeVert, Ms. McGrath, and Mr. Swink to serve on the North Carolina Arboretum Board of Directors.

Motion: David M. Powers

Motion carried

Regarding the UNC Press Board of Governors, Mr. Powers reported on two vacancies with five-years terms beginning on July 1, 2021 and ending on June 30, 2026. Following the recommendation by Chancellor Guskiewicz and in consultation with President Hans, the committee recommended the reappointments of Elizabeth Engelhardt and Linda Hanley-Bowdoin, to serve on the UNC Press Board of Governors.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board accept the reappointments of Ms. Engelhardt and Ms. Hanley-Bowdoin to serve on the UNC Press Board of Governors.

Motion: David M. Powers

Motion carried

Next, Mr. Powers reported on the Liability Insurance Trust Fund (LITF). He explained that the trust fund was established by the Board of Governors in 1978 and makes appointments to the LITF Council that administers the

fund as part of the UNC Health Care System. The committee recommended the appointment of Will Bryant, chief financial officer at UNC Health Care, to serve on the LIFT Council.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board accept the appointment of Mr. Will Bryant to serve on the Liability Insurance Trust Fund Council.

Motion: David M. Powers

Motion carried

Lastly, Mr. Powers presented the 2021 Boards of Trustees Appointments and Reappointments from Elizabeth City State University, North Carolina School of Science and Mathematics, and the University of North Carolina at Asheville.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board appoint the slate of individuals for Elizabeth City State University, North Carolina School of Science and Mathematics, and the University of North Carolina at Asheville.

Motion: David M. Powers

Motion carried

Mr. Powers thanked the committee members for their hard work and time involved in this process. He also thanked the chancellors and their boards of trustees' chairs for working with the committee throughout the trustee selection process.

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

Mr. Holton, chair of the committee, stated that the month of May has been designated International Internal Audit Awareness Month. He recognized the internal auditors from across the UNC System and thanked them for all their hard work on behalf of the University. Next, Mr. Holton reported that State Auditor Beth Wood joined the meeting and presented an annual update on the status of audits issued by the State Auditor's Office over the previous year. State Auditor Wood joined the day's meeting to present her report to the full Board. Mr. Holton introduced State Auditor Wood.

State Auditor Wood spoke about the annual summary of the UNC System's constituent institutions' financial statement audits. There were no audit findings. The Office of the State Auditor performed federal compliance audits at eight UNC constituent institutions. There were findings at three campuses and corrective action has been taken. Cybersecurity control work was also performed at the UNC System Office and two constituent institutions.

Lastly, Ms. Wood reported that the State Auditor's Office investigated three cases from the UNC System of improper governmental conduct that were reported to the Office of the State Auditor. The Office found no substantiation. There were also ten allegations of improper conduct reported to the Office of the State Auditor from across the UNC constituent institutions, which were referred to the UNC system's Office.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, referred to the Board of Governors resolution that the Board passed at its meeting last fall, which requested the President and his staff to examine the impacts of COVID-19 on college students' mental health. In response, the System Office convened a task force group made up of experts from across the System including student health care practitioners, chief financial officers, and academic leaders. The group shared a summary of its findings, which had shown an increase in mental health conditions and the increase in demand for mental health services across the UNC System's constituent institutions. The group made the

following recommendations: include the development of a shared pool of psychiatric providers to be used by institutions as needed; conduct a Systemwide feasibility analysis of expanded insurance billing; negotiate a Systemwide contract for an electronic medical record system; and create a network of certified trainers to deploy across the constituent institutions.

In closing, Mrs. Coward announced that the Governor had awarded \$5 million in one-time COVID-19 relief funds to the System Office to begin implementing the recommendations of the task force. The committee will continue discussion on this important topic.

Chair's Report

As the academic year draws to a close, Chair Ramsey reflected on the work of the Board. He noted that despite challenges, the Board has made great progress including policy and budget amendments, creating a more efficient System of public higher education for North Carolinians, and electing a new UNC System president. He recalled that last June, the Board considered candidates for the UNC System presidency. He stated that the Board made the right decision electing Peter Hans, who has accomplished much this past year and continues to be a great leader.

Chair Ramsey also spoke about the Board's ongoing focus on undergraduate student success. As an example, the UNC System established a common course numbering system that improves transfer and articulation of coursework between the UNC System's constituent institutions and the NC Community College System. He stated that the Board has prioritized affordability by keeping tuition and fees flat for in-state students. He thanked the members of the Board for their service and support. He thanked the chancellors for their leadership especially as they navigated throughout the pandemic and all they continue to do in fulfilling our university's educational mission. He also congratulated the more than 50,000 students who recently graduated from our universities. Next, Chair Ramsey welcomed the new student member, Ray Palma, as he begins his one-year term as a member of the Board of Governors.

In closing, Chair Ramsey recognized the outgoing Members of the Board of Governors – Marty Kotis, Steve Long, Doyle Parrish, and Dwight Stone. He stated, "each have poured their energy and talents into this job. They are critical thinkers, fully committed to public service, and it has been an honor to work with them."

Chair Ramsey called on Mr. Holmes to read and present the resolution honoring W. Marty Kotis, III (see Appendix Q).

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the Resolution Honoring W. Marty Kotis, III, and to move this Resolution to the official minutes of this meeting.

Motion: James L. Holmes, Jr.

Motion carried

Chair Ramsey called on Mr. Sloan to read and present the resolution honoring Steven B. Long (see Appendix R).

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the Resolution Honoring Steven B. Long and to move this Resolution to the official minutes of this meeting.

Motion: Temple Sloan

Motion carried

Chair Ramsey called on Mrs. Blue to read and present the resolution honoring R. Doyle Parrish (see Appendix S).

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the Resolution Honoring R. Doyle Parrish and to move this Resolution to the official minutes of this meeting.

Motion: Kellie Hunt Blue

Motion carried

Mrs. Blue read the resolution honoring Dwight D. Stone (see Appendix T).

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the Resolution Honoring Dwight D. Stone and to move this Resolution to the official minutes of this meeting.

Motion: Kellie Hunt Blue

Motion carried

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), (2), (3), and (6) for the purposes stated in the written motion as included in the Board materials (see Appendix U), which had been publicly made available.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 11:10 a.m. and returned to open session at 12:02 p.m.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, reported that the committee held a joint meeting with the committee on Budget and Finance. During the joint meeting, the committee received a presentation on the University's workforce growth trends over the past five fiscal years. The data showed a modest growth of approximately 1.9 percent employee headcount per year and the data reflected changes in revenue over the same period.

Next, the committee heard an update regarding the UNC System's plans for returning to on-site work in the coming month. It also reviewed and approved an informational report on recent salary increase request activity, which reflected a consistent decrease in salary activity approved by the president as compared to the same time frame last calendar year. The decrease is a result of the pause in non-essential human resources actions due to COVID-19. The committee reviewed and approved other routine transactional reports.

Lastly, the committee heard a presentation on the annual SHRA Compensation Review, which included market index data for each constituent institution. The presentation reflected that the System Office was currently working on moving away from the present banding system to the new North Carolina State Government SHRA compensation system.

There being no further business, the meeting adjourned at 12:07 p.m. The next meeting of the Board of Governors is scheduled for Thursday, July 22, 2021, at the UNC Center for School Leadership Development in Chapel Hill.

Pearl Burris-Floyd, Secretary

APPENDICIES

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 UNC System's Inaugural Executive Leadership Institute Fellows
- Appendix B President Hans' Report
- Appendix C Section 600.1.1, *Policy on Design, Construction, and Financing Capital Improvement Projects* (Amended)
- Appendix D Report on FY 2020 UNC System Debt Capacity Study
- Appendix E Establishment of For-Profit Associated Entity – UNC-Chapel Hill
- Appendix F Capital Improvement Projects
- Appendix G Disposition of Property by Reallocation – NC State
- Appendix H Remarketing of Special Obligation Bonds – UNC-Chapel Hill
- Appendix I Sale of Special Obligation Bonds – UNC-Chapel Hill
- Appendix J 2020 Faculty Teaching Workload Report
- Appendix K UNC System Academic Program Actions
- Appendix L Licensure Program Approvals
- Appendix M Section 700.1.1, *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System* – Waiver of the SAT/ACT Requirements
- Appendix N NC State Early College High School Off-Campus Waiver
- Appendix O Section 200.6, *Policy on Delegation of Authority to the President* (Amended)
- Appendix P Roll Call vote
- Appendix Q Resolution Honoring Board of Governor Member Marty W. Kotis, III
- Appendix R Resolution Honoring Board of Governor Member Steven B. Long
- Appendix S Resolution Honoring Board of Governor Member R. Doyle Parrish
- Appendix T Resolution Honoring Board of Governor Member Dwight D. Stone
- Appendix U Closed Session motion