

Tuesday, November 16, 2021

North Carolina State University
Hunt Library
Raleigh, NC

9:00 a.m. – 9:30 a.m.

Registration and Check-in

9:30 a.m. – 9:45 a.m.

Workshop Welcome and Overview

9:45 a.m. – 10:30 a.m.

50th Anniversary Celebration of the UNC System

10:45 a.m. – 11:30 a.m.

Plenary Session I (Roles and Responsibilities of a Board Member)

11:45 a.m. – 1:00 p.m.

Lunch and Plenary Session II (Strategic Plan, Policy Initiatives, and Trends in Higher Education)

1:00 p.m.- 1:15 p.m.

Break

1:15 p.m. – 2:00 p.m.

Plenary Session III (Budget and Finance)

2:00 p.m. – 2:15 p.m.

Breakout Sessions Overview

2:15 p.m. – 3:00 p.m.

Afternoon Break and Refreshments

3:00 p.m. – 4:00 p.m.

Breakout Sessions

- **Managing Campus Risks - Duke Energy Hall CD**
What BOT members should know about Enterprise Risk Management, Audit and Compliance, Campus Safety, Cybersecurity, and Public Records and Open Meetings Laws
- **Academics, Students, and University Personnel – Duke Energy Hall A**
Understanding Academic and Student Affairs, Human Resources, and Faculty Tenure. This session will cover processes for new academic degree program approvals, student affairs issues, and faculty tenure. It will also include an overview of the University's workforce and categories of employees as well as personnel authorities delegated to boards of trustees and constituent institutions.
- **External Engagement – Duke Energy Hall B**
Supporting our universities through Advocacy, Government Relations, and Advancement



Plenary Session I

Roles and Responsibilities of a Board Member

No Materials



Plenary Session II

**Strategic Plan, Policy Initiatives, and
Trends in Higher Education**

Poll Everywhere Instructions

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By Text

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TRENDS IN HIGHER EDUCATION: UNC SYSTEM PERFORMANCE AND PRIORITIES

Boards of Trustees Workshop

November 16, 2021

Outline

- Pop Quiz! Putting UNC System performance in national context
- Progress on shared goals
- Shared priorities:
 - Affordability
 - Student success
 - Productivity



POP QUIZ!



Test Drive: Which is your **LEAST** favorite?



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📧 Text **ANDREWKELLY836** to **37607** once to join

How many undergraduate students were enrolled in the UNC System in Fall 2021?

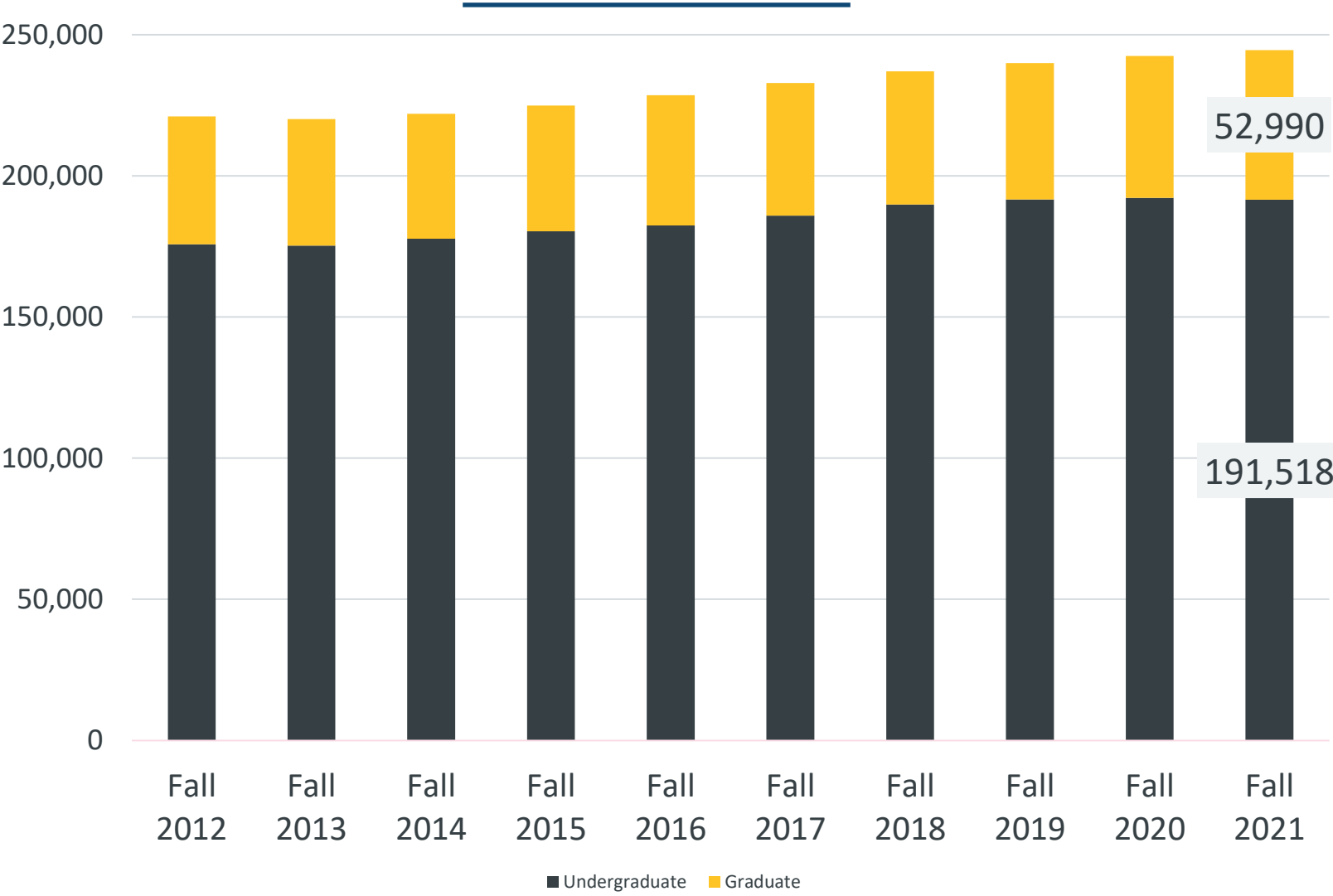
175,432

191,518

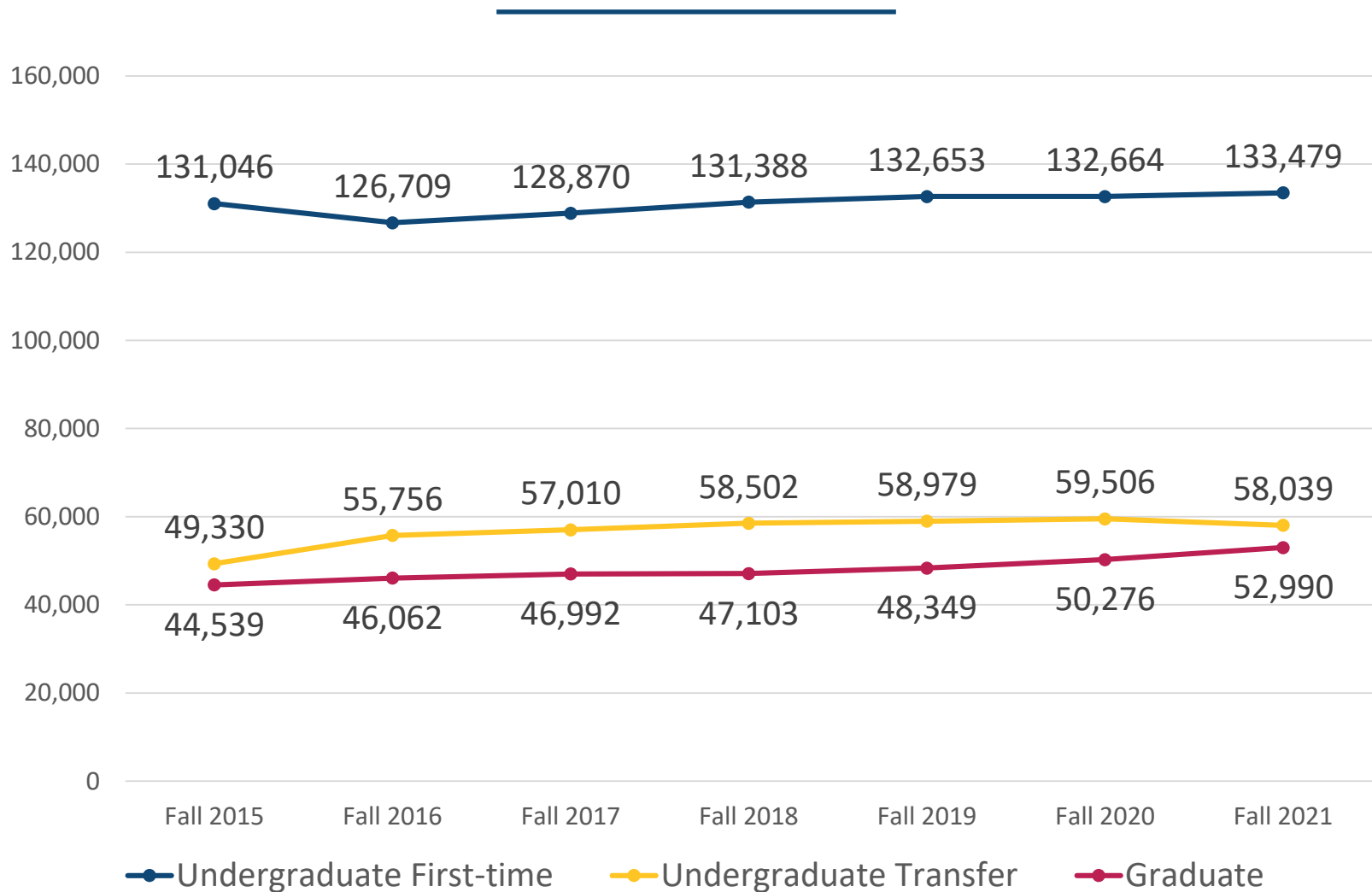
210,350

None of the above

Undergraduate and Graduate Enrollment



UNC System Enrollment Trends



What proportion of undergraduate students in the UNC System received a Pell Grant in Fall 2020?

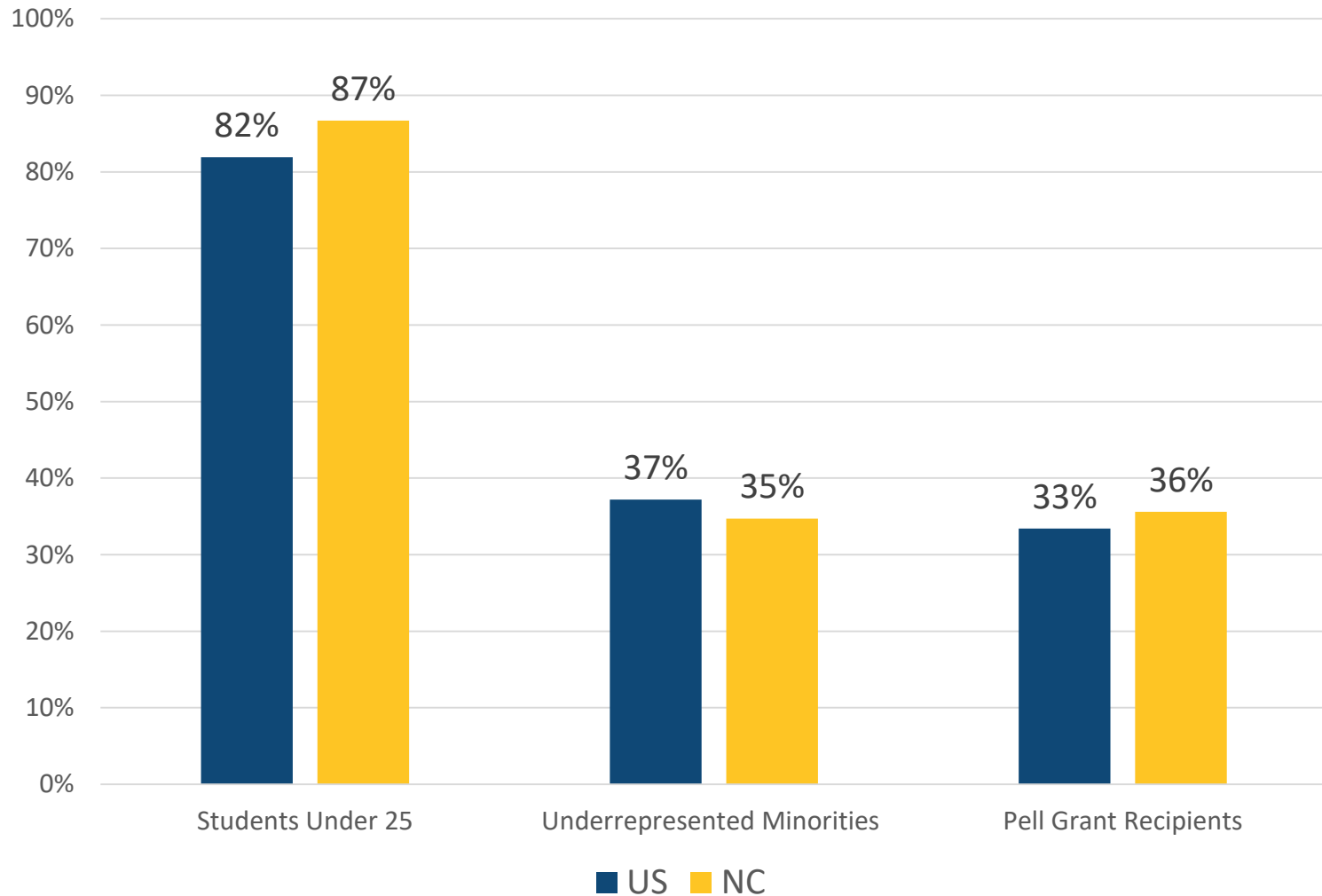
36%

52%

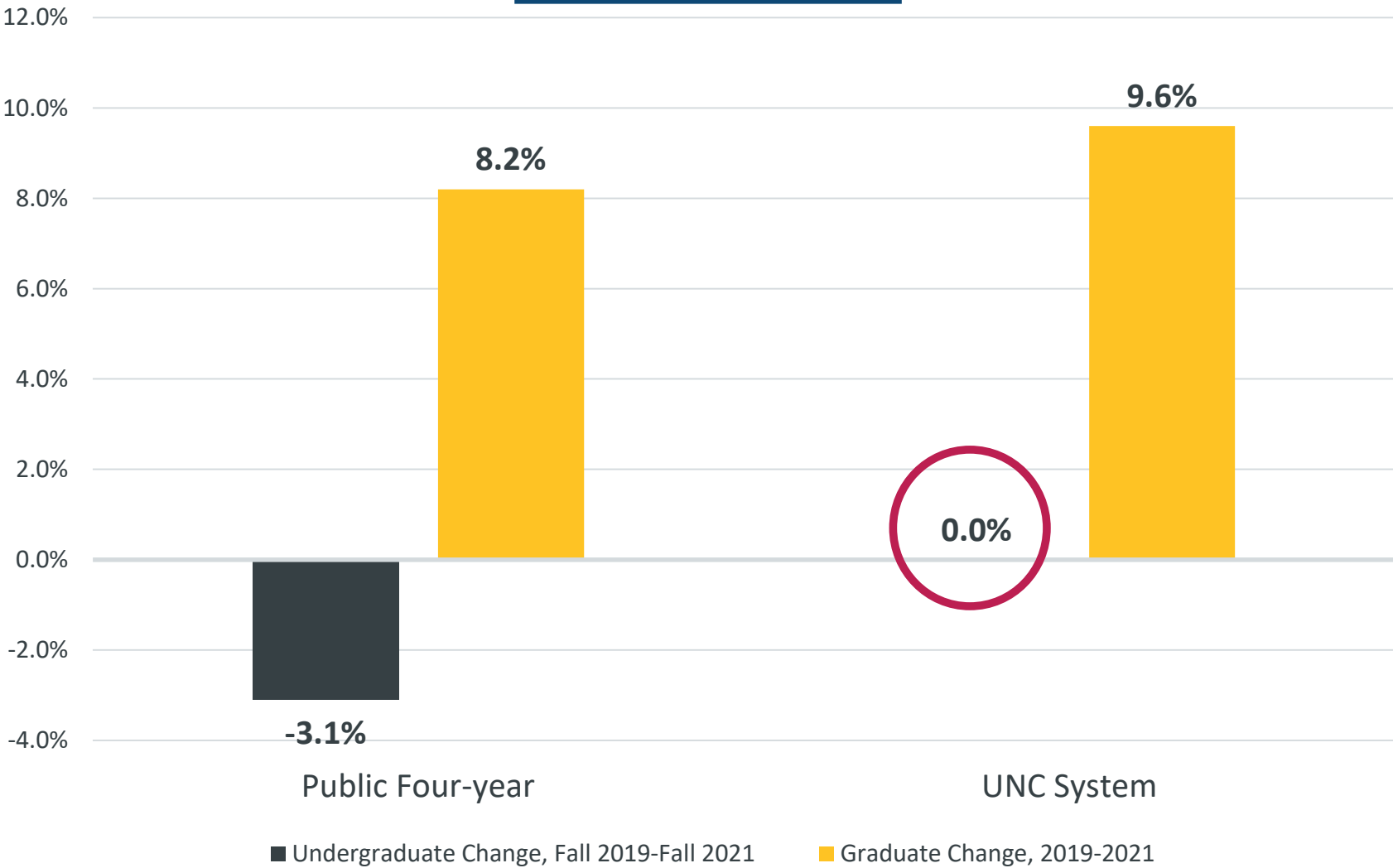
24%

Enrollment Demographics

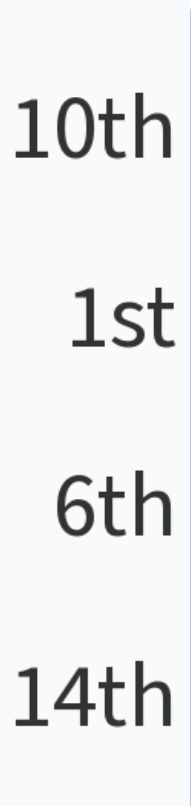
(Undergraduate Students, Four-Year Public Institutions, 2019)



UNC Has Defied National Trends During COVID

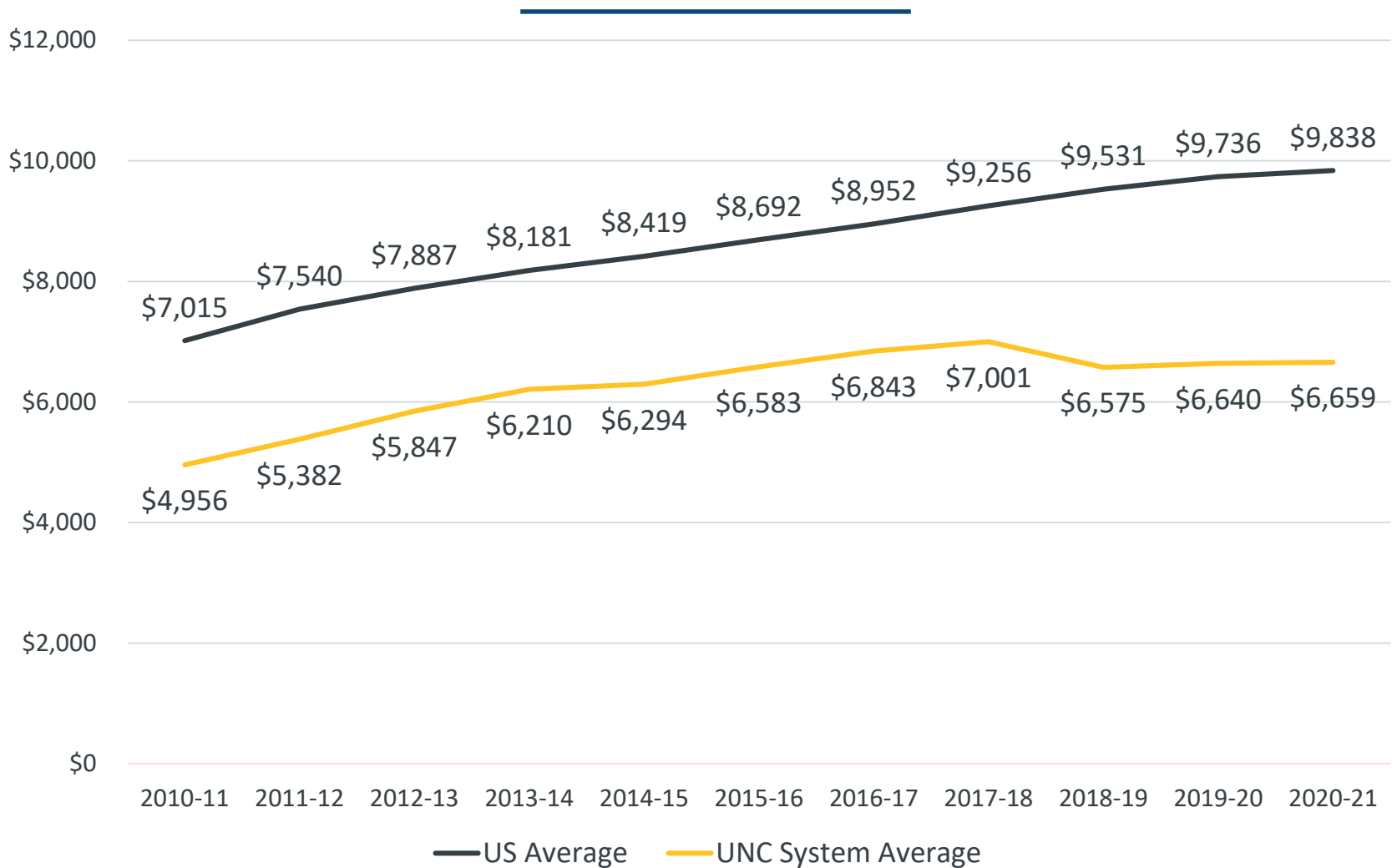


In 2021, North Carolina ranked ___ in the country on the affordability of tuition and fees at public four-year universities?



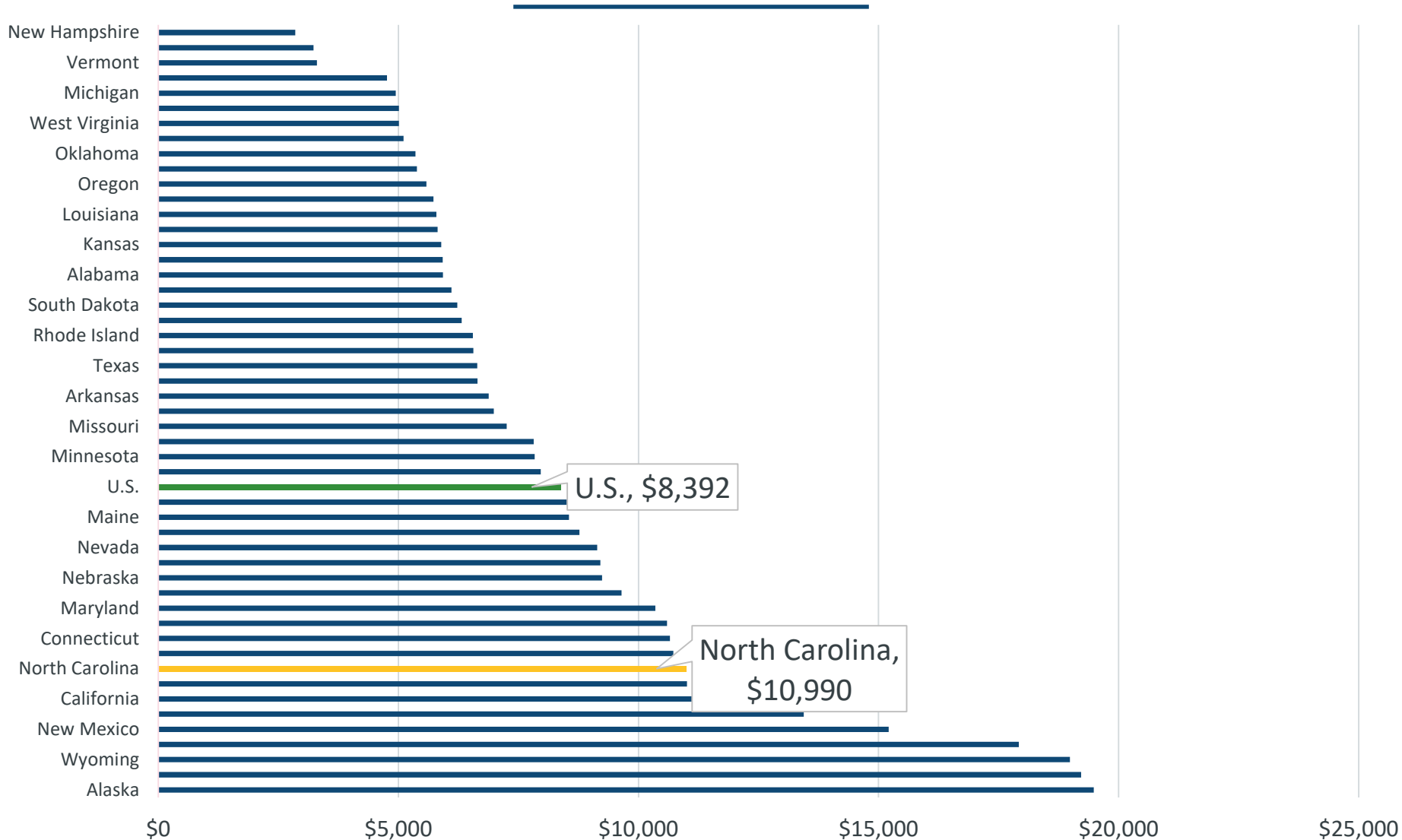
Average Undergraduate Tuition and Fees

(UNC vs. Public Four-Year Institutions)



Source: IPEDS (Simple) Average In-State Tuition for First-time Full Time Students at Degree/Certificate-Granting Institutions

UNC System is Top-10 in State Appropriations Per Four-year University Student



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***Nationally,* what percentage of first-time freshmen that started in 2014 completed their bachelor's within 5 years?**

64.6%

60.8%

55.1%

***Within the UNC System,* how many first-time freshmen completed a bachelor's degree within five years?**

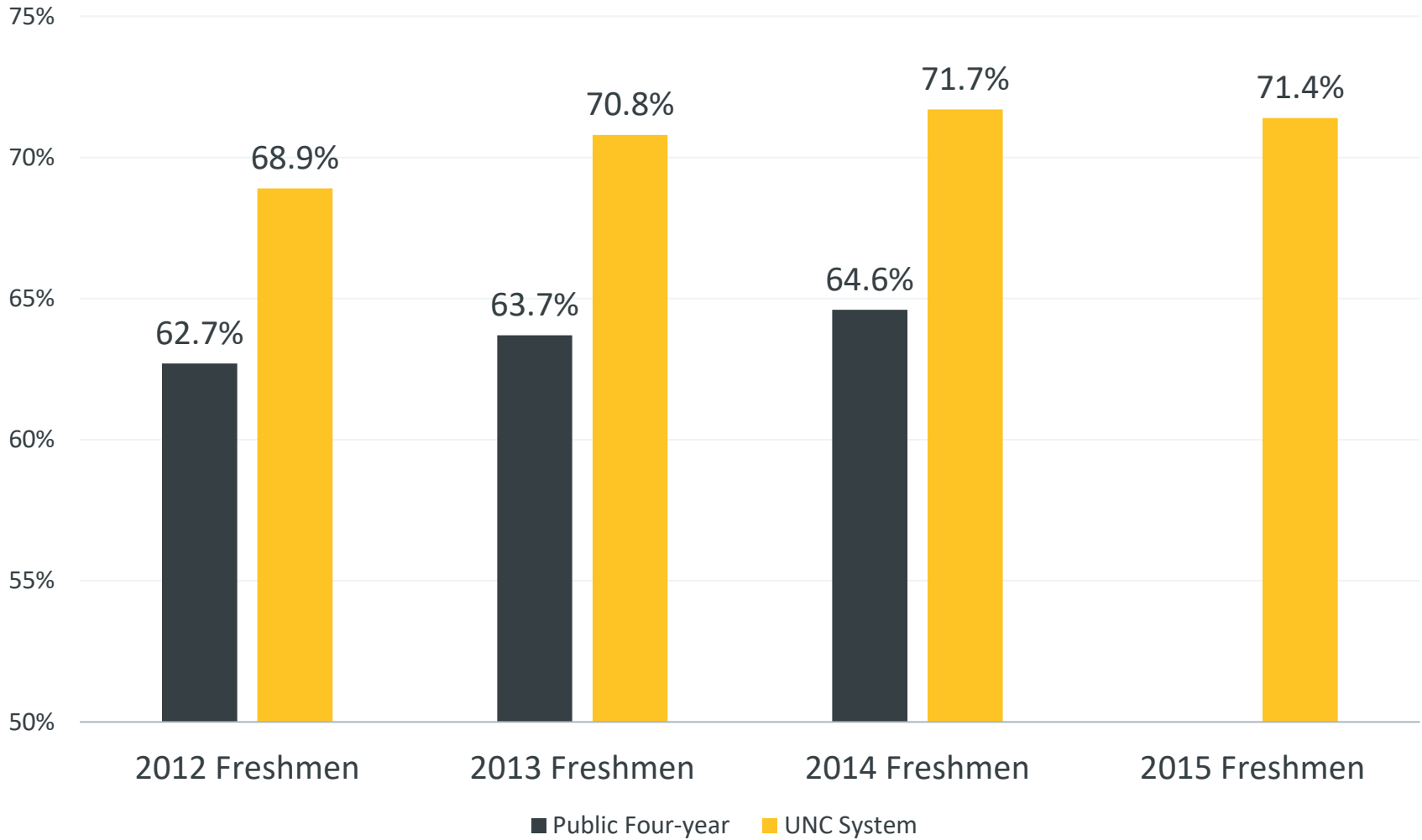
63.2%

82.1%

71.9%

68.4%

Five-year Graduation Rates (UNC System vs. Four-year Public Universities)



College Access

(Percentage of Students Receiving Pell Grants)

- | | |
|----------------|---------------|
| 1. California | 6. Georgia |
| 2. New York | 7. Illinois |
| 3. New Mexico | 8. Tennessee |
| 4. Mississippi | 9. New Jersey |
| 5. Texas | 10. Louisiana |

11. North Carolina

Affordability

(Average Tuition and Fees)

1. Florida
2. Wyoming
3. Georgia
4. Nevada
5. Montana
- 6. North Carolina**
7. New Mexico
8. Utah
9. Alaska
10. Oklahoma

**North
Carolina**

Student Success

(Five-year Graduation Rate)

1. Vermont
2. New Hampshire
3. Iowa
4. Virginia
5. Minnesota
6. South Carolina
7. New Jersey
- 8. North Carolina**
9. Maryland
10. Massachusetts

Progress on Strategic Plan Goals: Affordability, Student Success, and Economic Impact

Affordability	Year 3 Goal	Year 3 Actual	
Limit tuition increases to the change in the median household income in NC	Limit to ~2%	In-state tuition has stayed flat	
Student Success	Year 3 Goal	Year 3 Actual	Difference
Increase five-year graduation rates to 70%	67.8%	71.4%	+3.6 percentage points
Increase degree efficiency to 23.5	23.1	24.3	+1.2 degrees/FTE
Close achievement gaps	21.1	22.1	+1.0 degrees/FTE
Economic Impact	Year 3 Goal	Year 3 Actual	Difference
Increase critical workforce credentials (STEM, health, and education) by 25%	27,148	27,383	+235 credentials
Increase sponsored research and licensing income to \$1.71 billion	\$1.598bn	\$1.734bn	+\$136 million



SHARED PRIORITIES

Shared Priorities




- **Affordability:** Reduce student debt by keeping cost of attendance affordable and reducing time to degree.
- **Student success:** Increase *on-time* graduation rates for first-time and transfer students.
- **Cost-per-degree:** Increase the productivity of state investments.

When poll is active, respond at pollev.com/andrewkelly836

Text **ANDREWKELLY836** to **37607** once to join

In the UNC System, what proportion of the total cost of attendance is made up by tuition and fees?



33%

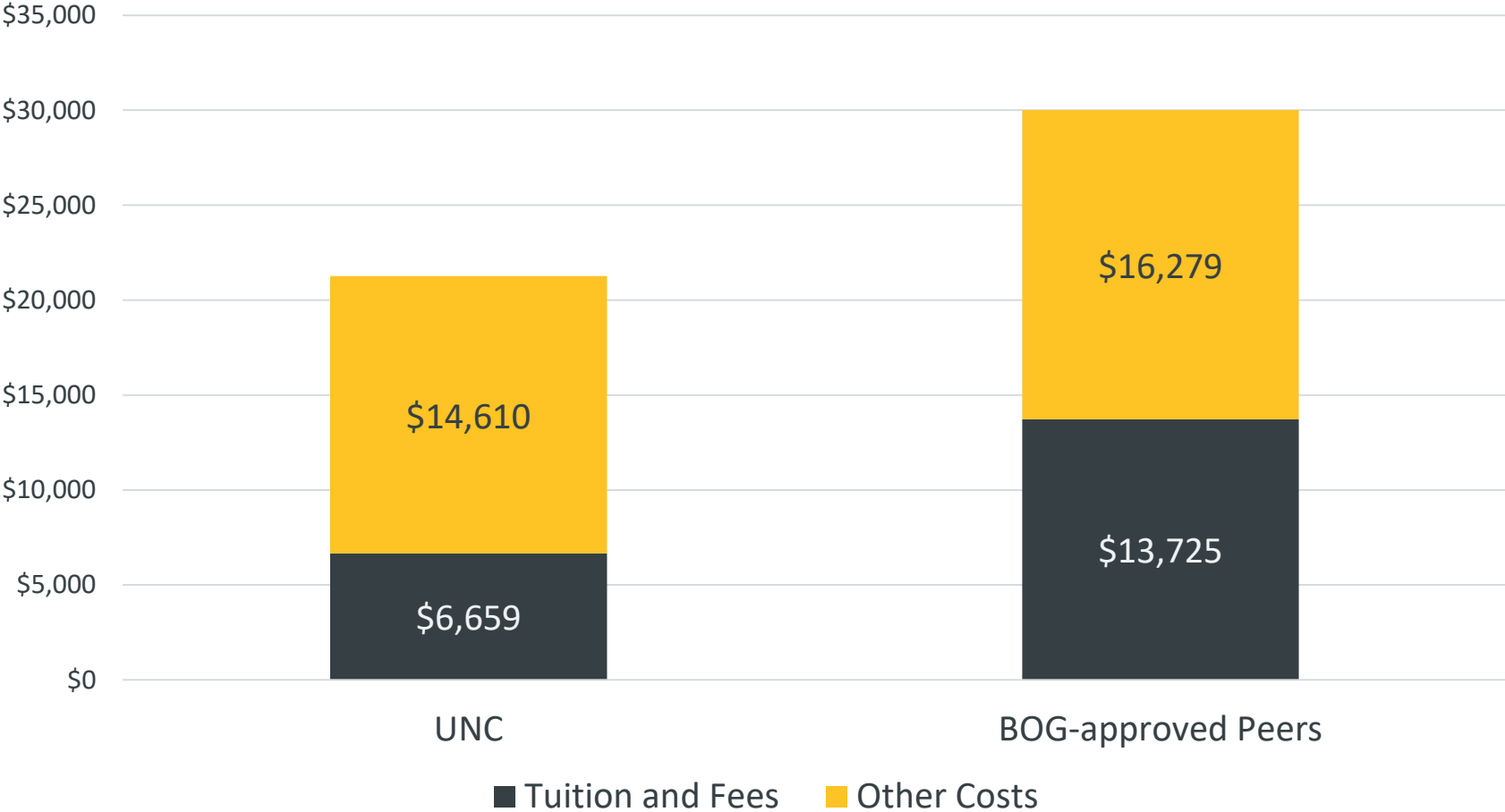
66%

47%

24%

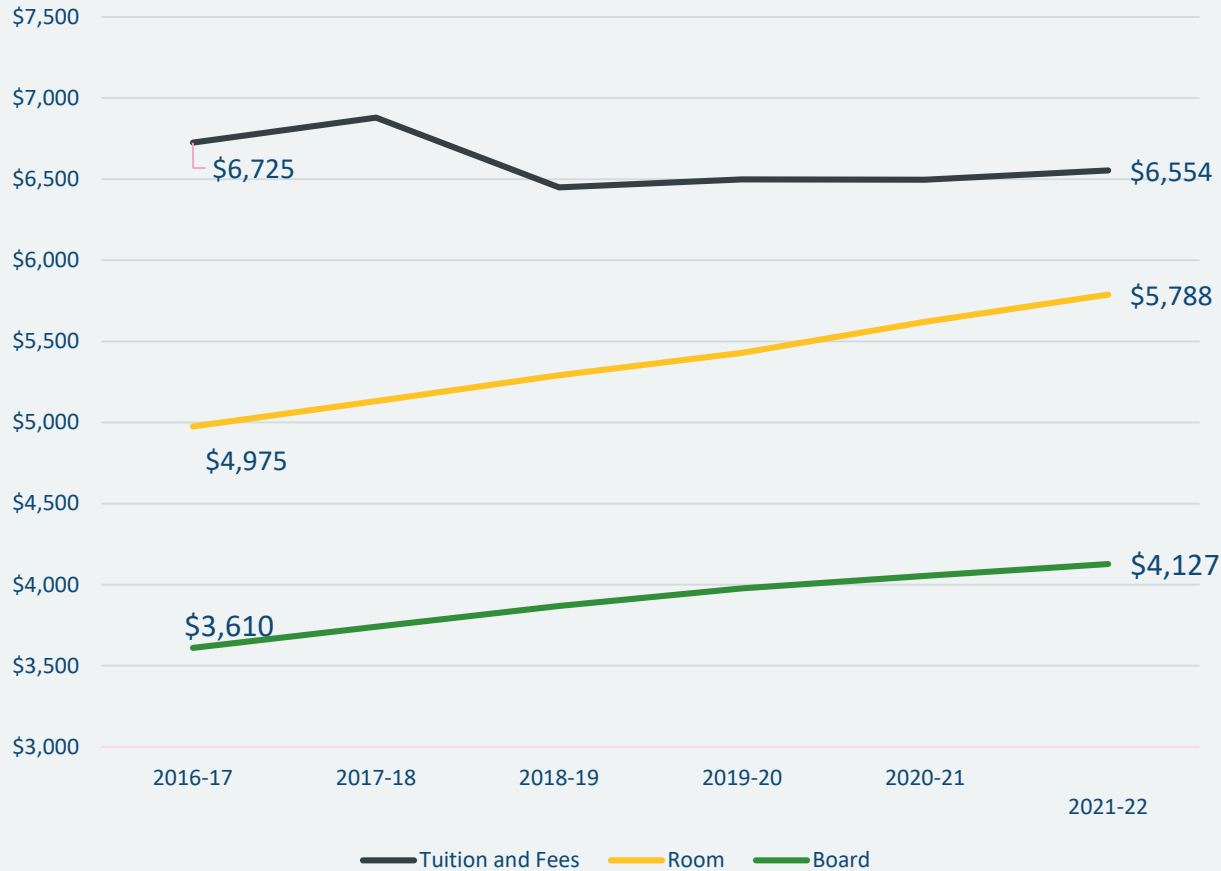
Tuition and Fees Make Up *Less Than Half* of the Total Cost of Attendance

Composition of the Average Total Cost of Attendance, 2020-21



Non-tuition Costs Have Grown Considerably

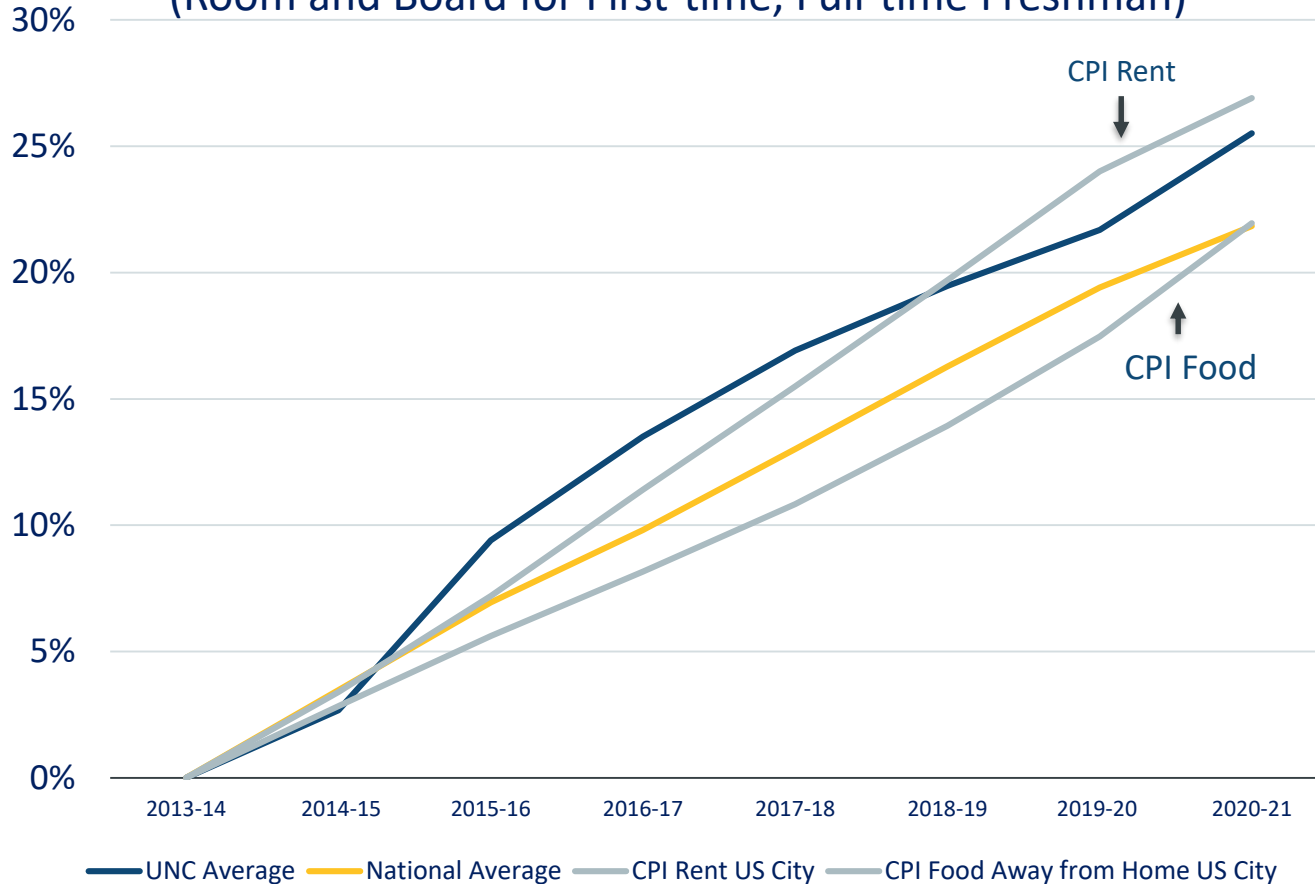
Trend in Average Tuition and Fees, Room, and Board Rates (UNC System)



Category	Percent Change over 5 Years
Tuition and Mandatory Fees	(2.6%)
Room	16.3%
Board	14.3%
Books & Supplies	(0.2%)
Other Expenses	2.0%

Non-tuition Costs Have Grown Considerably

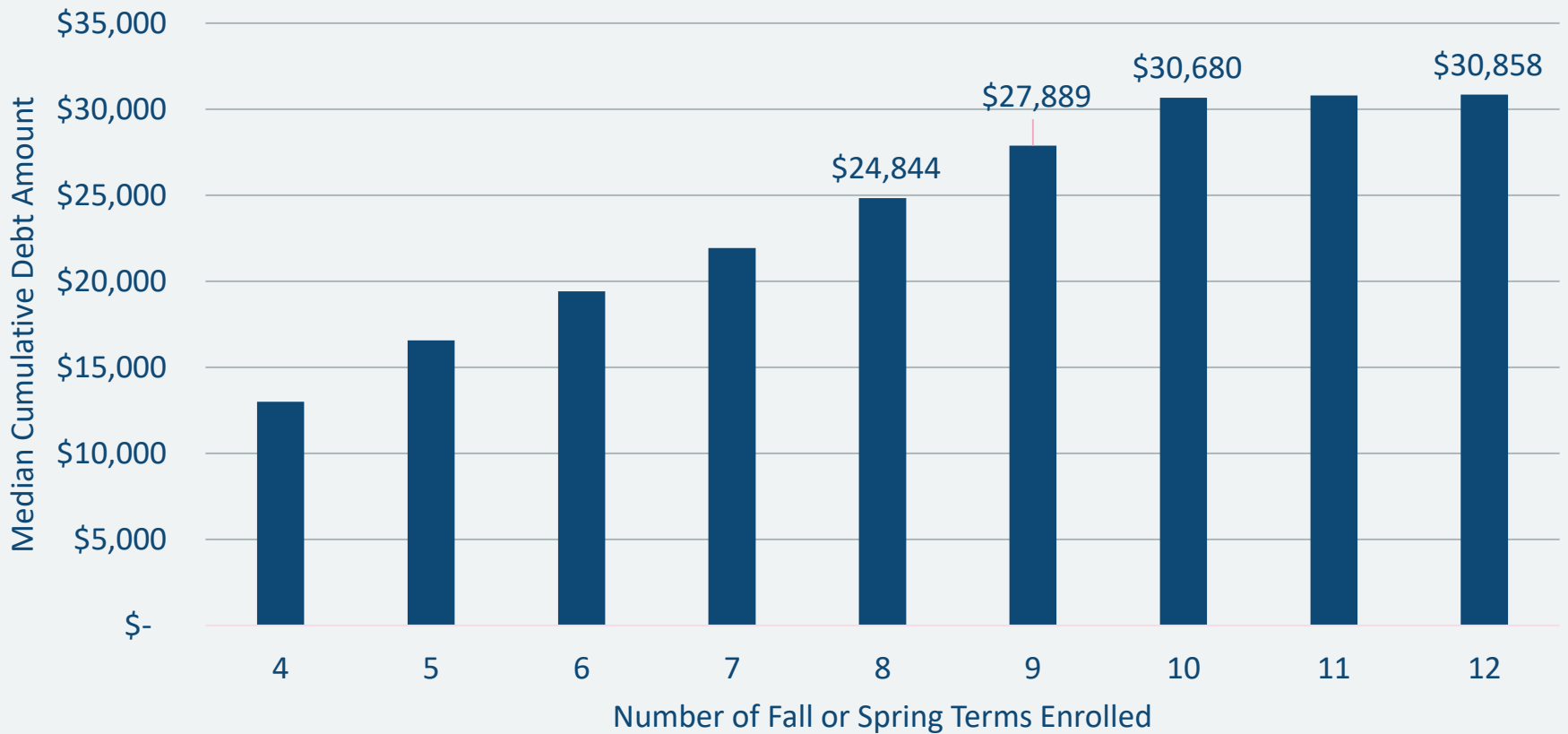
Change in Average Price Compared to 2013-14
(Room and Board for First-time, Full-time Freshman)



Category	% Change 2013-14 vs 2020-21
CPI Rent US City	26.9%
UNC	25.5%
California	23.6%
Georgia	23.4%
Wisconsin	23.2%
Virginia	22.3%
Maryland	22.0%
CPI Food Away from Home US City	22.0%
National Average	21.8%
Texas	20.2%
Tennessee	20.0%
South Carolina	19.7%
Florida	13.7%

Time is Money!

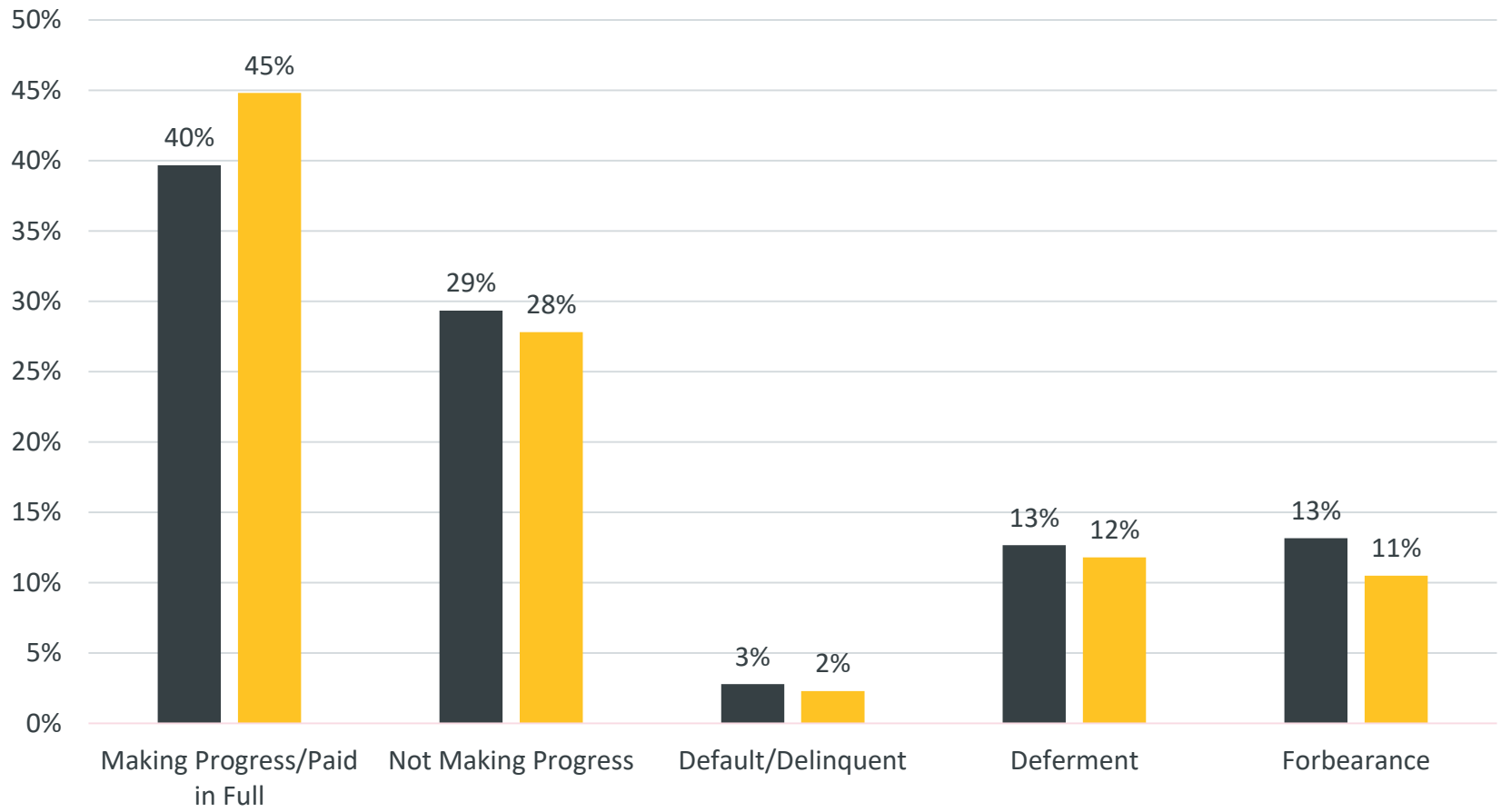
Median Loan Amount Among Undergraduate Borrowers Who Completed by the Number of Fall or Spring Terms Enrolled



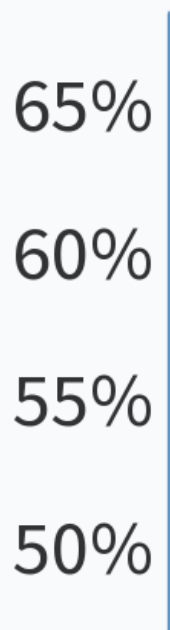
Average Debt in UNC System has Declined, But Borrowers Face Repayment Challenges

Loan Repayment Status
(Two Years After Entering Repayment)

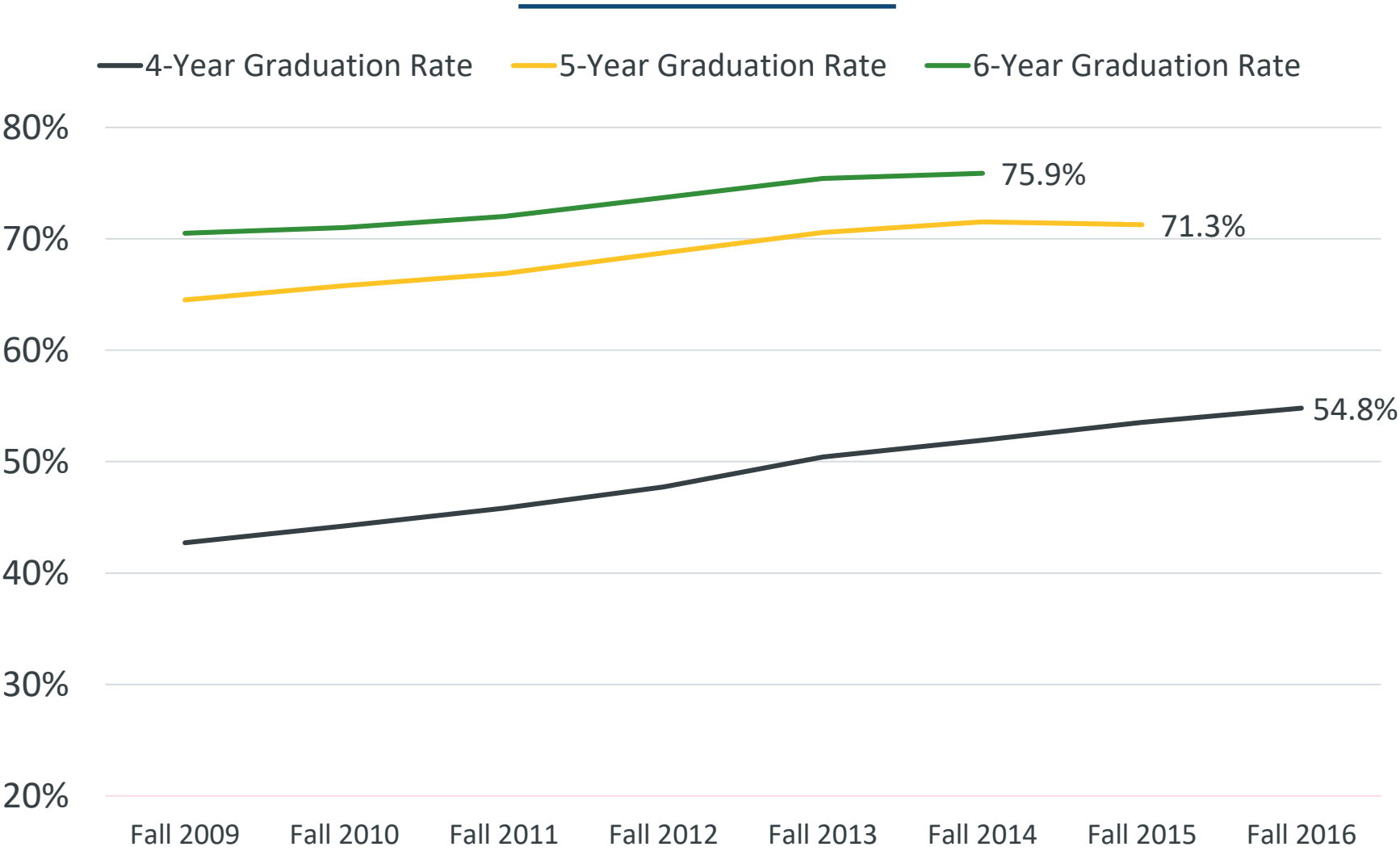
■ UNC ■ Four-year Public



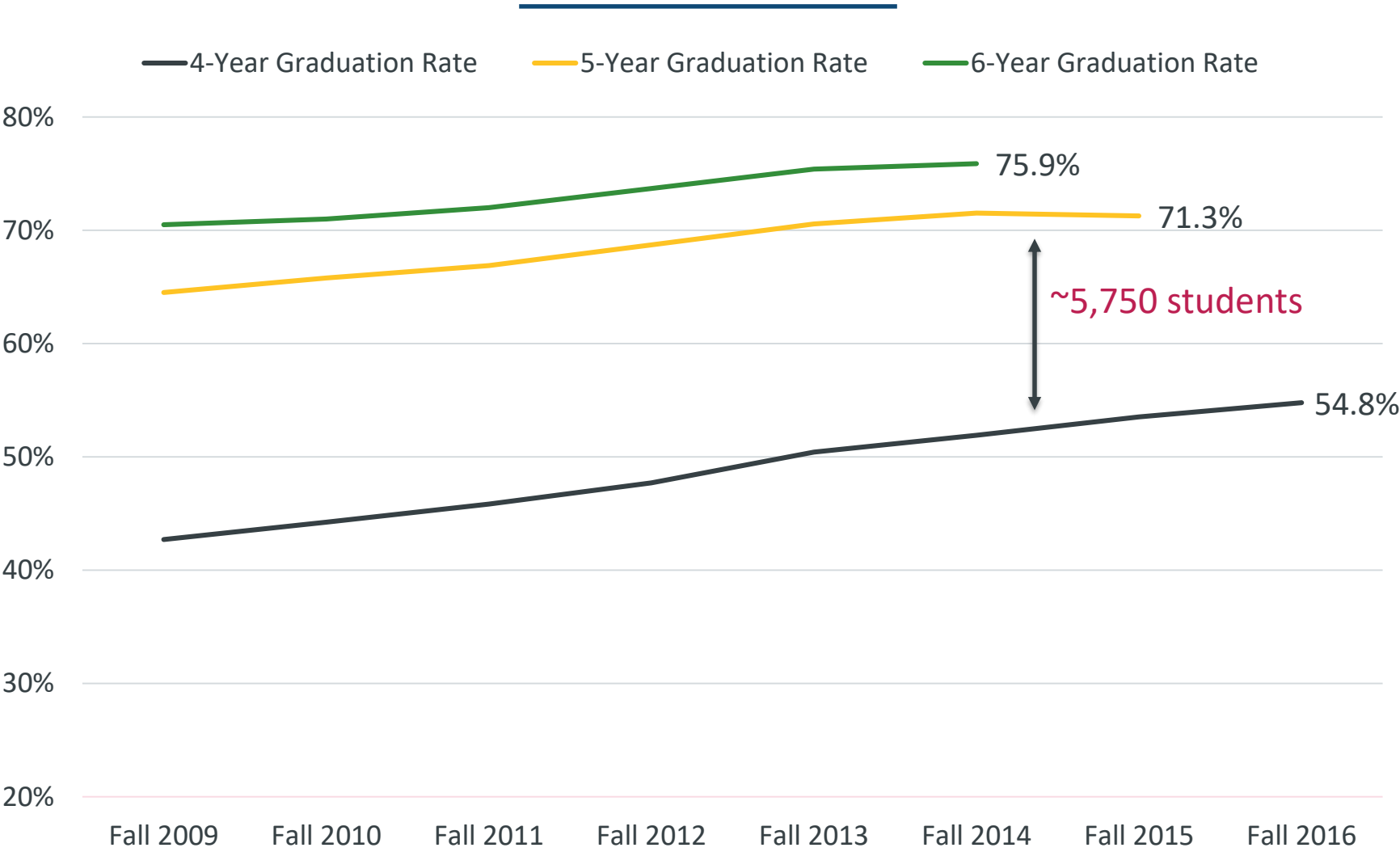
Across the UNC System, what proportion of first-time freshmen that started in 2016 finished a bachelor's degree ON-TIME?



Room to Improve *On-Time* Completion

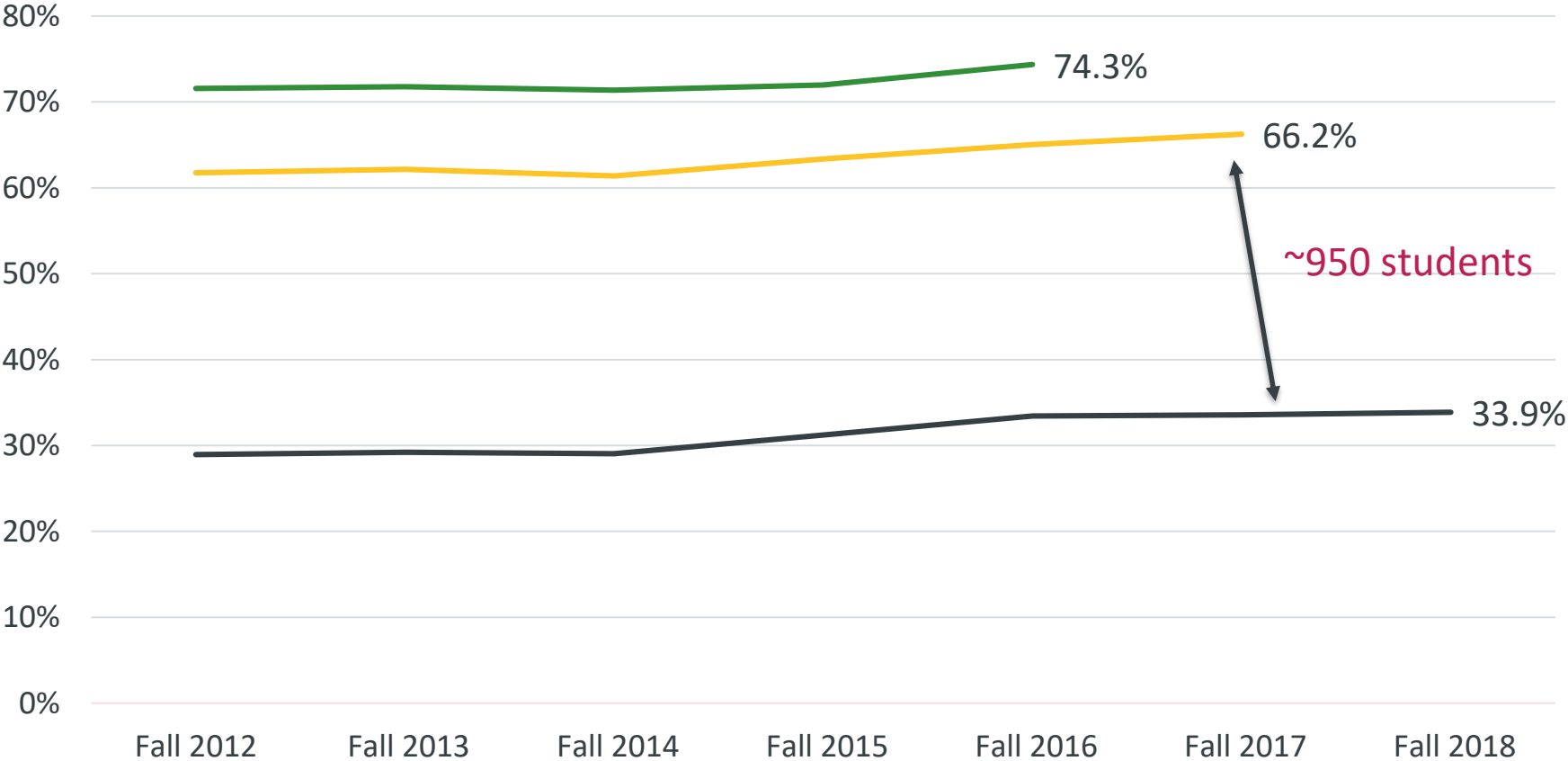


Room to Improve *On-Time* Completion



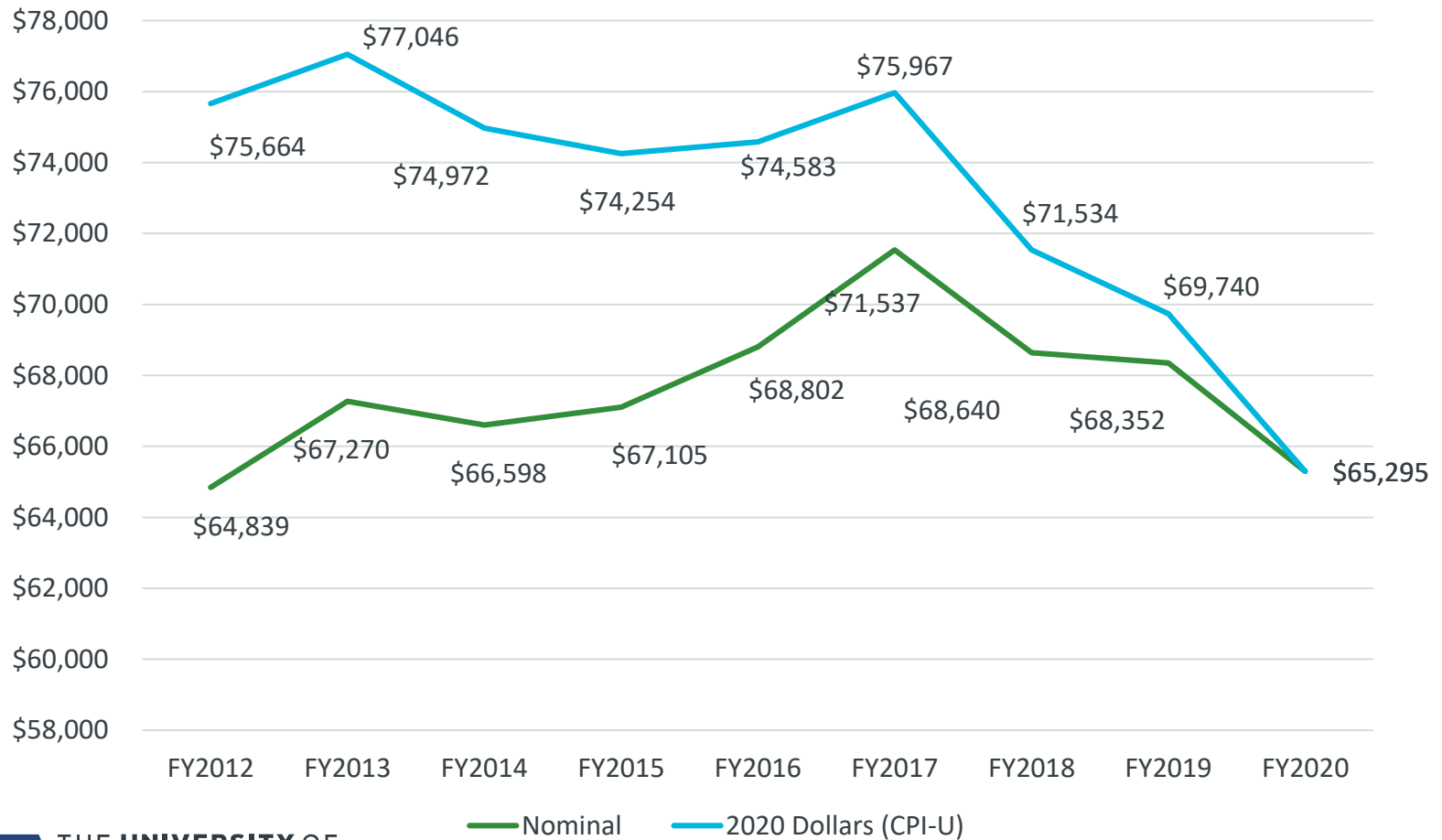
Room to Improve *On-Time* Completion

Two, Three, and Four-year Graduation Rates
(Transfer Students from NCCCS With an Associate's Degree)



Increasing Timely Graduation (and Containing Costs) Lowers the Cost per Degree for the State

Education & Related Expenses per Degree, UNC System Average
(Nominal and Inflation-Adjusted)



How much did the number of high school graduates in North Carolina grow over the decade from 2006-7 to 2016-7?

+34.4% (+28,137 per year)

+14.8% (+12,080 per year)

-5.1% (-4,162 per year)

+22.0% (+17,957 per year)

How much is the number of high school graduates per year *projected* to increase between 2017-18 and 2036-37?

-8.0% (-9,115 per year)

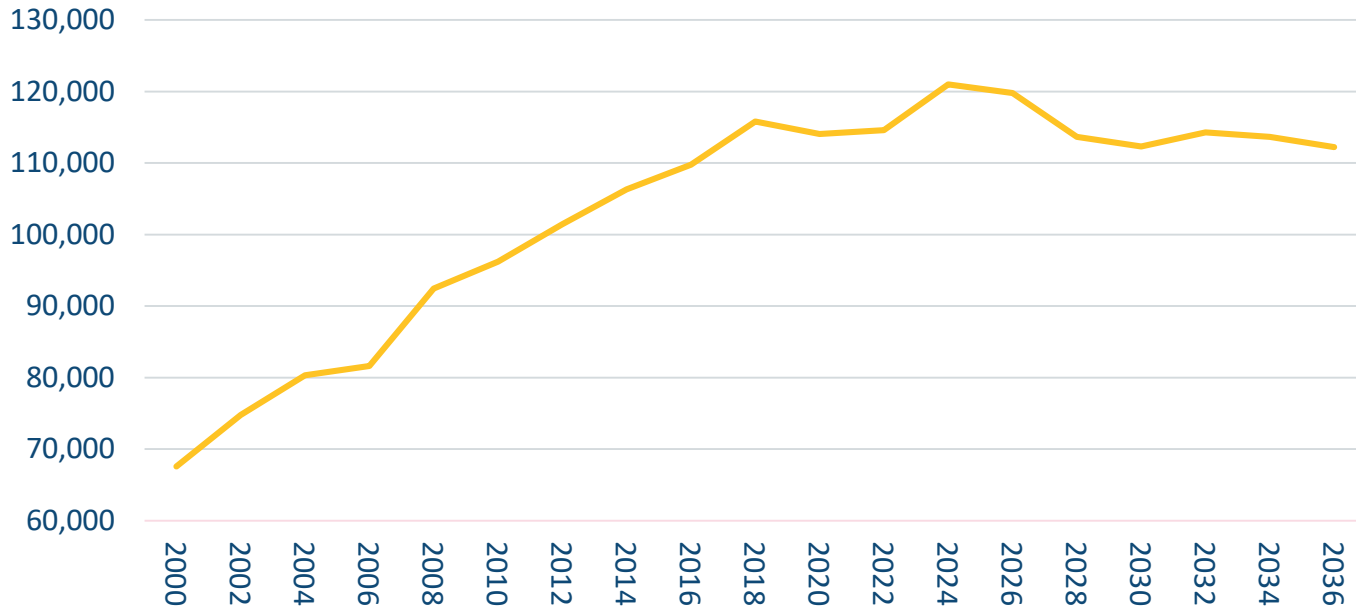
+17.3% (+19,712 per year)

-1.0% (-1,690 per year)

+10.2% (+11,628 per year)

Demographic Slowdown Nationally and in North Carolina

**North Carolina Public & Private High School Graduates
(Actual and Projected)**



The growth in High School Graduates from:			
2000-2007	2007 to 2017	2017 to 2027	2027 to 2037
32.2%	27.5%	1.5%	-3.0%

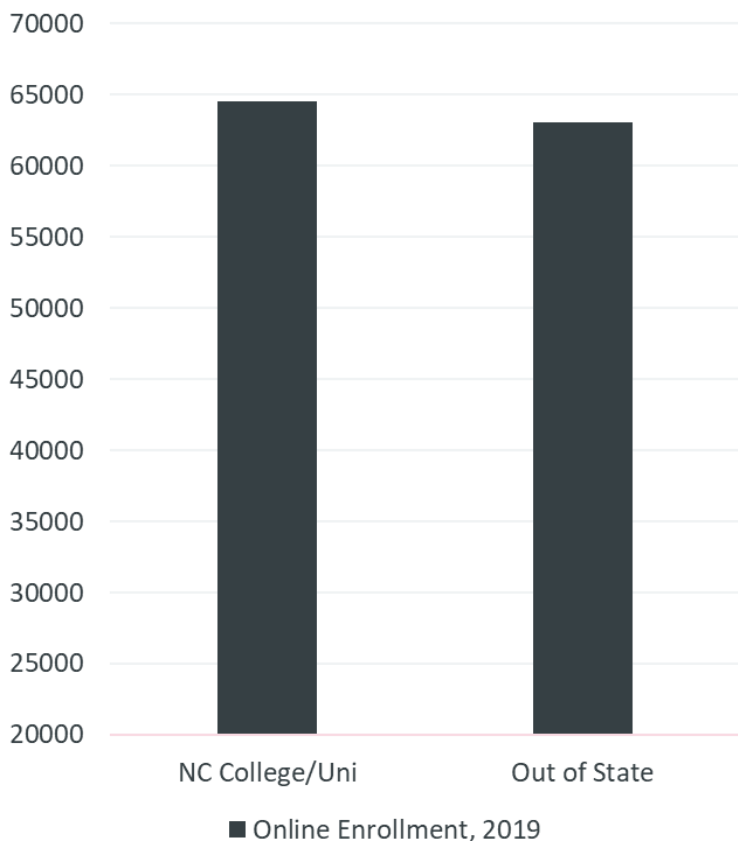
How Can We Create Access for Working Adults?

Educational Attainment, North Carolinians 25 years or older (2019 actual, 2029 projected)

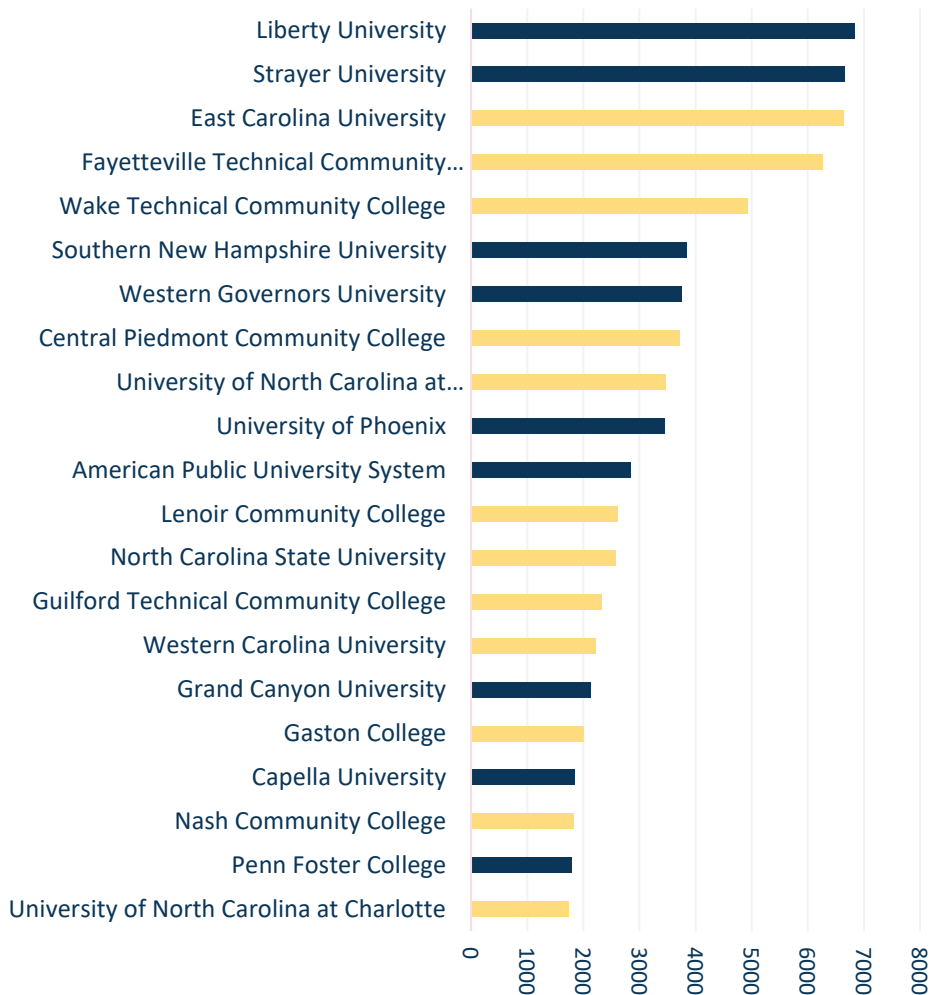
Education Level	2019 Population	2029 Population	2019 % of Population	2019 National % Population
Less Than 9th Grade	327,069	291,386	5%	5%
9th Grade to 12th Grade	558,547	519,551	8%	7%
High School Diploma	1,840,427	1,943,106	26%	27%
Some College	1,524,330	1,649,224	21%	20%
Associate's Degree	694,914	861,910	10%	8%
Bachelor's Degree	1,442,149	1,791,936	20%	20%
Graduate Degree and Higher	814,860	1,075,784	11%	12%
	7,202,295	8,132,898	100%	100%

Data Indicate Demand *Within* North Carolina for More Innovative and Flexible Programs

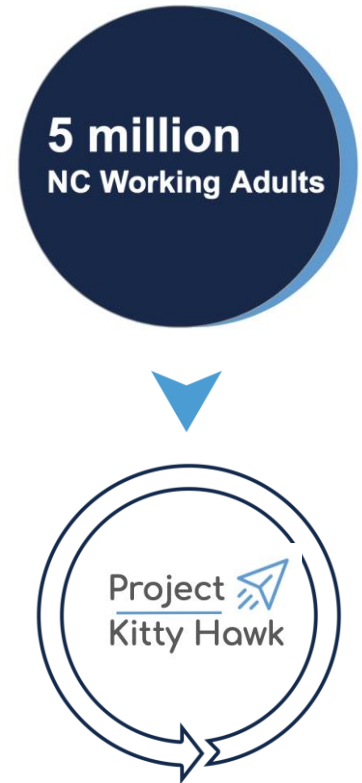
Online Enrollment, 2019



Online Enrollment of North Carolinians, Fall 2019



Accelerating Innovation



- The UNC System needs to adapt to the **needs of adult learners** and a **changing labor market**.
- To do this we need new models and services not currently available at scale in the system. Many universities have partnered with **Online Program Managers (OPM's)**, but the terms are often expensive.
- A new **entrepreneurial ed-tech startup** can provide these services to accelerate existing universities' ability to serve working adults.
- The start-up would operate as a **nonprofit, affiliated entity**, where 'clients' are system universities.
- Universities that *choose* to partner would work with the new organization to develop programs in collaboration with their faculty. *Universities will award the degrees.*

QUESTIONS?

CONNECT



www.northcarolina.edu



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Plenary Session III

Budget and Finance

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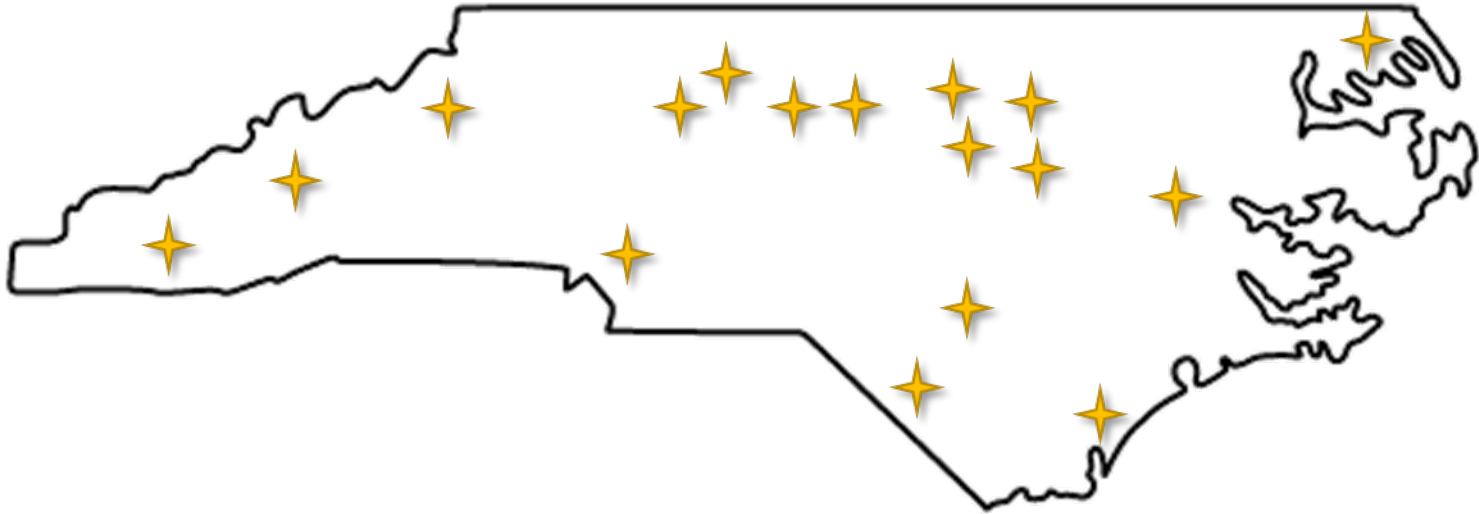
THE TRUSTEE ROLE IN KEY FINANCIAL DECISIONS

*Board of Trustees Workshop
November 16, 2021*

*Jennifer Haygood
Senior VP for Finance and Administration*



**THE UNIVERSITY OF
NORTH CAROLINA SYSTEM**



One consolidated University focused on:

Access

Affordability

Student Success

Presidential Goals



- **Affordability:** Reduce student debt by keeping cost of attendance affordable and reducing time to degree.
- **Student success:** Increase *on-time* graduation rates for first-time and transfer students.
- **Cost-per-degree:** Increase the productivity of state investments.

The Role of the Board of Trustees

- Tuition and Fees
- Housing and Dining Rates
- Budgeting
- Capital, Property, and Debt

What is your responsibility as a trustee?

How can you help move the needle on System goals?

What questions should you be asking?

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Text **ANDREWKELLY836** to **37607** once to join

Agree or Disagree: As a trustee, I play a role in ensuring college is affordable.

Strongly Agree

Agree

Undecided

Disagree

Strongly Disagree

TUITION AND FEES

Constitutional Mandate

“The General Assembly shall provide that the benefits of the University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense.”

– NC Constitution – Article IX, Section 9

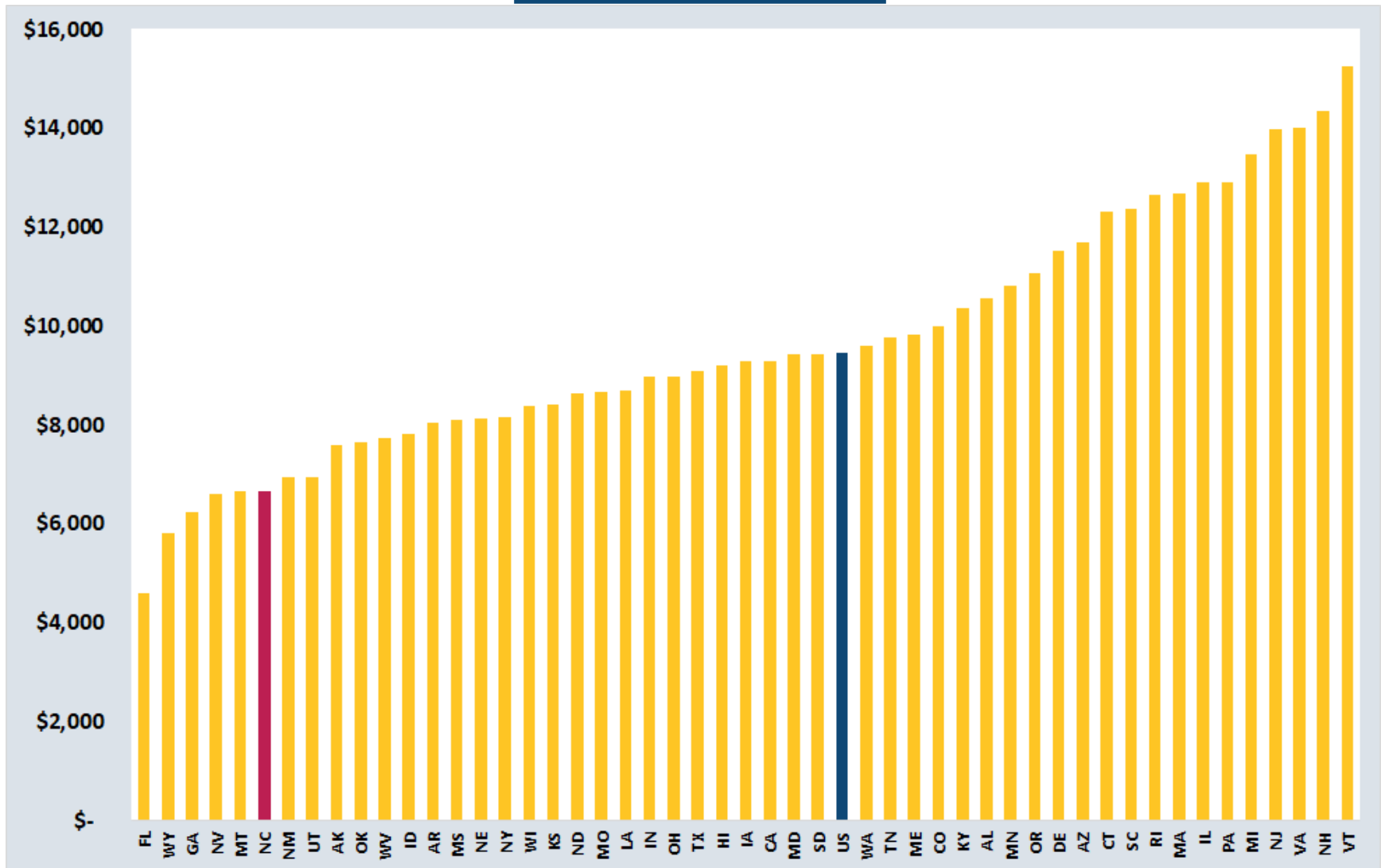
Affordability Initiatives

Policy Actions by Board and Legislature to Address Affordability

- **Bottom-Quartile Requirement for Resident Undergraduates**
- **Guaranteed (Fixed) Tuition Program**
- **No undergraduate resident tuition increases since 2017-18**
- **3% Cap on Mandatory Student Fee Increases**
- **Implementation of NC Promise (ECSU, UNCP, WCU)**
- **Strategic Plan Affordability Goal: limits tuition increases to no more than the increase in median household income**

Average of Published In-State Tuition & Fees (2020-21)

4-year public institutions



Tuition and Fee Process

- The System Office provides guidance and instructions to institutions for the tuition and fee process. September
- Institutions hold tuition and fee committee meetings, which includes faculty, students, and staff, to discuss potential rate increases. August – November
- Tuition and fee proposals are submitted to the **board of trustees** for approval. October – December
- A tuition and fee committee at the System Office reviews the proposals. December – February
- The **Board of Governors** considers tuition and fee proposals for approval. January – March

Key Questions and Considerations

■ Why is the increase needed?

- Intended use of additional receipts
- Changes in various price and income indices (e.g., NC Median Household Income, Consumer Price Index, etc.)

■ Are other revenue sources available?

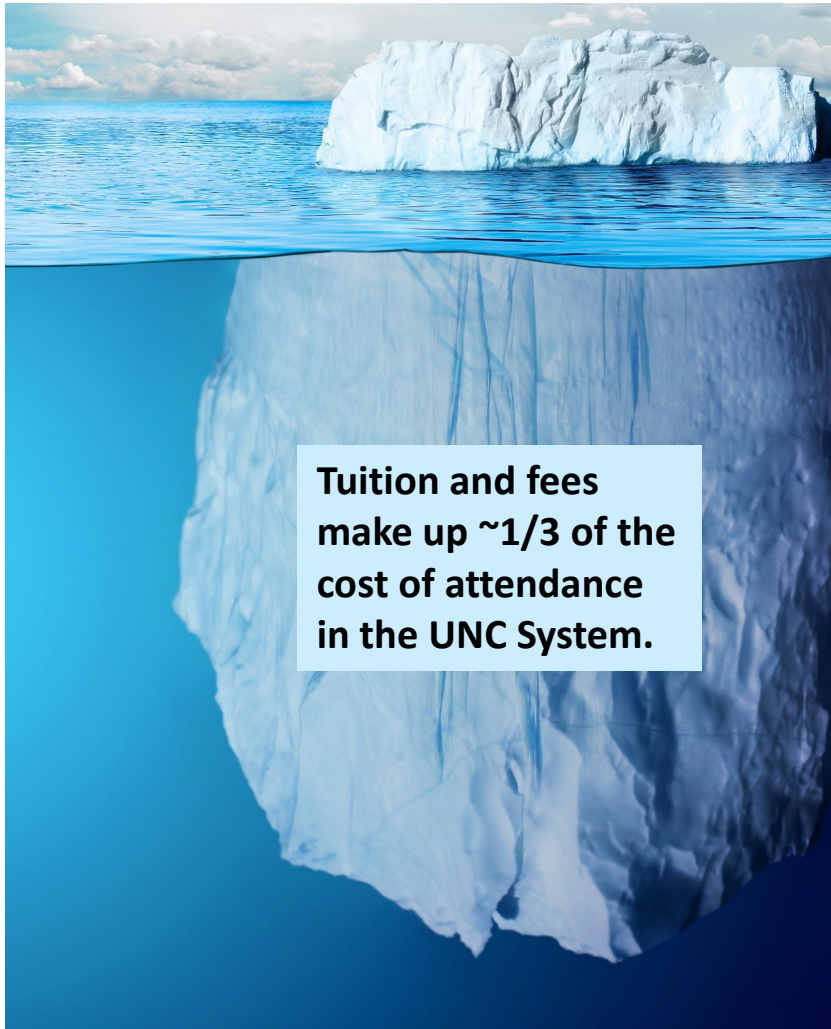
- Availability of State General Fund revenue
- Institutional efforts to manage costs and prioritize use of funds

■ What is the potential impact on student access, particularly in context of other proposed increases?

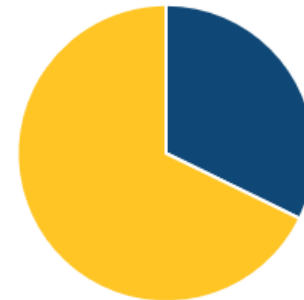
- Availability of financial aid and the amount of unmet need
- Student indebtedness levels

HOUSING AND DINING RATES

Tuition and fees are just one piece of the cost



UNC System Institutions
Average Cost of Attendance (\$21,269)
Undergraduate Students, 2020-2021



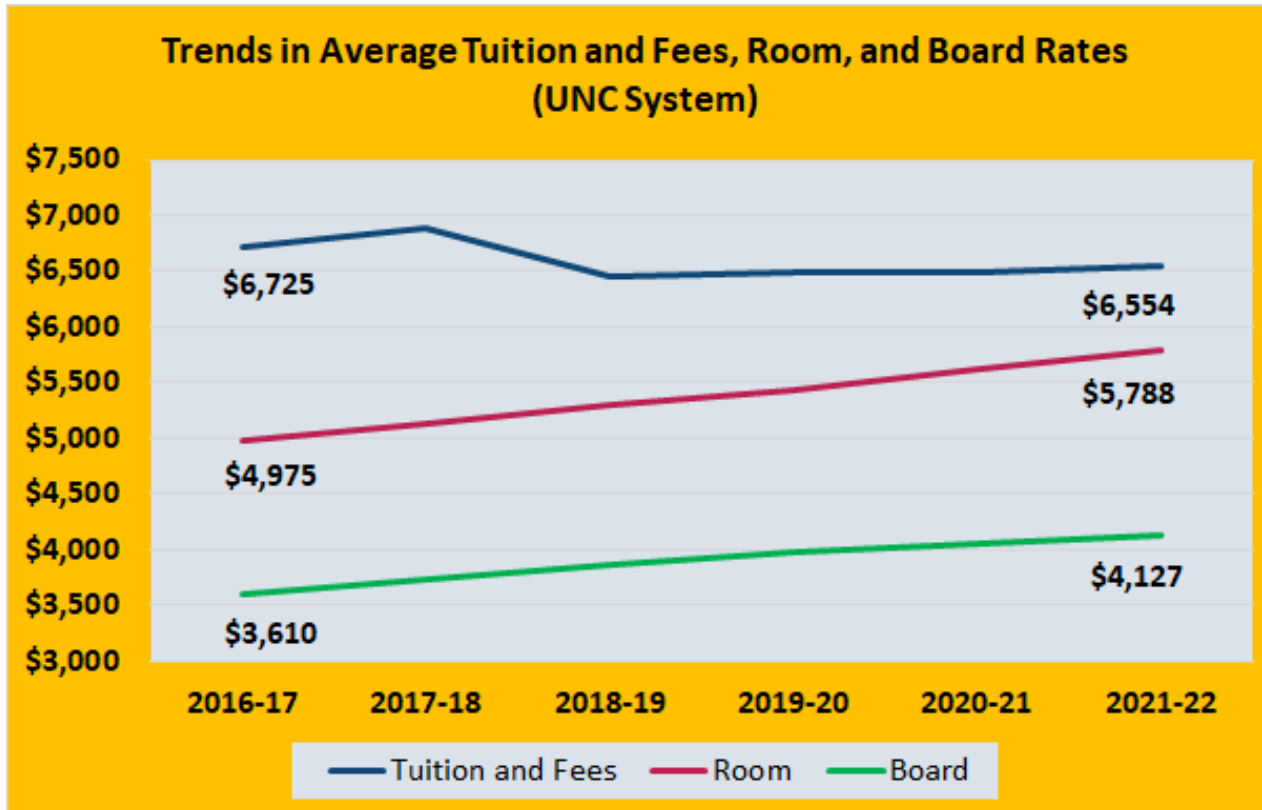
■ Tuition and Fees ■ Other Expenses

All Public 4-Year Institutions
Average Cost of Attendance (\$24,666)
Undergraduate Students, 2020-2021



■ Tuition and Fees ■ Other Expenses

Trends in Average Tuition & Fees and Room & Board



Category	Percent Change over Five Years
Tuition and Mandatory Fees	(2.6%)
Room	16.3%
Board	14.3%
Books and Supplies	(0.2%)
Other Expenses	2.0%

Simple average of Tuition and Fees, Room, and Board.

Room represents standard room-double occupancy and Board represents a full meal plan.

Source: System Office Finance and Administration

Trustee Role in Setting Housing and Dining Rates

- Historically, the UNC Policy Manual was silent on who approved rates, resulting in inconsistent approval practices.
- Pricing, Flexibility, and Affordability Task Force recommendation: **boards of trustees must approve student housing and meal plan rates.**
- Expect Board of Governors to formally adopt this policy change in January 2022.

Cost Drivers and Rate Factors

	Housing	Dining
Cost drivers	<ul style="list-style-type: none"> • Utilities • Maintenance, upkeep, and capital improvements • Debt service • Personnel (maintenance, housekeeping, RAs) • Insurance • Student demand/preferences 	<ul style="list-style-type: none"> • Vendor contracts • Personnel and food costs • Debt service • Equipment and facilities maintenance • Number and types of venues; hours • Student demand/preferences
Factors considered in setting rates	<ul style="list-style-type: none"> • Operating costs and reserves • Market competition, including pricing and amenities in off-campus housing and at other universities • Occupancy rates 	<ul style="list-style-type: none"> • Operating costs and reserves • Vendor contract • Facilities repairs and improvements • Inflation (food and labor) • Meal plan participation

Key Questions and Considerations

- Are rates adequate to cover costs and reserves?
 - Housing and dining are self-supporting auxiliary enterprises (no state support)
- Are reserve levels appropriate?
 - Outstanding debt on facilities and associated debt covenants
 - Adequacy of reserves to cover unexpected “shocks”
 - Future capital improvements
 - Are revenues being used to support unrelated purposes?
- When setting rates, are cost drivers and other factors balanced against student affordability considerations?

BUDGETING

🌐 When poll is active, respond at pollev.com/andrewkelly836

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Agree or Disagree: I understand how my institution is allocating resources to achieve its strategic goals.

Strongly Agree

Agree

Undecided

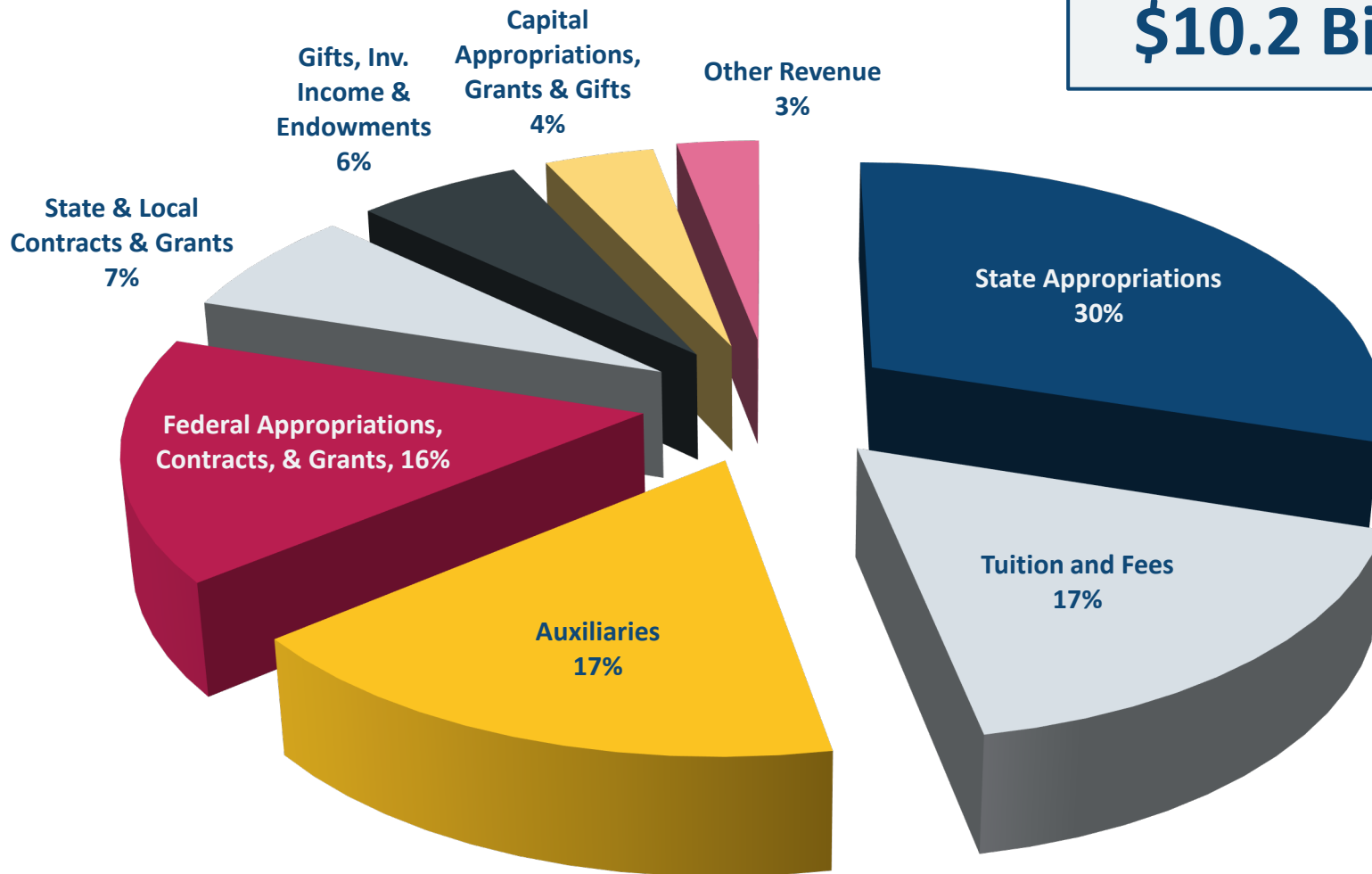
Disagree

Strongly Disagree

UNC System Revenues: FY 2020

(excluding UNC Hospitals)

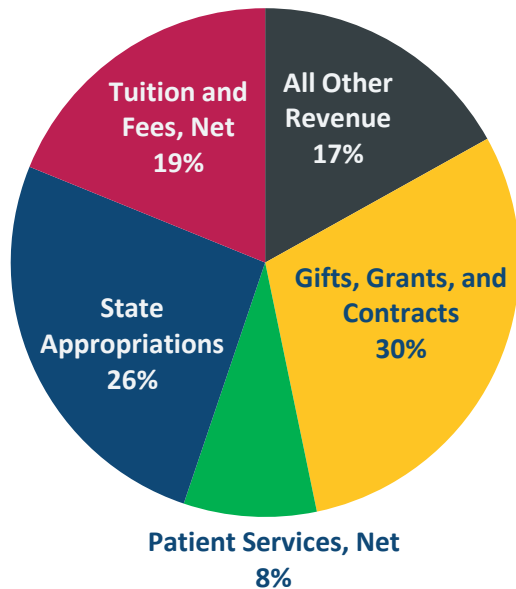
\$10.2 Billion



Revenues by Campus Size: FY 2020

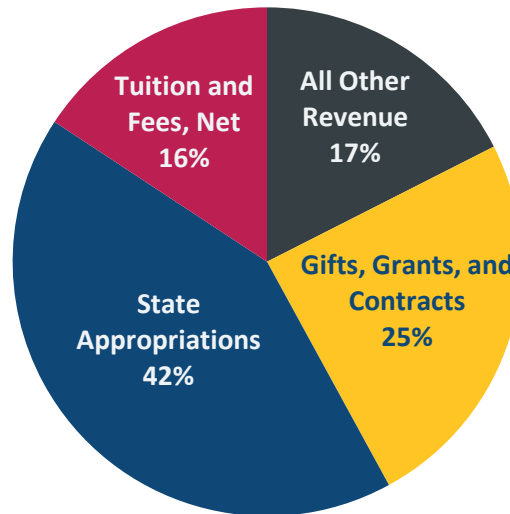
Large Universities

ASU, ECU, N.C. A&T, NC State, UNC-CH, UNCC, UNCG, UNCW



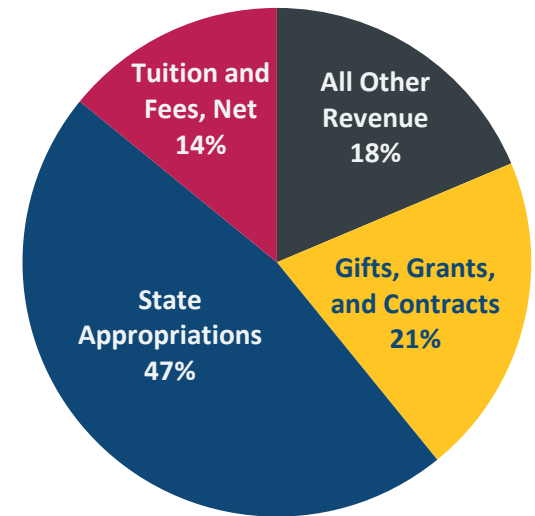
Medium Universities

FSU, NCCU, UNCA, UNCP, WCU, WSSU



Small Universities

ECSU, UNCSA

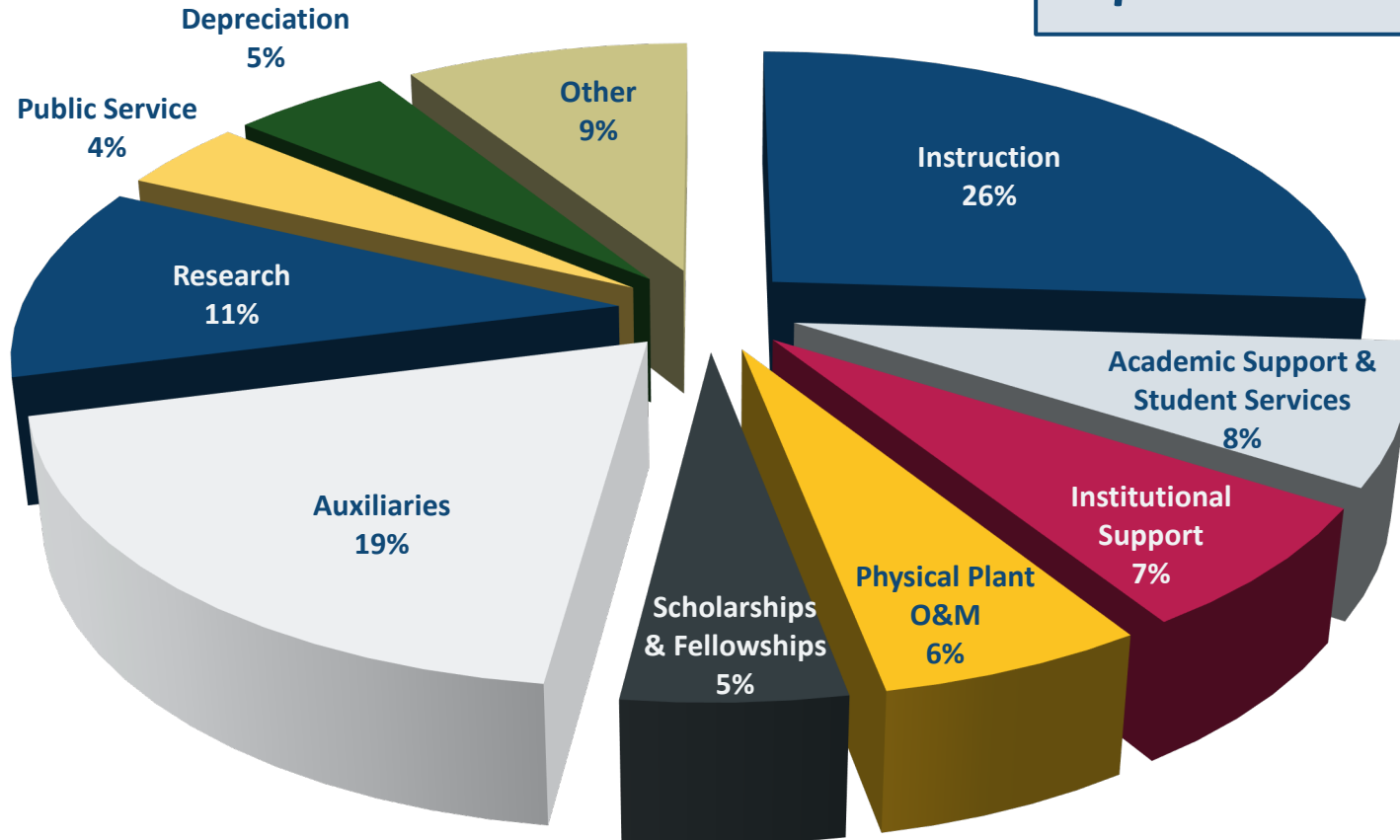


The Carnegie Classification has been used for the purpose of classifying the universities as small, medium, and large. The UNC System Office, North Carolina School of Science and Mathematics, and UNC Hospitals are not included in the classifications as these are not considered institutions of higher education. Therefore, these institutions are excluded from the above graphs.

UNC System Expenditures: FY 2020

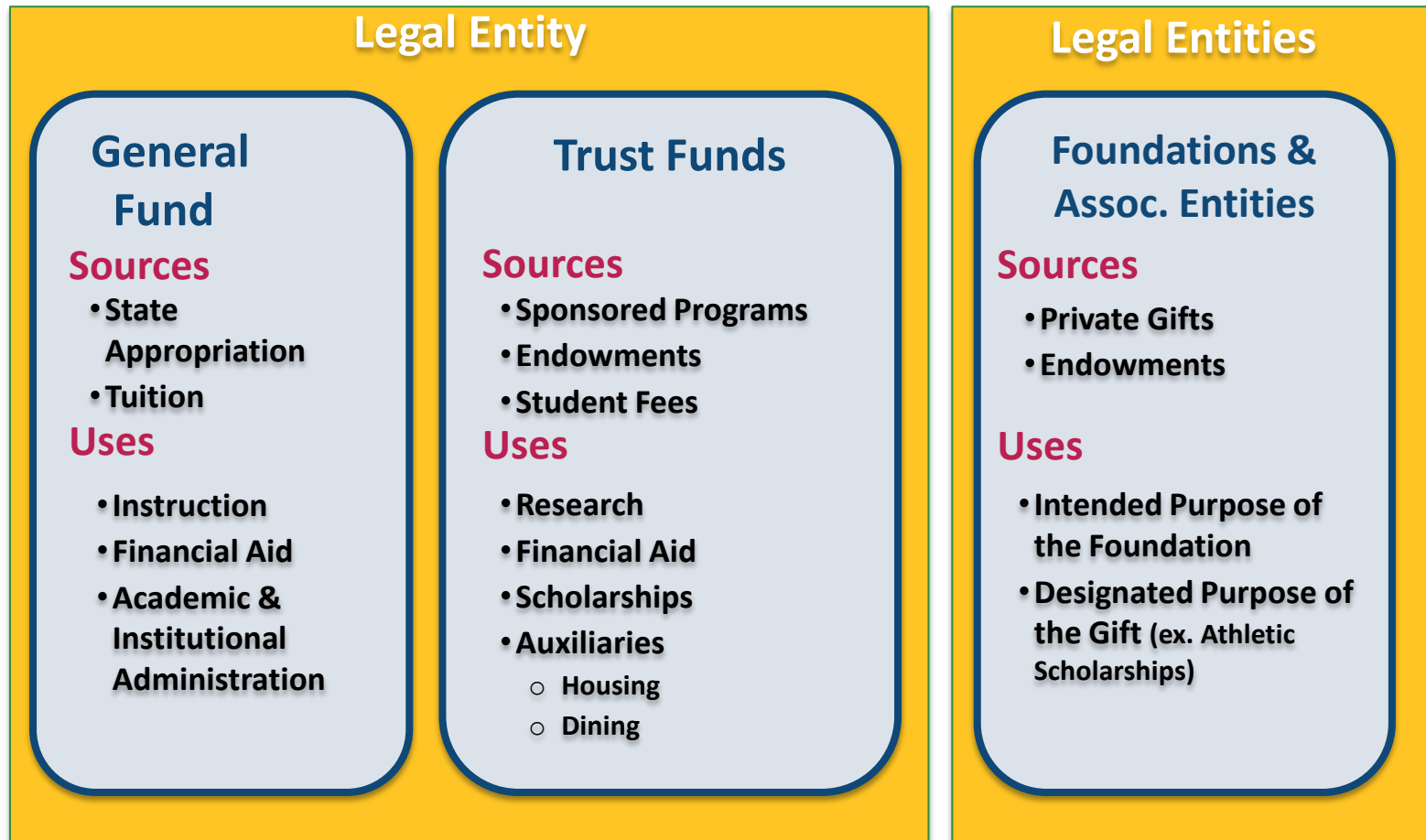
(excluding UNC Hospitals)

\$9.7 Billion



Note: Some research and private/endowment revenues are not available for immediate expenditure.

Funds Have Different Sources and Uses



More State Support

More Flexibility

Why Develop an All-Funds Budget?

- Provide comprehensive expenditure plan that includes both General Fund and Trust Funds
- Better align resources with strategic priorities
- Promote stewardship and financial sustainability
- Better understand the impact of discrete decisions on the broader financial picture
- Improve transparency and campus engagement
- Strengthen the fiduciary responsibility of the boards of trustees

Statutory Duty

G.S. 116-1(b) – “...In the fulfillment of this mission, the University shall seek an *efficient* use of available resources to ensure the *highest quality* in its service to the citizens of the State.”

Trustee Role in Budgeting

- Effective for FY23 and annually thereafter, the **board of trustees shall approve a comprehensive, “all-funds” budget** for the institution.
- FY23 “all-funds” budget submissions are due to System Office by May 4, 2022.
- Institutional budgets will be compiled and presented to the **Board of Governors** at its May meeting.
 - Budget for institution as a whole and major organizational units
 - Budget narrative

Key Questions and Considerations

- Are resources being allocated strategically?
 - Can funds be repurposed to better align with priorities?
 - How does the budget support progress towards System-wide and institutional goals?

- Are there opportunities to improve efficiency?
 - Are there any duplicative, underperforming, or low priority programs that should be eliminated?
 - Can programs, offices, and services be streamlined or consolidated?
 - Can layers of management and administration be reduced?

- Does the budget promote the institution's financial sustainability?
 - Is the budget structurally sound and include adequate reserves?
 - Are enterprise risks considered when developing the budget?

CAPITAL AND PROPERTY

Agree or Disagree: Our board of trustees prioritizes capital improvements needed to improve space utilization and to extend the life of our facilities.

Strongly Agree

Agree

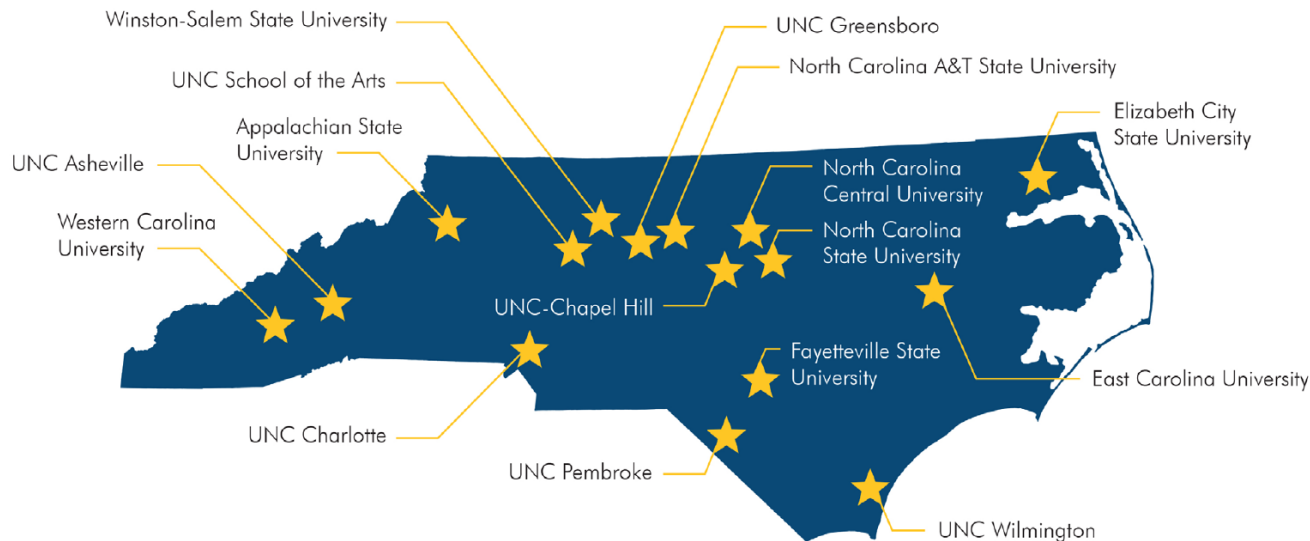
Undecided

Disagree

Strongly Disagree

UNC Capital Assets*

- The UNC System has almost 89.4 million gross square feet of capital assets.
- This includes almost 3,000 buildings.
- Current replacement value exceeds \$27 billion.



UNC Capital Improvement Priorities

- The UNC System is one of the largest property managers in the state
 - Almost 45 million GSF in appropriated buildings
- Caring for our existing assets is crucial
 - The deferred maintenance/building deficiencies backlog is estimated at \$3.42 billion
 - Repair and renovation funding has averaged only \$32 million/year
- UNC System priorities focus for capital projects
 - Maintaining existing buildings in good condition
 - Repairing and renovating existing buildings to extend life over constructing new buildings, where practicable
 - Maximizing utilization of existing space over adding new space

BOT Responsibilities

■ **Approval of Real Property Transactions**

- Real property acquisitions and dispositions (including demolitions and easements), leases, and ground leases
- Millennial campus designations
- Master plan, typically updated on five-year cycle

■ **Approval of Capital Projects**

- Authorization of capital improvement projects including advanced planning, new capital projects, and increased authorizations
- Selection of professional services firms including designers, construction managers at risk, and other related services
- Energy performance savings contracts

■ **Approval of Capital Debt**

- Approval of self-liquidating projects and associated debt issuances including refinancing existing debt

BOT Responsibilities

Authorization Levels

Delegated	Additional Delegated	
BOG authorizes BOT to approve:	BOG authorizes BOT to approve:	BOG Approval Required
CAPITAL PROJECTS		
Projects less than \$750,000*	Projects more than \$750,000 and less than \$1M	Projects more than \$1M
ACQUISITION OR DISPOSITION OF PROPERTY		
Property value less than \$750,000*	Property value \$750,000 or more and less than \$1.25M	Property value \$1.25M or more
LEASES		
Lease payment less than \$750,000 annually <u>and</u> term less than 10 years*	Lease payment \$750,000 or more but less than \$1M annually <u>and</u> term less than 10 years	Lease payment \$1M or more annually <u>or</u> term more than 10 years

**President's signature required for contracts over \$500,000*

BOTs are authorized to approve advance planning of capital improvement projects in any amount, where the advance planning effort is funded entirely with non-General Fund money.

Key Questions and Considerations

- How does the property acquisition, disposition, building demolition, or proposed construction support the campus master plan?
- Why is the capital project needed and how will it be funded? What is the impact if the project is not done? If new construction, what will happen to the existing facility?
- For non-appropriated projects, what funds are available long-term for building operations and maintenance, preventive maintenance, and repairs and renovations?
- For self-liquidating projects, how will debt payments be funded? Will the debt issuance require an increase in any fee?

A large group of graduates in blue gowns and caps are celebrating at a graduation ceremony. Many graduates have their arms raised, and a large number of black graduation caps are flying through the air against a bright, cloudy sky. The graduates are looking upwards with expressions of joy and excitement. The text "Trustees Play A Key Role" is overlaid in the center of the image in a red, italicized font.

Trustees Play A Key Role





Breakout Session

Managing Campus Risks





UNC SYSTEM ENTERPRISE RISK MANAGEMENT

S. Lynne Sanders, CPA

Vice President for Compliance and Audit Services

UNC System Enterprise Risk Management

- Thoughtful identification and agreement about enterprise risks
- Early intervention and opportunity to make decisions about managing risks
- Opportunity to look forward

UNC System Enterprise Risk Management Process

- Annual Identification of Risks
- Ranking to Identify the Top Risks
- Submission to the System Office
- Compilation of Results
- Grouping and Summarization of Risk Topics
- Annual Reporting to the President and CARMC
- Managing Risks

UNC System 2020-21 Institutional ERM Topics

(unranked)

- IT Governance/Data Security/Cybersecurity
- Human Resources/Talent Management
- Financial Stability/Funding Model Issues/Deferred Maintenance
- Enrollment
- Campus Safety and Security
- Compliance Requirements





Breakout Session

**Academics, Students, and
University Personnel**





ACADEMIC AND STUDENT AFFAIRS

Board of Trustees Orientation
November 16, 2021
Hunt Library, Centennial Campus
North Carolina State University
Raleigh, NC

Goals for today

- Discuss roles and responsibilities
- Address key issues facing institutions and BOTs
- Provide opportunity for discussion

UNC Mission

The University of North Carolina is a public, multicampus university dedicated to the service of North Carolina and its people. It encompasses the 17 diverse constituent institutions and other educational, research, and public service organizations.

Each shares in the overall mission of the university. That mission is to discover, create, transmit, and apply knowledge to address the needs of individuals and society.

BOG Committee on Educational Planning, Policies, and Programs

301 C. The Committee on Educational Planning, Policies, and Programs shall receive the advice and recommendations of the president and make recommendations to the Board in all areas pertaining to the development of a coordinated system of higher education in North Carolina, including:

- (a) the definition of mission and assignment of functions of each constituent institution;
- (b) the review of requests for the initiation of new degree programs and recommendations for the termination of existing programs;
- (c) the provision of supportive services, facilities, and other resources for the instructional, research, and public-service programs of the constituent institutions;
- (d) the review of policies affecting educational programs and academic affairs;
- (e) matters concerning the involvement of students in the University and in university life;
- (f) review of matters concerning health affairs in the University; and
- (g) review of matters concerning the utilization of information technology in furtherance of the University's mission.

BOG Committee on Educational Planning, Policies, and Programs

- Each board of trustees shall promote the sound development of the institution within the functions prescribed for it, helping it to serve the State in a way that will complement the activities of the other institutions and aiding it to perform at a high level of excellence in every area of endeavor.
- Each board shall serve as advisor to the Board of Governors on matters pertaining to the institution and shall also serve as advisor to the chancellor concerning the management and development of the institution.

BOT Committee Structures – Academic Affairs and Student Affairs

UNC Institution	Committee	Committee
Appalachian State University	Academic Affairs	Student Affairs
East Carolina University	University Affairs	Health Sciences
Elizabeth City State University	Academic Affairs and Strategic Growth	Student Excellence
Fayetteville State University	Academic Affairs	Student Affairs
North Carolina A & T State University	University Affairs	
North Carolina Central University	Academic and Student Affairs	
North Carolina State University at Raleigh	University Affairs	
University of North Carolina at Asheville	Academic Affairs	Student Affairs and Enrollment
University of North Carolina at Chapel Hill	University Affairs	
University of North Carolina at Charlotte	Academics and Student Affairs	
University of North Carolina at Greensboro	Academic Affairs	
University of North Carolina at Pembroke	Educational Planning and Personnel	Student Life & Athletics
University of North Carolina School of the Arts	Academic and Student Affairs	
University of North Carolina Wilmington	Educational Planning and Programs	
Western Carolina University	Academic Affairs and Personnel	
Winston-Salem State University	Academic Affairs	Student Affairs
North Carolina School of Science & Math	Educational Policies and Practices	Distance Education and Extended Programs

- Institutions use a variety of committee structures to oversee issues related to academic and student affairs



ACADEMIC AFFAIRS

Academic Affairs

- **Issues Facing Academic Affairs**
 - Managing multiple instructional formats
 - Changing student demographics
 - Faculty and staff burnout
 - Provost turnover and transitions
 - Leading change with limited resources
 - Increasing reliance on faculty off tenure-track

Academic Affairs

- Each BOT should help support the chancellor and institution in fulfilling the mission of the institution, as part of the larger UNC System
- Be aware of the academic program portfolio, how it supports the institution's mission, and what opportunities and challenges the institution faces
- Each BOT should be aware of institutional (SACSCOC) accreditation status and timelines, along with key programmatic or disciplinary accreditation issues

Academic Programs

- Process of developing new academic degree programs is long and complex (can take 3 – 5 years from idea to inception)
- Faculty have primary responsibility for oversight of academic programs, BOG has final approval authority
- Provost, chancellor, and BOTs should ensure that program proposals are connected to your institution’s mission and strategic plan
- Recent revisions to UNC System approval process place additional focus on demonstrating student demand, post-graduation outcomes, and financial sustainability

Academic Freedom, Tenure, and Faculty

- Chapter VI of *The Code* outlines requirements and standards for Academic Freedom and Tenure in the UNC System
- Each BOT is charged with the oversight of policies and regulations governing appointment, reappointment, promotion, and tenure
- BOG has delegated to the BOTs of 13 institutions the authority to award permanent tenure
- BOTs have also been active in helping institutions think through policies to support faculty members not on the tenure-track



STUDENT AFFAIRS

Student Affairs – Student Services

Each board of trustees, upon recommendation of the chancellor, shall determine the type, level, and extent of student services (such as health care, athletic programs, and counseling) to be maintained for the benefit of students at the institution, subject to general provisions concerning types and levels of student services as may be prescribed by the Board of Governors (*The Code*, Appendix 1, Section XI)

Student Affairs

- **Issues Facing Student Affairs**
 - Mental and Behavioral Health
 - Alcohol and Drug Abuse Prevention
 - Student Activism-Free Speech
 - Safety and Security
 - Campus Climate
 - On-Time Career Counseling
 - Food and Housing Insecurity

Student Affairs

- **Residential Life**

- Residence Hall Maintenance and Construction
- Dining Services
- Youth Programs and Camps

- **Health and Wellness**

- Counseling and Psychological Services
- University Recreation/Intramurals
- Student Health Services
- Wellness and Prevention Services

Student Affairs

- **Career Development**
 - Internships and Apprenticeships
 - Job and employment opportunities
- **Student Engagement and Leadership**
 - Student Government, Activities, and Organizations
 - Greek Life
 - Multicultural Student Development
 - Community Service and Engagement
 - Student Media

Student Affairs

- **Student Orientation and Transition Programs**
- **Parent and Family Programs**
- **Disability Support Services**
- **Student Conduct**
- **Title IX and Clery Act Compliance**
- **Campus Safety**

Student Affairs – Enrollment Management

- Enrollment is the lifeblood of our institution
- Coming demographic shifts will place significant demands on institutions
- What is your institutional enrollment plan? Financial model? Strategy for transfer students? Adult learners? Military and affiliated students
- How is your institution working to improve student success?





BOARD OF TRUSTEES WORKSHOP HUMAN RESOURCES BREAKOUT SESSION

Matthew S. Brody
Senior Vice President & Chief Human Resources Officer

System Office HR vs. Campus-Level Key Functions

UNC System HR

- System-wide HR subject matter expertise
- HR policy development and administration
- Audit salary and position actions
- Liaison to State HR and benefits agencies/providers
- Staff BOG Univ. Personnel Committee
- Manage selected benefit programs
- System-wide HR reporting
- Payroll shared services (9 campuses)
- Convene campus chief HR Officers
- HR support for System Office

Campus HR

- Employee relations; addressing individual employee concerns
- Internal communications; disseminating information to the campus workforce
- Benefits customer service
- Employee training and professional development programs
- Recruitment and staffing operations
- Answering policy questions
- Reviewing and managing salary actions
- Maintaining employee records
- Developing and delivering employee recognition programs

Major Categories of University Employees

SHRA (*Subject to the NC Human Resources Act*)

- Subject to policies of Office of State Human Resources and State Human Resources Commission, **not** policies of the BOG
- Often known as “Staff” employees – based on job duties
 - Clerical/administrative support
 - Facilities, housekeeping, and grounds
 - Most non-salaried (hourly) paraprofessionals such as “specialists” and “coordinators”

EHRA (*Exempt from the NC Human Resources Act*)

- Subject to rules and regulations of the BOG and System Office
- Faculty (tenured and non-tenured)
- Most Non-Faculty salaried staff
 - Senior executives
 - Research and instructional support
 - Student services and counseling
 - Public service/extension
 - Admissions, financial aid, fundraising, legal, and IT

Major EHRA Non-Faculty Categories

Senior Academic and Administrative Officers, Tier I

- Chancellor
- Executive Vice Chancellor
- Provost
- Vice Chancellors
- Deans

Senior Academic and Administrative Officers, Tier II

- Associate Assistant Vice Chancellors
- Vice and Assistant Provosts
- Associate and Assistant Deans
- Directors and Campus-Wide Department Heads

Instructional, Research, and Information Technology (IRIT)

- Coaches
- Mental Health Professionals
- Research Staff
- Student Affairs Staff
- Librarians
- Computer Programmers
- Salaried IT Support Staff

Delegations of Authority for Personnel Actions

Pursuant to Sections 200.6 and 600.3.4 of the UNC Policy Manual, the Board of Governors has delegated authority for the UNC System Human Resources program to the president, who in turn may additionally delegate parts of that authority to the boards of trustees and chancellors.



- **Board of Governors**
- **Committee on University Personnel**

- **President**
- **SVP for Human Resources**

- **Board of Trustees**
- **Chancellor**

Role of the Board of Trustees in Personnel Matters

- To decide which personnel authorities granted by the president and Board of Governors to the board of trustees that they decide to retain and those they opt to further delegate to the chancellor and his/her senior campus officers were permitted by UNC policy
- To review and act on salary, position, tenure, and senior officer appointment personnel actions requiring the approval of the board of trustees which are not otherwise delegated
- To receive periodic updates from the chancellor on salary and personnel matters when the chancellor is exercising personnel authority delegated by the board of trustees

Role of the Board of Trustees in Personnel Matters

- To receive periodic informational reports and updates from the chancellor and other campus senior officers on campus personnel matters as well as the status of equal opportunity, diversity, and inclusion programs
- To hear periodic reports and input from the leaders of the campus faculty and staff senates/forums
- Provide input to the president on chancellor performance through the board of trustee's chair and formal assessments every 2 & 4 years administered by the System Office
- To have representatives participate in chancellor search committees and recommend prospective finalists to the president at the conclusion of chancellor searches

Additional Campus Personnel Flexibilities

Added “Management Flexibility” for Personnel Actions

- Authority to confer tenure and distinguished professorships, as well as create campus salary ranges for faculty and SAAO-II in lieu of using the System ranges.
- Campuses with management flexibility:
 - ASU, ECU, NCA&T, NCSSM, NCSU, UNCA, UNCC, UNC-CH, UNCG, UNCP, UNCSEA, UNCW, WCU, WSSU; presently excludes ECSU, FSU, and NCCU

Position Classification and Salary Range Authority for EHRA Instructional, Research and IT (“IRIT”) Positions

- Authority to create/modify new IRIT positions and salary ranges without pre-approval by the System Office
- This special authority is awarded to our institutions with high research funding.
- Campuses with IRIT authority:
 - ASU, ECU, NCSU, UNC-CH, UNCC, UNCG, UNCW

EHRA Authority Delegated to Board of Trustees Positions and Senior Officer Appointments

All items in green may be further delegated to the Chancellor

- All Boards of Trustees
 - SAAO-II
 - Appointment/Initial salary
 - Appointment changes
 - Faculty
 - Establish new positions
 - Modify positions
 - Appointment/Initial salary
 - Appointment Changes
 - IRIT
 - Appointment/Initial salary
 - Appointment changes
- BOTs with Management Flexibility
 - SAAO-I
 - Appointment/Initial salary
 - Appointment Changes
 - SAAO-II
 - Establish/modify salary ranges
 - Faculty
 - Establish/modify salary ranges
 - Confer distinguished professorships
 - Confer tenure
- Institutions with Special Delegated IRIT Authority
 - IRIT
 - Establish new positions
 - Modify positions
 - Establish/modify salary ranges

Delegated Authority Relating to EHRA Salary Actions

Board of Trustees (BOT)

- Not to exceed 20 percent and \$15,000 of the June 30 salary (cumulatively fiscal year to-date)
- Expanded authority for temporary actions (25% and \$25,000, not to exceed 12 months)
- The BOT must be consulted on all new SAAO-I positions and appointments; on all new or modified SAAO-II salary ranges (if established at the campus level); and the conferral of tenure and distinguished professorships.

System Office

- Not to exceed 25% and \$25,000 of the June 30 salary (cumulatively fiscal year to-date)
- Expanded authority for retentions (30% and \$25,000) and temporary actions (30% and \$25,000 and 13 months)

Board of Governors/Committee on University Personnel (CUP)

- Anything that exceeds the salary increase thresholds noted above
- CUP does not approve salary increases related to externally posted competitive events; the President retains authority for those
- All personnel actions for chancellors including salary actions must receive the approval of the full Board of Governors on recommendation of the president

Key Factors for Deciding on Salary Actions

- ***The nature of the hiring process.*** Was this a competitive process (posted position) or a waiver of recruitment? If a waiver, how was this justified and is that compatible with the campus's equal opportunity policies/practices?
- ***Equity with existing peers.*** Is a proposed salary above that of campus peer positions and if so, is this justified based on education, experience, scope of job, or other factors?
- ***Equity with external peers.*** For more highly compensated senior officers, how does the proposed salary compare with similar roles at UNC System peer schools?
- ***The salary range.*** Where does the proposed salary fall within the assigned salary range for the position? Does it fall within the market range (which is generally the 50th to the 75th percentiles of the range)? If below or above the market range, why?
- ***Source of funds.*** Is the position supported by state funds, contracts and grants or other funding sources? Does the campus have adequate budget in place to support the proposed salary and benefits on a recurring basis?

Key Factors for Deciding on Senior Officer Appointments

- ***The nature of the hiring process.*** Was this a competitive process (posted position) or a waiver of recruitment? If a waiver, was this justified and is that compatible with the campus's equal opportunity policies/practices? If a competitive search, how was the search processed conducted and who was involved?
- ***Internal candidates.*** Where there are any internal candidates for the position? What efforts were made to develop internal candidates for this role, now and in the future (e.g., succession planning)?
- ***Qualifications of candidate.*** What is the principal basis for this candidate's selection compared to other candidates? What are their perceived strengths that best equip them for this position? How where the qualifications verified/vetted?
- ***Reference Checking.*** What were the results of reference checks and what other candidate due diligence was accomplished to inform the proposed hire?





Breakout Session

External Engagement



EXTERNAL ENGAGEMENT

Bart Goodson and Timothy Minor

**Board of Trustees Workshop
Tuesday, November 16, 2021**



ADVOCACY AND GOVERNMENT RELATIONS

Bart Goodson

Senior Vice President of Government Relations

Board of Trustees Workshop

Tuesday, November 16, 2021

External Affairs Team

- Bart Goodson, Senior Vice President of Government Relations
- Elizabeth Morra, Vice President for Federal Relations
- Austen Nowell, Assistant VP State Government Relations
- Eric Naisbitt, Director of State Government Relations
- Dr. Thomas Walker, Senior Advisor to President on
Economic Development and Military Affairs
- Kathie Sidner, Director Military & Defense Partnerships
- Lorie Lassiter, Executive Assistant to Senior Vice President & Project Manager

The Code and the UNC Policy Manual

The Board of Governors maintains *The Code* and the UNC Policy Manual.

The Code incorporates the requirements of the North Carolina constitution and General Statutes, as well as Board of Governors bylaws and other high-level policies. The UNC Policy Manual provides more specific direction and policies on university matters.

Section 300.1.4 of the UNC Policy Manual, *Policy on Campus State Relations Officers*

Policy on Campus State Relations Officers

As set forth in *The Code*, the president is the University's representative to all governmental bodies. The president is presumed by the Governor and members of the General Assembly to direct all activities on behalf of all parts of the University and to be answerable for them. These are the most important principles in ensuring effective communication and advocacy of the interests of the University and its constituent campuses.

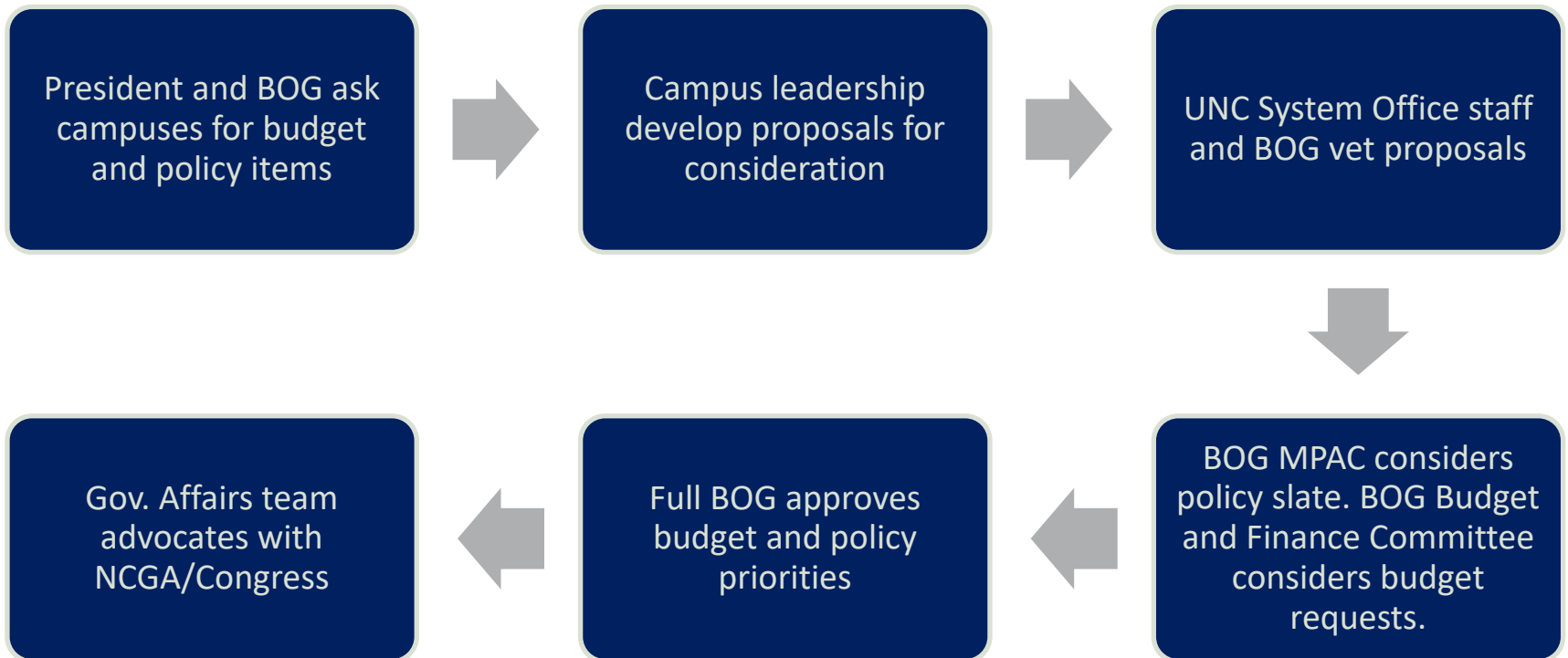
Under the direction of the president, the vice president for public affairs and his or her staff have primary responsibility for representation of the University before governmental bodies. They may be assisted in this effort by campus officers who shall act at the request and under the direction of the vice president and his or her staff.

The chancellors may designate, in consultation with the president and the vice president for public affairs, a campus officer to carry out the functions of state relations officer. The campus state relations function shall constitute no more than 25 percent of each designee's time, and no campus title shall refer to government or state relations. The duties and responsibilities of the campus designee with regard to state relations shall be to assist the president and his or her designees with building support for the University's budget request and legislative priorities. It is the expectation of the Board that the state relations function shall be a minor part of each such designee's responsibilities.

In each instance, the individual so designated shall, in addition to reporting to his or her campus supervisor report to the vice president for public affairs solely with regard to any state relations responsibilities. The vice president shall provide to the campus supervisor an annual performance evaluation of the campus officer with state relations responsibilities.

The president shall take necessary and appropriate actions to implement this policy and shall report on such implementation to the Committee on University Personnel. The president shall also report to the committee periodically on the efficacy of the structure established pursuant to this policy, and shall make recommendations regarding the continuance and/or modification of the policy.

How are decisions made?



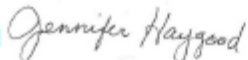
*MPAC: Board of Governor's Committee on Military and Public Affairs

Example: Capital Budget Priorities Memo

October 5, 2020

MEMORANDUM

TO: Chancellors
Chiefs of Staff
Chief Academic Officers
Chief Financial Officers

FROM: Jennifer Haygood 

SUBJECT: 2021-23 Capital Budget Priorities and 2021-27 Six-Year Capital Plan Submissions

As a follow-up to President Hans' September 24th memo regarding the 2021 legislative agenda, this budget memorandum provides additional instructions for the preparation of the 2021-23 capital budget priorities and the 2021-27 Six-Year Capital Improvement Plans, as required by statute.

Given the uncertain revenue forecast, we plan to take a two-step approach for developing the 2021-23 capital budget priorities. Campuses will first develop 2021-27 Six-Year Capital Improvement Plans to identify current and anticipated capital requests, consistent with the guidance below. Prioritized plans are required for:

- I. general fund capital improvement projects,
- II. non-general fund capital improvement projects, and
- III. general fund repairs and renovations.

Once the revenue picture becomes clearer and we receive further budget instructions from the Office of State Budget and Management (OSBM), the 2021-23 capital budget priorities will be developed based on these plans. Barring a significant infusion of state or federal funds for capital, the 2021-23 capital budget priorities for the UNC System will continue to focus on extending the use of existing buildings through rehabilitation and renovation and will not include new construction or expansion.

How can Trustees Assist?

- Advocacy vs. Lobbying
- Focus on items on the BOG-approved agenda
- Get to know your State Relations Council member
- Know your institutions' priorities
- Understand the issues before reaching out
- Don't go rogue!

NC General Assembly Biennium

2021 Long Session

- Began: January 13, 2021
- Ends: Upon completion of the budget/redistricting
 - Signed into law, all 2021 BOG-Approved Policy Priorities
 - Historic funding for 2021-23 BOG-Approved Capital Improvement Priorities for repair and renovations

2022 Short Session

- Likely Start: April or May 2022



ADVANCEMENT

Timothy Minor

Vice President for Advancement

**Board of Trustees Workshop
Tuesday, November 16, 2021**

Presentation Outline

- ❖ Overview
- ❖ UNC System-Wide Fundraising
- ❖ What Do Private Gifts Support
- ❖ UNC System Office Shared Services
- ❖ Cultivating a Culture of Philanthropy
- ❖ What Is The Board's Role In Fundraising?

Overview

Mission

University Advancement's mission is to support the institution through the enhancement and management of private resources by:

- ❖ Expanding opportunities for engagement
- ❖ Increasing the institution's resources
- ❖ Strengthening the institution's brand
- ❖ Improving communications

Overview

Role of Advancement

The Advancement model is a strategic, integrated method of managing relationships to increase understanding and support among key constituents including the following:

Alumni

Donors

Faculty and Staff

Media

Marketing

Parents

Current & Prospective Students

Legislators & Governing Boards

Members of the Community

Corporations & Foundations

University Events

Overview

Why Is University Advancement So Important?

- ❖ **Reputation**: University's ability to attract students, faculty and staff depends on its reputation.
- ❖ **Relationships**: University's reputation is influenced by its relationships with key constituencies.
- ❖ **Resources**: University's ability to attract resources relies on both its relationships and its reputation.

Overview

University Development

The Office of University Development is responsible for identifying, cultivating, soliciting, and stewarding donor prospects for the university and for developing strategies for prospects to align their giving with the university's initiatives.

Overview

Transparency and Accountability

- ❖ Efficiency and Effectiveness Metrics
 - ❖ Private Fundraising Index
- ❖ UNC System closely involved in goal setting and forecasting
- ❖ Consistent practices around gift acceptance, counting, etc.

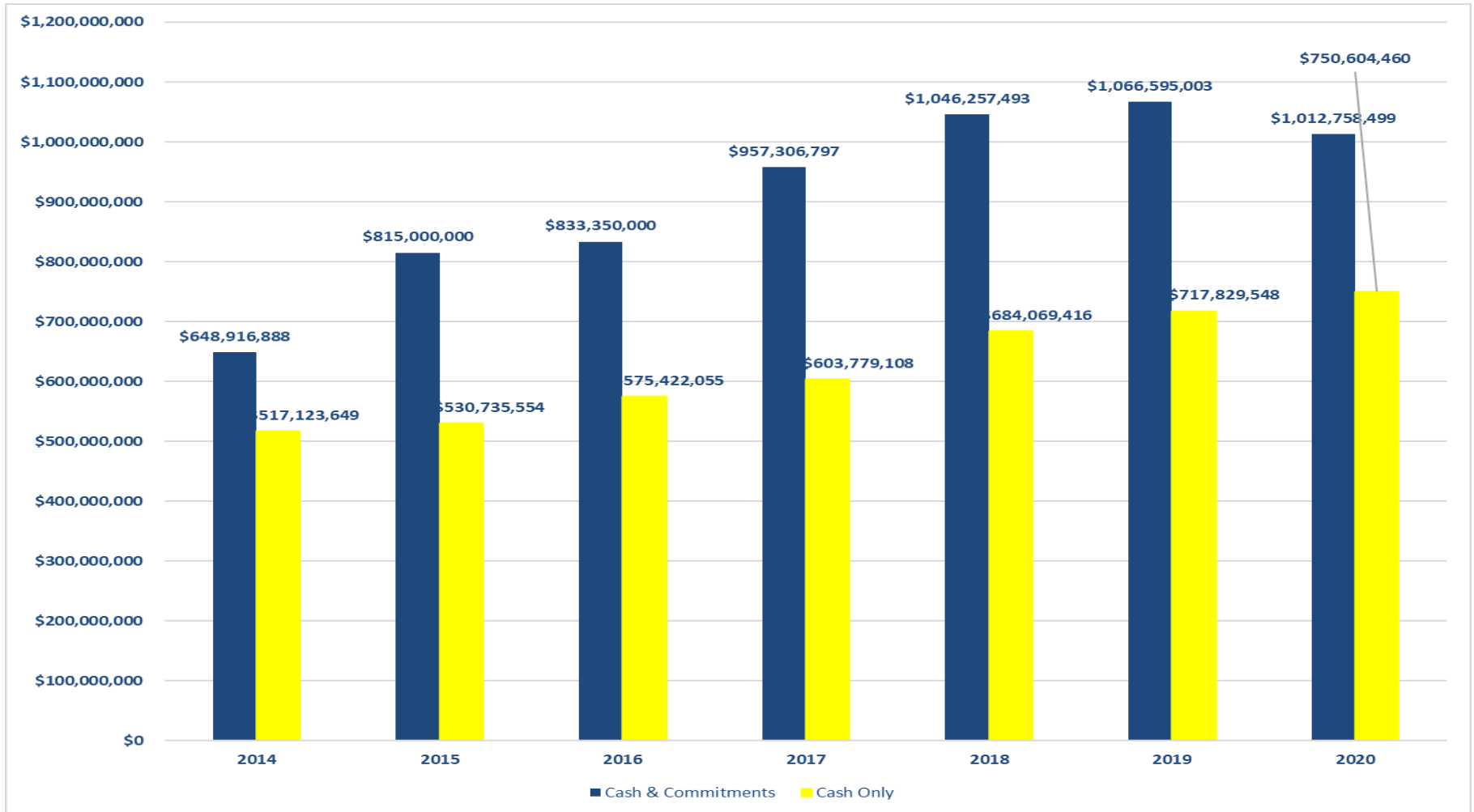
What Do Private Gifts Support

In a time of declining state support for higher education, fundraising provides our margin of excellence in areas like:

- ❖ Endowments
- ❖ Scholarships/Fellowships
- ❖ Graduate Assistants/Faculty Support
- ❖ Academic programs/Libraries/Fine Arts
- ❖ Fundraising Campaigns for facilities, outreach programs and research

UNC System-Wide Fundraising

FY 2014-15 through FY 2019-20 Development Activity



UNC System Office Shared Services

Enhance philanthropic support and manage a sustainable operation model that includes:

- ❖ Fundraising for system-wide priorities, key foundation initiatives, and enhancing major/planned giving opportunities
- ❖ Centralized prospect research and analytics program focused on donor discovery for regional campuses
- ❖ CRM Enhancement and Data Mart Services
- ❖ Gift Planning consultation and NCGP, LLC
- ❖ Branded Donor Advised Fund Program
- ❖ State Fundraising Compliance
- ❖ System-wide master contracts to reduce costs for common services (e.g., software and communication)
- ❖ Human resource and talent management initiatives
- ❖ Other Services Include:
 - ❖ UNC Advancement Symposium
 - ❖ UNC Talent Connect
 - ❖ Consulting Services

Gift Planning Shared Services

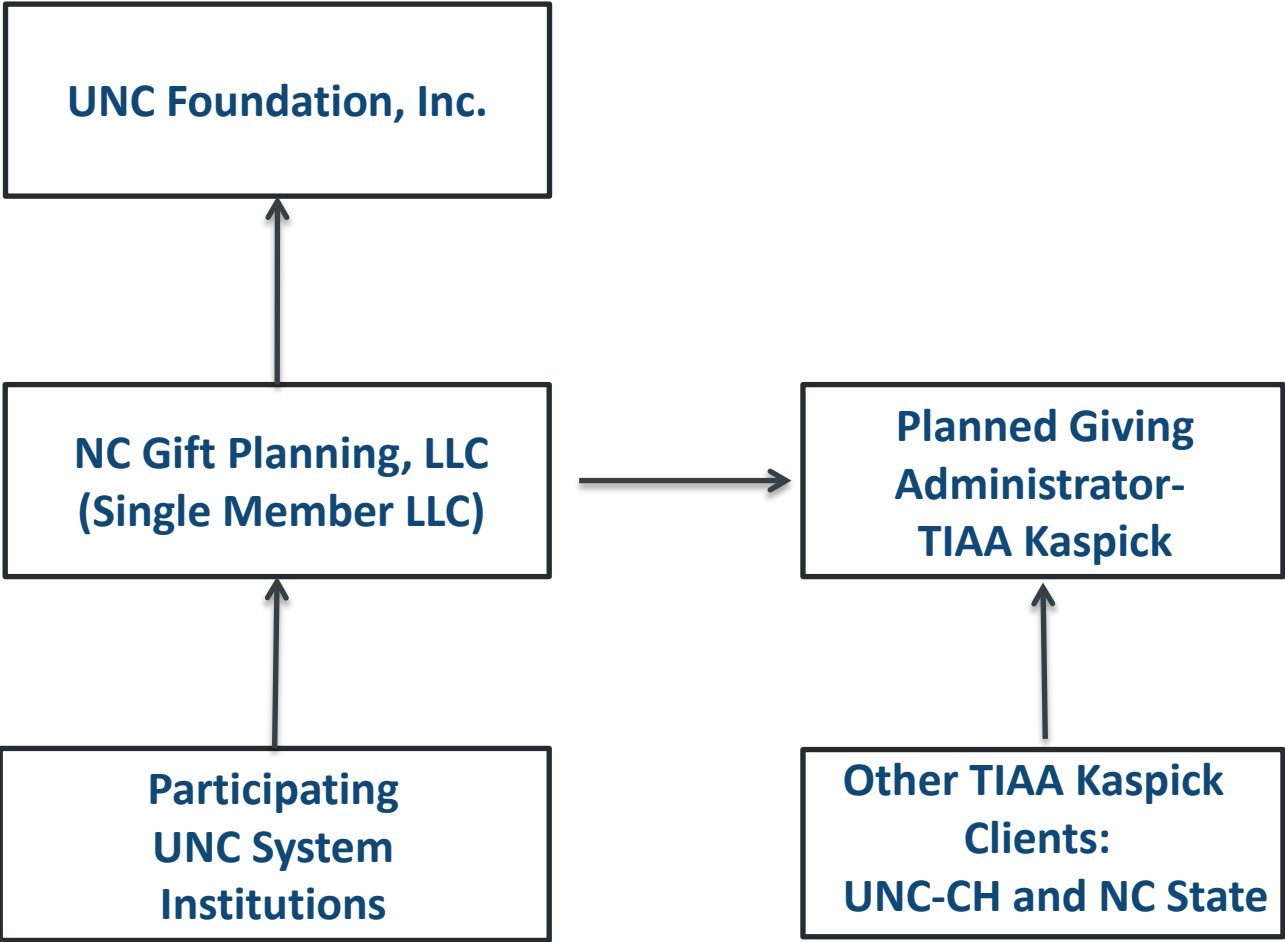
Centralized resource that provides strategy, training, and solicitation of lifetime and testamentary gifts such as:

- ❖ Bequests
- ❖ Retirement plan beneficiary designations
- ❖ Irrevocable life income planned gifts
- ❖ Real Estate
- ❖ Insurance
- ❖ Gift acceptance policies and procedures

Benefits of the Gift Planning Shared Service

- ❖ We are enhancing the efficiency and effectiveness of Development offices on each campus, (specifically Planned Giving departments), and contributing to the success of their fundraising efforts
- ❖ A robust Gift Planning Program impacts campuses by enhancing financial resources for initiatives such as scholarship endowment and student programming
- ❖ Planned Gifts help to fund the margin of excellence for research, faculty support and academic programs

NC Gift Planning, LLC Program



Cultivating a Culture of Philanthropy

Questions about Culture:

1. If leadership really begins at the top, what would a culture of philanthropy look and feel like for our board? How can we discuss the answers candidly and create a strategy for change?
2. What type of process should we initiate to examine and assess our institutional culture and to define changes we want to consider?
3. Do the actions and priorities demonstrated by our senior staff provide a model of collaborative and engaging styles that align well with the institution's vision and mission?
4. Are we transparent, and do we effectively steward gifts and encourage genuine engagement among volunteers and donors?
5. What would a culture of philanthropy look and feel like for our staff, our volunteers, and our donors?

What Is The Board's Role In Fundraising?

Governing boards have several responsibilities associated with fundraising. These responsibilities include:

- ❖ Ensuring that fundraising is based on specific institutional plans;
- ❖ Ensuring an adequate Advancement budget;
- ❖ Identifying and cultivating prospects;
- ❖ Soliciting gifts and thanking donors for those gifts;
- ❖ Ensuring proper stewardship of gifts;
- ❖ Evaluating the fundraising leadership of the chief executive; and
- ❖ Demonstrating their commitment to the institution by making individual gifts.

What Is The Board's Role In Fundraising?

In order to contribute to an environment that encourages philanthropy, Trustees have a responsibility to help shape the institution's overall fundraising direction and activities. They should:

- ❖ Request appropriate planning.
- ❖ Confirm the importance of fundraising as part of the institution's financial model.
- ❖ Ensure an adequate budget.

Association of Governing Boards
"Trusteeship" – July/August 2014

What Is The Board's Role In Fundraising?

Sounding Board for Fundraising Strategy

A key role of a trustee member is to help ensure that the university's fundraising is based on a solid foundation. Trustees must understand the fundraising plans and strategies presented to them as well as offer constructive feedback from their perspective as volunteer leaders of the organization. Questions to consider include the following:

- ❖ Are fundraising plans based on solid research and data? What missed opportunities could be captured? What obstacles stand in the way of success?
- ❖ Will the suggested approach appeal to the university's key donors?
- ❖ If a campaign is being considered, has a test of feasibility been conducted?
- ❖ Is the university prepared to implement its fundraising plans and committed to achieving greater success?

Achieving Excellence in Fundraising

Tempel, Seiler and Aldrich

What Is The Board's Role In Fundraising?

Characteristics of Effective Board-University Partnerships

At their best, board-university relationships are marked by trust, candor, and collaboration. This special collaborative relationship allows the university to focus on its core educational purpose and still have access to expanded capacity and flexibility through an affiliated foundation. It allows the foundation to support the university by concentrating on other functions, such as asset management, fundraising, and entrepreneurial ventures.

QUESTIONS?

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