

DRAFT MINUTES

April 7, 2022

Western Carolina University

A.K. Hinds University Center, Grand Room

Via Videoconference and PBS North Carolina Live Stream

Call to Order

The Board of Governors met on April 7, 2022. Chair Ramsey called the meeting to order at 9:00 a.m. He thanked Western Carolina University's Chancellor Brown, Board of Trustee Chair Roberts, and staff from Western Carolina University for their gracious hospitality in hosting this month's Board meetings and other activities. Chair Ramsey also thanked Chancellor Cable for hosting the campus tour at the University of North Carolina at Asheville earlier in the week. Next, he recognized and thanked the members of the North Carolina General Assembly for joining the previous day's Committee on University Governance meeting. Chair Ramsey reminded the members that the campus tour at Elizabeth City State University is scheduled for April 27, 2022.

Invocation

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

Roll Call

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

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| W. Louis Bissette, Jr. | James L. Holmes, Jr. |
| Kellie Hunt Blue | Mark Holton |
| Kirk J. Bradley | Terry Hutchens |
| Pearl Burris Floyd | J. Alex Mitchell |
| C. Philip Byers | Wendy Floyd Murphy |
| Jimmy D. Clark | Sonja Phillips Nichols |
| Carolyn Coward | Raymond Palma |
| N. Leo Daughtry | David M. Powers |
| Joel Ford | Randy Ramsey |
| John Fraley | Lee Roberts |
| Reginald Ronald Holley | Temple Sloan |

The following members were absent:

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| Thomas C. Goolsby (<i>joined by videoconference</i>) | Art Pope (<i>joined by videoconference</i>) |
| Anna Spangler Nelson | Michael Williford |

State Ethics Act

Chair Ramsey stated that under the State Ethics Act, members have a duty to avoid conflicts of interest and appearances of conflicts and asked if anyone had a potential conflict. There were none.

Expectations of Conduct

Chair Ramsey reminded everyone of the Expectations of Conduct during meetings of the UNC Board of Governors.

Western Carolina University's Video Presentation

Chair Ramsey recognized Chancellor Brown for her brief remarks. Chancellor Brown commented it was a pleasure and privilege to host the Board of Governors. She presented a short video highlighting Western Carolina University's mission and achievements. She remarked that the video "sums up the heart and the spirit of Western Carolina University and the promise we fulfill for our students, faculty, staff, their families, our community, and the state."

President Hans' Report

President Hans echoed Chair Ramsey's gratitude for the wonderful visit to Western Carolina University and thanked Chancellor Brown for her outstanding leadership. Next, President Hans spoke about the core promise of higher education and the UNC System's ongoing efforts to continue to provide students with a high-quality education focused on access and affordability. He commented that college is the best investment; "that if you work hard, you graduate on time, your life will improve in about every way you can count." He also spoke about key promises made that focus on student success, including revisions to the program approval standards, implementation of UNC System Enrollment Change Funding Model, and expanding the NC Promise Program. For President Hans' complete report, please see Appendix A.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 5 on the day's agenda. Chair Ramsey entertained a motion to approve the consent agenda items. The motion was properly seconded, and the motion carried.

Minutes

- a. Minutes of February 24, 2022

Committee on Budget and Finance

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| b. 2022-23 Non-Appropriated Capital Improvement Projects | Appendix B |
| c. Additional 2021-22 State Capital and Infrastructure Fund (SCIF) R&R Allocations | Appendix C |
| d. Capital Improvement Projects | Appendix D |
| e. Disposition of Property by Demolition – Fayetteville State University | Appendix E |
| f. Disposition of Property by Lease – North Carolina State University | Appendix F |
| g. Acquisition of Property by Lease – UNC-Chapel Hill | Appendix G |
| h. Section 600.1.6, <i>Policy on Millennial Campuses</i> (Adopted) | Appendix H |
| i. Section 600.2.1, <i>Endowment Funds</i> (Amended) | Appendix I |
| j. Section 600.2.2, <i>Endowment Funds of the University of North Carolina Center for Public Television</i> (Repealed) | Appendix J |

Committee on Educational Planning, Policies, and Programs

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| k. North Carolina Area Health Care Education Centers (NC AHEC) Annual Report on Primary Care Physicians | Appendix K |
| l. UNC Academic Degree Program Actions | Appendix L |
| m. Section 700.1.3, <i>Policy on Out-of-State Undergraduate Enrollment</i> (Superseded) | Appendix M |

Committee on University Personnel

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| n. Section 200.6, <i>Policy on Delegation of Authority to the President</i> (Amended) | Appendix N |
| o. Section 600.3.4, <i>Policy on the Granting of Management Flexibility to Appoint and Fix Compensation</i> (Amended) | Appendix O |

Report from the President of the Association of Student Governments (ASG)

Chair Ramsey congratulated Mr. Palma on his reelection as president of the Association of Student Governments. With his reelection, Mr. Palma will continue to serve another one-year term on the Board of Governors as a student member. Chair Ramsey called on Mr. Palma for his report.

Mr. Palma thanked Chancellor Brown and her staff for their splendid hospitality. He stated that the UNC System is one of the greatest assets of this state with each institution having its own unique identity. He commented that there is no other state with a public higher education system that has a stronger student population, stronger mission, and a stronger diversity of thought than ours. He reflected on ASG's work over the past year and its goals for the coming year. In closing, Mr. Palma thanked the Board, President Hans, and staff for their continued support.

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee met twice the previous day. First, the committee met to review routine transactional items followed by a joint meeting with the Committee on Military and Public Affairs. During its regular meeting, the committee considered the adoption of a revised enrollment change funding model. Mr. Holmes offered the following motion.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors approve the adoption of the proposed new UNC System Enrollment Change Funding Model (see Appendix P).

Motion: James L. Holmes, Jr.

Motion carried

Next, the committee reviewed the 2020-21 UNC System Consolidated Financial Report for the year ending June 30, 2021. The UNC System ended in a strong financial position with a \$2.9 billion increase in its net position. The revenue that drove the University's growth was attributed to COVID-19 relief funding and robust investment returns. The committee also reviewed the 2022-23 Non-Appropriated Capital Improvement Projects, which include projects from Appalachian State University, Elizabeth City State University, and North Carolina State University (see Appendix B). The committee reviewed the 2021-22 State Capital and Infrastructure Fund (SCIF) R&R Allocations (see Appendix C).

Next, the committee reviewed six new capital improvement projects for North Carolina State University and the University of North Carolina at Greensboro. In addition, six capital improvement projects for increased authorization were reviewed for East Carolina University, North Carolina A&T State University, North Carolina State University, Western Carolina University, and Winston-Salem State University (see Appendix D). Finally, the committee considered Fayetteville State University's request for the disposition of property (see Appendix E), North Carolina State University's request for disposition of property by lease (see Appendix F), and the University of North Carolina at Chapel Hill's request for acquisition of property by lease (see Appendix G).

During their joint meeting, the committees heard a presentation of the UNC System's 2022-23 Short Session Budget Priorities. The proposed Systemwide budget priorities include enrollment funding, support for UNC K-12 programs and additional support for laboratory schools, and non-recurring funding to support HMSI security. The priorities also include streamlining the approval process for upcoming capital projects with the recommendation to raise the dollar threshold for bidding on informal projects from \$30,000 to \$250,000 and raising the dollar threshold on design, build, and renovation projects from \$2 million to \$4 million. Mr. Holmes expressed concern that the dollar threshold set for informal projects at \$250,000 should be debated more thoroughly before moving forward for approval. He offered a motion that the Board approve the dollar threshold proposed for informal projects be increased from \$30,000 to \$100,000, as originally proposed.

Motion: Resolved, that the Board of Governors accept the recommendation to increase the dollar threshold for informal projects from \$30,000 to \$100,000 dollars and to increase the dollar threshold for design, build, and renovation projects from \$2 million to \$4 million.

Motion: James L. Holmes, Jr.

Motion seconded: J. Alex Mitchell

Motion carried

Lastly, Mr. Holmes explained that since North Carolina gained a 14th Congressional seat, the Board seeks to expand the North Carolina School of Science and Mathematics Board of Trustees members from 13 to 14 appointed members consistent with statutory Congressional district requirements. Mr. Holmes offered the following motion.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors accept the 2022-23 Short Session Budget Priorities (see Appendix Q).

Motion: James L. Holmes, Jr.

Motion carried

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

Mr. Sloan, chair of the committee, reported that the committee reviewed and approved the requests to establish six new academic degree programs and voted to place the item on the day's consent agenda (see Appendix L). Next, the committee received an update on the North Carolina Area Health Care Education Centers Annual Report on Primary Care Physicians (Appendix K). The committee approved the annual report and voted to place the item on the day's consent agenda.

In closing, Mr. Sloan reported the committee considered a proposed waiver to Section 700.1.1 of the UNC Policy Manual, *Policy on Minimum Eligibility Requirements for Undergraduate Admission to the University of North Carolina System*. The committee approved the proposal that the current waiver for the standardized testing requirement for students be extended through 2024.

Motion: Resolved, that on behalf of the Committee on Educational Planning, Policies, and Programs, the Board approve the extension of the waiver for standardized testing requirements as described above.

Motion: Temple Sloan

Motion carried

Mr. Goolsby, who joined by videoconference, voiced his opposition. Chair Ramsey stated that this be reflected herein.

Report of the Committee on University Personnel

Mrs. Blue, chair of the committee, recognized Ms. Crystal Woods, chair, UNC Staff Assembly for an update on behalf of the Staff Assembly.

Ms. Woods reported that earlier this year, the Staff Assembly announced the recipients of this year's Janet B. Royster (JBR) Memorial Scholarship. The JBR Memorial Scholarship is designed to help staff gain responsibilities within their current position or receive a job promotion. This year, the Staff Assembly awarded eight scholarships. She also spoke about the UNC System's Tuition Grant Program, which helps staff pursue a graduate degree, professional certification, or professional development opportunities. Ms. Woods thanked the Board for their continued support of the Staff Assembly and the JBR Memorial Scholarship. In closing, Ms. Wood announced that

Ms. Michelle Gordon, Law Library Technician from North Carolina Central University, is the recipient of this year's Erskine B. Bowles Staff Service Award.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that the committee considered three vacancies on the Vidant Medical Center Board of Trustees. The nominating committee recommended the following individuals to serve: Ms. Angela A. Allen for appointment to Seat 4 for a five-year term beginning on March 1, 2022, ending on February 28, 2027; Chancellor Philip G. Rogers for reappointment to Seat 5, and Mr. Carlester Crumpler for reappointment to Seat 20, both for a five-year term beginning on March 1, 2022, and ending on February 28, 2027.

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors appoint Ms. Angela A. Allen to Seat 4, reappoint Chancellor Rogers to Seat 5, and reappoint Mr. Carlester Crumpler to Seat 20 on the Vidant Medical Center Board of Trustees.

Motion: David M. Powers

Motion carried

Mr. Powers recalled that in November 2020, the committee began a series of presentations on free expression and free speech on campuses. At its meeting the previous day, the committee held its fourth presentation on this topic. The presenters included Senator Amy Galey and Senator Michael Woodard of the North Carolina Senate and Representative Jon Hardister and Representative Zack Hawkins of the North Carolina House of Representatives. The discussion focused on how state legislators conduct their legislative business around free speech and free expression issues. Mr. Powers thanked the members of the North Carolina General Assembly for joining the meeting in person and by videoconference. The committee will conclude its panel discussions on this topic next month and will be joined by two former Solicitor Generals of the United States.

In closing, Mr. Powers asked the Board members to consider participating in one of the 2022 Spring Commencements.

Report of the Committee on Military and Public Affairs

Mr. Byers, chair of the committee, reported the committee reviewed activities which have occurred since its previous meeting in January 2022. The committee heard an update on state relations, which included an overview on the upcoming short session of the North Carolina General Assembly. The North Carolina General Assembly is scheduled to convene on May 18, 2022. The committee also heard an update on federal relations, which included an overview on the Congressional agenda, including increased spending levels, the Fiscal Year 2022 Omnibus Spending Bill that was signed into law on March 15, 2022, President Biden's Fiscal Year 2023 Budget Request, and the American Competitiveness Legislation bill.

Finally, the committee heard an update on military affairs. The update included the UNC System's initiatives focused on supporting military-affiliated student enrollment and success, including awarding academic credit for military training and experience.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, reported the committee heard an update on the status Project Kitty Hawk. Dr. Wil Zemp, newly appointed CEO of Project Kitty Hawk, Inc., provided a brief update on the progress of the new initiative. Dr. Zemp has contracted with organizations to provide human resource, bookkeeping, and fiscal management support required for this new initiative. These essential steps are necessary to launch and buildout the organization's capabilities. Dr. Zemp has also visited East Carolina University, University of North Carolina at Asheville, University of North Carolina at Greensboro, and Winston-Salem State University to meet with the chancellors and other campus leaders to discuss the ways Project Kitty Hawk can help students.

Next, the committee heard an update on the UNC System's strategic plan refresh process. The System Office has conducted town hall meetings with all the UNC System's constituent institutions to gather feedback and input on what each institution would like to see in the new strategic plan. The System Office will use the feedback and input it has gathered to guide the refinement of the strategic plan's new goals and metrics. An updated plan will be presented to the Board for approval at its meeting next month.

Report of the Subcommittee on Laboratory Schools

Mr. Byers, chair of the subcommittee, reported that the subcommittee met on March 21, 2022, to approve the opening of a new lab school by the University of North Carolina at Chapel Hill. The subcommittee voted to approve the opening of the Carolina Community Academy for a five-year term. Mr. Byers explained that the Carolina Community Academy is a partnership between the Person County School Board and UNC-Chapel Hill, which will work together to offer a unique learning opportunity for children. Carolina Community Academy will serve K-2 students at North Elementary School located in Person County.

Chair's Report

Chair Ramsey called on Chief of Staff Houston for a brief update on the System Office's relocation to Raleigh.

Chief of Staff Houston reported on the completion of four key steps related to the interim relocation process: 1) a tenant broker, CBRE Group, was selected to represent the System Office in identifying and negotiating lease space in Raleigh for the interim move; 2) UNC-Chapel Hill's design team completed its work to outline space requirements; 3) the System Office made an open bid to identify available properties in the Raleigh market; and, 4) a market analysis has been completed in regards to available sites. The System Office leadership team has made visits to the potential sites. Chief of Staff Houston stated that the tenant broker will provide project management services throughout the process. She will provide a further update on the relocation project at the Board's meeting in May.

Next, Chair Ramsey called on Mr. Bradley for brief remarks. Mr. Bradley commented on the important work of the UNC Staff Assembly. The Staff Assembly sponsors the annual Chancellors' Cup Golf Tournament, which is the sole fundraiser for the Janet B. Royster (JBR) Memorial Scholarship. He noted that this important scholarship promotes staff development for permanent, full-time, non-faculty employees. He also noted that the fund is currently short of its permanent endowment level and proposed that the Board of Governors, collectively, make a one-time donation to the Scholarship Fund. The System Office will provide information on how to donate to the fund.

Resuming his report, Chair Ramsey recognized Mr. Lindsay Bierman, who recently departed his role as CEO of PBS North Carolina after serving for more than two years. Mr. Bierman also served as chancellor of the UNC School of the Arts from 2014 to 2019. Chair Ramsey thanked Mr. Bierman for his service and wished him the best in his new endeavors. Chair Ramsey, again, extended his thanks to Chancellor Brown and her team for hosting the Board. He also thanked Mrs. Coward for her kind hospitality with hosting the receptions.

Next, Chair Ramsey reflected on the Board's progress over the past four years. He spoke about promises – "how we make them, how to keep them, and how to turn them into lasting investments." He provided examples of how the Board has delivered on its promises including the promise to reduce tuition at three of our outstanding institutions, Elizabeth City State University, The University of North Carolina at Pembroke, and Western Carolina University, through the NC Promise Program. With the continued support from our state legislature, we have kept our promise. This fall, Fayetteville State University will become the fourth campus added to the list of campuses that will offer reduced tuition. He remarked that our elected state leaders understand the need to invest in our campuses. Last year, the state budget included the UNC System's priorities – funding for enrollment, R&R projects, and raises for our hardworking faculty and staff. He stated that the budget priorities for the short session will be

focused on enrollment funding, building reserves, support for UNC's K-12 programs, and funding to better protect our historically minority-serving institutions from bomb threats and cybersecurity attacks.

In closing, Chair Ramsey reminded the Board that "we are stewards of the resources provided by our taxpayers. Visiting this beautiful campus [Western Carolina University] is an excellent reminder of how those resources are being used to change lives for the better. Let's stay focused on the reasons we serve and continue to keep our promises."

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 Statutes § 143-318.11(a)(1), (2), (3), and (6), for the purposes stated in the written motion that was included in the meeting materials, which have been publicly noticed. The complete details are included in the Board's meeting materials (see Appendix R). The motion was properly seconded.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 10:18 a.m. and returned to open session at 10:33 a.m.

Report of the Committee on University Personnel

Mrs. Blue, chair of the committee, reported that the committee heard a presentation on the UNC System's workforce turnover rate over the past four years and a detailed analysis since the impact of the COVID-19 pandemic. In general, Systemwide employee voluntary turnover was at or below relevant benchmarks for higher education institutions. Beginning in the summer of 2021, the System's employee turnover rates increased dramatically. The System Office staff attributed employee turnover rates to the pandemic and the Great Resignation, an ongoing trend where employees have voluntarily quit their jobs. This area is a major concern to the UNC System and HR professionals. The committee will receive regular updates on this topic.

Next, the committee reviewed the UNC System Performance Review of Tenured Faculty Report. The annual report is conducted to ensure the continued rigorous application of post-tenure review to support and encourage excellence among tenured faculty.

The committee also reviewed proposed changes to expand eligibility for the existing senior administrator officer retirement program to other campus and System Office senior administrators as well as to delegate increased authorities to the president for administration of this plan. Mrs. Blue offered a resolution entitled "Resolution of the Board of Governors of the University of North Carolina System Delegated Authorities Regarding the Senior Administrative Officer and Senior Athletic Employee Retirement Programs" (see Appendix S).

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors vote to approve the Resolution (see Appendix S) that expands eligibility for the System's senior administrative officers' retirement program and increase the president's delegated authorities in managing both the plan and a similar plan that serves senior athletic employees.

Motion: Kellie Hunt Blue

Motion carried

The committee also reviewed and approved several informational reports, which were made available in Board Effect.

There being no further business and without objection, the meeting adjourned at 10:37 a.m. The next meeting of the Board of Governors is scheduled for Thursday, May 26, 2022, at the UNC System Office 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>

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| Appendix A | President Hans' Report |
| Appendix B | 2022-23 Non-Appropriated Capital Improvement Projects |
| Appendix C | Additional 2021-22 State Capital and Infrastructure Fund (SCIF) R&R Allocations |
| Appendix D | Capital Improvement Projects |
| Appendix E | Disposition of Property by Demolition – Fayetteville State University |
| Appendix F | Disposition of Property by Lease – North Carolina State University |
| Appendix G | Acquisition of Property by Lease – UNC-Chapel Hill |
| Appendix H | UNC Policy Manual Section 600.1.6, <i>Policy on Millennial Campuses</i> (Adopted) |
| Appendix I | UNC Policy Manual Section 600.2.1, <i>Endowment Funds</i> (Amended) |
| Appendix J | UNC Policy Manual Section 600.2.2, <i>Endowment Funds of the University of North Carolina Center for Public Television</i> (Repealed) |
| Appendix K | North Carolina Area Health Care Education Centers (NC AHEC) Annual Report on Primary Care Physicians |
| Appendix L | UNC Academic Degree Program Actions |
| Appendix M | UNC Policy Manual Section 700.1.3, <i>Policy on Out-of-State Undergraduate Enrollment</i> (Superseded) |
| Appendix N | UNC Policy Manual Section 200.6, <i>Policy on Delegation of Authority to the President</i> (Amended) |
| Appendix O | UNC Policy Manual Section 600.3.4, <i>Policy on the Granting of Management Flexibility to Appoint and Fix Compensation</i> |
| Appendix P | UNC System Enrollment Change Funding Model |
| Appendix Q | 2022-23 Short Session Budget Priorities |
| Appendix R | Closed Session Motion |
| Appendix S | Resolution of the Board of Governors of the University of North Carolina System Delegated Authorities Regarding the Senior Administrative Officer and Senior Athletic Employee Retirement Programs |