

DRAFT MINUTES

September 22, 2022

University of North Carolina System Office

The Spangler Center, Board Room

Via Videoconference and PBS North Carolina Livestream

Call to Order

The Board of Governors of the University of North Carolina System met on September 22, 2022, at the Spangler Center (formerly the Center for School Leadership Development) in Chapel Hill. Chair Randy Ramsey called the meeting to order at 9 a.m. He welcomed the guests and acknowledged a special guest, Ms. Hailey Hudson, a senior at the University of North Carolina at Chapel Hill, who was recently crowned Miss Collegiate USA 2022. Chair Ramsey congratulated Ms. Hudson and thanked her for joining the day's meeting.

Invocation

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

Roll Call

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

M. Lee Barnes	Mark Holton
Kellie Hunt Blue	Terry Hutchens
Kirk J. Bradley	J. Alex Mitchell
Pearl Burris-Floyd	Wendy Floyd Murphy
C. Philip Byers	Anna Spangler Nelson
Jimmy D. Clark	Raymond Palma
Carolyn Coward	Art Pope
Joel Ford	David Powers
John Fraley	Randy Ramsey
Reginald Ronald Holley	Lee Roberts
James L. Holmes, Jr.	Michael Williford

The following members were absent:

Thomas C. Goolsby (<i>by videoconference</i>)	Temple Sloan (<i>by videoconference</i>)
Sonja Philips Nichols (<i>by videoconference</i>)	

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. Mr. Holmes abstained from Item 5f. – Approval of the Selection of the Design-Build Firm – PBS North Carolina. Mr. Holmes explained that during its Committee on Budget and Finance meeting the previous day, he voted in the affirmative for this item unaware of the conflict.

Chair's Report

With the beginning of a new academic year, Chair Ramsey detailed some of the accomplishments the Board has achieved this past year. Highlights of those accomplishments include overhauling of the funding model, creation of an all-funds budget, keeping tuition flat, and facilitating the transfer of community college students to a UNC System institution. He stated that "this great University doesn't belong to just one person. It belongs to every person in this room. It belongs to our families and our friends. It belongs to all North Carolinians who invest in its success, and who are proud to call it their own."

Next, Chair Ramsey shared his thoughts on the future of the UNC System. This year, the Board will appoint new members to campus boards of trustees. It will also address tuition and fees, total cost of attendance, and affordability; work to sustain campuses through the economic and demographic challenges; continue to promote academic integrity and fiscal responsibility; and enroll more students from rural and underserved communities throughout our state. Chair Ramsey praised the UNC System's former leaders. For the past five decades, "the stewards that led this great University nourished and protected our state's investment in education, research, and public service. Today, the evidence of their service is found across every region of North Carolina."

Chair Ramsey noted that the Board is committed to good stewardship and focused on how our institutions are working together to make a positive difference for those we serve. He stressed that this Board will be guided by uncompromising integrity, responsibility, and vision. In closing, he noted that while there will be short-term challenges, he asked the members to focus on long-term results because "when our time around this board table has ended, the mark of our stewardship will be evident by one measure – whether we succeeded in leaving this university better than we found it."

President's Report

President Hans reported that this past year marked the 50th anniversary of the consolidated UNC System. He noted that we have been celebrating this event for the past several months by sharing stories of UNC System's history and highlighting the remarkable people who made it possible. Next, President Hans spoke about college enrollment trends and projections. He stated that the period of enrollment growth is coming to an end and undergraduate enrollment is declining. President Hans presented a summary of the UNC System's strategic initiatives. He explained how these initiatives were carefully developed with the goal of bringing in more students and educating a wider share of the state's population. 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 July 20, 2022

Committee on Budget and Finance

- | | |
|---|------------|
| b. Expansion of Millennial Campus – The UNC System Office | Appendix B |
| c. Capital Improvement Projects | Appendix C |
| d. Disposition of Property by Demolition – Elizabeth City State University | Appendix D |
| e. Acquisition of Property by Deed – North Carolina Agricultural and Technical State University | Appendix E |
| f. Approval of the Selection of the Design-Build Firm – PBS North Carolina | Appendix F |

Committee on Educational Planning, Policies, and Programs

- | | |
|---|------------|
| g. UNC System Academic Degree Program Actions | Appendix G |
| h. Early College High School Graduates Report | Appendix H |
| i. Licensure Program Approvals | Appendix I |

Committee on Educational Planning, Policies, and Programs

j. Resolution on Security Clearance Requirements

Appendix J

Committee on Audit, Risk Management, and Compliance (CARMAC)

k. CARMAC Oversight Responsibilities and Operating Procedures

Appendix K

l. UNC System Office 2022-23 Internal Audit Plan

Appendix L

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee received the 2021-22 Annual Report of the Committee on Budget and Finance, which summarized the actions that the committee undertook the previous year (see Appendix M). He also reported that the committee heard presentations on a proposed performance weighting component of the funding model and the 2023-24 tuition and fees proposals.

Next, Mr. Holmes explained that the committee deferred the discussion of a proposed campus security fee for the full Board meeting. Mr. Holmes called on Senior Vice President Haygood, who provided background information related to the campus security fee. Ms. Haygood recalled that in 2015-16, the Board of Governors initially implemented a campus security fee of \$30, which is charged to all students at each UNC System institution. In March 2021, the Board voted to increase the fee from \$30 to \$60 effective this year, beginning with the fall AY 2022-23. She also explained the allowable purposes for which the fee revenue may be used.

Chair Ramsey recognized Mr. Pope. Mr. Pope spoke against the fee increase. He offered a motion to repeal the campus security fee (see Appendix N).

Discussion by members of the Board followed. Mr. Holmes spoke against Mr. Pope's motion to remove the campus fee and offered a motion to substitute the following motion in place of Mr. Pope's motion:

Motion: I move that the Board of Governors maintain the \$60 campus security fee and require institutions to maintain funding of their campus security budgets at present levels for the 2023-24 fiscal year.

The motion to substitute was properly seconded by Mr. Hutchens.

Motion to Substitute: Jim Holmes, Jr.

Motion carried (*Mr. Pope voted against*)

Once Mr. Holmes' motion to substitute carried, his substituted motion was properly before the Board for consideration of its merits. Discussion by members of the Board followed.

Motion to Adopt Substituted Motion: Jim Holmes, Jr.

Motion carried

Next, Mr. Holmes reported that the committee heard a presentation from Mark Little, executive director, and Alyse Polly, assistant director, of CREATE, a global initiative center at the Kenan Institute of Private Enterprise. They discussed how CREATE is partnering with the UNC System in developing and implementing a strategy for increasing utilization of North Carolina-based HUB firms.

The committee also reviewed and approved requests related to capital improvement projects and real property; the Expansion of a Millennial Campus at the UNC System Office (see Appendix B); FY 2023 State Construction Infrastructure Fund R&R allocations; the authorization of capital improvement projects at East Carolina University, Fayetteville State University, University of North Carolina at Charlotte, University of North Carolina at Greensboro, and the University of North Carolina at Pembroke (see Appendix C); disposition of property by demolition at

Elizabeth City State University (see Appendix D); acquisition of property by deed at North Carolina A&T State University (see Appendix E); and the selection of FDH Infrastructure Services for PBS North Carolina's design-build tower-lighting project (see Appendix F).

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

Mr. Bradley, vice chair of the committee, reported that the committee reviewed the establishment of two academic degree programs and the discontinuation of four academic programs (see Appendix G). The committee also reviewed the requests of four licensure applications and two limited licenses (see Appendix H). It also reviewed the Early College High School Graduates Report (see Appendix I). The committee voted to approve these items and place them on the day's consent agenda, which was approved by the full Board.

The committee received the 2021-22 Annual Report of the Committee on Educational Planning, Policies, and Programs, which summarized the actions that the committee undertook the previous year (see Appendix O). It also heard an update on the UNC System Educational Career Alignment Return on Investment (ROI) Study conducted by the UNC System Office and Deloitte. The committee will continue to receive updates on this topic.

In closing, Mr. Bradley called on Mr. Wade Maki, chair of the UNC Faculty Assembly, for a brief report. By way of introduction, Mr. Maki is a faculty member in the philosophy department at UNC Greensboro. He is also director of an interdisciplinary online degree program serving working adults. Mr. Maki thanked the Board for the opportunity to present at the day's meeting. He thanked the Board for its ongoing commitment to improving student success, timely degree completion, and affordability. Mr. Maki outlined the goals during his term, which include the flow of communications, alignment of the Faculty Assembly's advisory role, establishing priorities and metrics, improving shared governance, and meeting with the System Office leadership team and Board members. He stated that the Faculty Assembly was eager to work alongside the Board and the System Office as we move the System forward.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, reported that the committee received the annual Report on Free Speech and Free Expression Within the University of North Carolina System. The committee voted to accept the report and submit it to the North Carolina General Assembly as required by state statute. Next, Mrs. Blue explained that the U.S. Department of Defense requires that the UNC System maintain a facility security clearance in the performance of classified contracts. The committee voted to approve the Resolution on Security Clearance Requirements (see Appendix J) and place it on the day's consent agenda, which was approved by the full Board. The committee received the 2021-22 Annual Report of the Committee on University Governance, which summarized the actions that the committee undertook the previous year (see Appendix P).

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

Mr. Hutchens, chair of the committee, reported that the committee received the 2021-22 Annual Report of the Committee on Audit, Compliance, and Risk Management, which summarized the actions that the committee undertook the previous year (see Appendix Q). The committee reviewed and approved the committee's Oversight Responsibilities and Operating Procedures (see Appendix K) and the UNC System Office 2022-23 Internal Audit Plan (see Appendix L). The committee voted to place these items on the day's consent agenda, which was approved by the full Board.

The committee heard a presentation and summary of an audit report issued by the Office of the State Auditor. He recalled that all the UNC System constituent institutions and the UNC System Office are subject to audit by the Office of the State Auditor. The committee received an update on the UNC System's Office internal audit activities for the recent fiscal year. The committee also received a report on enterprise risk management in the UNC System. The significant risks identified by the campuses include cyber-security, talent management, student retention,

financial matters, facility maintenance, regulatory compliance, business processes, mental health, and public safety.

Report of the Committee on Strategic Initiatives

Mr. Powers, chair of the committee, reported that the committee held a panel discussion on the changing landscape of public university leadership from Cole Clark and Christina Spotts of Deloitte, and Mark Becker, former president of Georgia State University and president of the Association of Public and Land-grant Universities. The discussion focused on the fundamental change in selecting campus leadership and the evolving landscape of higher education leadership. The committee will host a series of discussions focused on the state of higher education leadership nationally, and the opportunities for enhancing the development, recruitment, and selection of leaders in the UNC System. Mr. Powers noted that Mr. Maki, chair, UNC Faculty Assembly, Ms. Crystal Woods, chair, UNC Staff Assembly, and Mr. McKenzie Heavlin, student body president, North Carolina State University, joined the meeting to share their thoughts on the competencies and skills required for campus leadership.

Report of the Subcommittee on Laboratory Schools

Mr. Byers, chair of the subcommittee, reported that it met earlier this week to discuss the lab school renewals for Appalachian State University's Academy at Middle Fork and the University of North Carolina Wilmington's D.C. Virgo Preparatory Academy. Mr. Byers recalled that the North Carolina General Assembly required the Board to establish nine laboratory schools across the UNC System and to authorize those schools for a five-year term. The Academy at Middle Fork and the D.C. Virgo Preparatory Academy both started their fifth-year operation. The subcommittee heard reports from both schools summarizing their progress and proposals for renewal for another five-year term. The subcommittee voted to approve the renewal term for five years for both the Academy at Middle Fork and the D.C. Virgo Preparatory Academy. He reported that with three new lab schools opening this fall – Appalachian State University Academy at Elkin, Aggie Academy operated by North Carolina A&T State University, and Carolina Community Academy operated by UNC-Chapel Hill – the Board has now fulfilled its obligation to open nine schools by the Fall of 2022. Mr. Byers reported that the subcommittee also adopted standards for certain lab school costs for laboratory schools outlining facilities and leases, transportation, school nutrition services, and student support services.

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 §143-748 and §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 (see Appendix R). The motion was properly seconded.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 10:05 a.m. and returned to open session at 11:18 a.m.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, reported that the committee received updates on the return to campus for the fall semester. The committee also heard a report on the successful implementation of the legislative increases in state employees' paychecks, and campus law enforcement officers' transition to EHRA status. Next, the committee received a presentation on the annual SHRA compensation review. The SHRA compensation review

contains overall average market index data by each constituent institution. The committee received the 2021-22 Annual Report of the Committee on University Personnel, which summarized the actions that the committee undertook the previous year (see Appendix S). Mrs. Coward reported that the committee reviewed and approved several routine informational reports, which were available in BoardEffect.

During its closed session meeting, Mrs. Coward stated that the committee considered President Hans' nominee for the next chief executive officer and general manager of PBS North Carolina. The committee voted to accept the president's recommendation and submit the nominee to the full Board. Mrs. Coward called on President Hans to present the candidate for an open session vote.

President Hans presented his nominee for the position of chief executive officer and general manager of PBS North Carolina. President Hans recommended the nomination of David Crabtree, who has served as PBS North Carolina's interim chief executive officer since April 2022. In recommending Mr. Crabtree, President Hans spoke of Mr. Crabtree's background, achievements, and extensive experience in the industry as a veteran, award-winning broadcaster whose knowledge and love of North Carolina spans decades. President Hans remarked that "we are fortunate to have a seasoned professional who understands television audiences, someone who knows and loves North Carolina, and someone who is deeply committed to the success of PBS North Carolina."

Mrs. Coward offered the following motion:

Motion: Resolved, that on behalf of the Committee on University Personnel, I move that the Board of Governors accept the president's recommendation and vote to elect Mr. David Crabtree as chief executive officer and general manager of PBS North Carolina.

Motion: Carolyn Coward

Motion carried

In closing, Chair Ramsey recognized Mr. Bradley for an announcement. Mr. Bradley reminded the Board of the 2022 UNC Staff Assembly Chancellors' Cup Golf Tournament scheduled for Tuesday, September 27, 2022. He thanked all the members who contributed to the UNC Staff Assembly's Janet B. Royster Scholarship Fund.

There being no further business and without objection, the meeting adjourned at 11:29 a.m. The next meeting of the Board of Governors is scheduled for Thursday, October 20, 2022, at the UNC System Office in Chapel Hill.

Pearl Burris-Floyd, *Secretary*

APPENDICES

The Appendices are part of the official record of the meeting and are posted on the UNC System website at:

<http://www.northcarolina.edu/apps/bog/index.php>

Appendix A	President Hans' Report
Appendix B	Expansion of Millennial Campus – The UNC System Office
Appendix C	Capital Improvement Projects
Appendix D	Disposition of Property by Demolition – Elizabeth City State University
Appendix E	Acquisition of Property by Deed – NC A&T State University
Appendix F	Approval of the Selection of the Design-Build Firm – PBS North Carolina
Appendix G	UNC System Academic Degree Program Actions
Appendix H	Early College High School Graduates Report
Appendix I	Licensure Program Approvals
Appendix J	Resolution on Security Clearance Requirements
Appendix K	CARMAC Oversight Responsibilities and Operating Procedures
Appendix L	UNC System Office 2022-23 Internal Audit Plan
Appendix M	2021-22 Annual Report of the Committee on Budget and Finance
Appendix N	Motion to Repeal Campus Security Fee offered by Art Pope, Member, UNC Board of Governors
Appendix O	2021-22 Annual Report of the Committee on Educational Planning, Policies, and Programs
Appendix P	2021-22 Annual Report of the Committee on University Governance
Appendix Q	2021-22 Annual Report of the Committee on Audit, Compliance, and Risk Management
Appendix R	Closed Session Motion
Appendix S	2021-22 Annual Report of the Committee on University Personnel