

MINUTES

November 17, 2022
East Carolina University
Main Campus Student Center, Ballroom A
Via Videoconference and PBS North Carolina Livestream

Call to Order

The University of North Carolina Board of Governors met on November 17, 2022, at the Main Campus Student Center at East Carolina University. Chair Randy Ramsey called the meeting to order at 9 a.m. He welcomed the guests and those joining by videoconference.

Invocation

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

Roll Call

Ms. McCullen, associate vice president and secretary, called the roll. The following members were present:

M. Lee Barnes	Terry Hutchens
Kellie Hunt Blue	Wendy Floyd Murphy
Kirk J. Bradley	Anna Spangler Nelson
C. Philip Byers	Sonja Philips Nichols
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.	Temple Sloan
Mark Holton	Michael Williford

The following members were absent:

Pearl Burris-Floyd (<i>joined by videoconference</i>)	J. Alex Mitchell
Thomas C. Goolsby (<i>joined 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. There were none.

Chair's Report

Chair Ramsey recognized Representative Kandie D. Smith. He commended Representative Smith for the great work she does on behalf of the folks in Eastern North Carolina and thanked her for joining the day's meeting. Chair Ramsey thanked Chancellor Philip Rogers and his staff for their wonderful hospitality in hosting this month's Board meetings and related activities. He stated that "East Carolina University is a special place that brings out loyalty and pride in all members of its community. It's a beacon of opportunity and hope not only for its students, but for

the more than 1.4 million North Carolinians it serves.” He praised Chancellor Rogers on his leadership and for the passion and care he brings to the position.

Chair Ramsey emphasized how important East Carolina University is to the health and wellbeing of the people who live in eastern North Carolina. Under Chancellor Rogers’ leadership, ECU has acted on providing patient healthcare by leading a transformative effort to join Vidant Health and East Carolina University’s Brody School of Medicine, creating ECU Health, with its ability to train and mentor health care professionals, who will serve rural areas of our state. He noted that ECU ranked No. 1 in graduating nurses among North Carolina’s four-year institutions, and more than 90 percent of its dental graduates stay and practice in North Carolina. Chair Ramsey also recognized Dean Michael Waldrum, of the Brody School of Medicine, for his efforts to ensure the success of ECU Health.

In closing, Chair Ramsey announced that the Board will not meet next month. The Board of Governors next meeting will be held on January 19, 2023, at the new UNC System Office in Raleigh. He wished everyone a happy holiday and called on Mr. Palma for brief remarks.

Mr. Palma reported on the Financial Literacy Symposium that was hosted by the University of North Carolina at Charlotte earlier this month. UNC Charlotte administrators shared best practices for financial wellbeing with administrators and student leaders from across the UNC System during a two-day conference. Mr. Palma thanked Chancellor Sharon Gaber for hosting the event.

President’s Report

President Hans stated that ECU is a wonderful university with great energy and a tremendously bright future. He thanked Chancellor Rogers and his team for the warm welcome they extended. Next, he spoke about the history of ECU, which began as a teachers’ college called East Carolina Teachers Training School. Its mission was to bring a great education to students from across our state. Today, ECU continues to prepare outstanding teachers on a vast scale. President Hans commented that this institution has “always been energetic and creative about extending great teaching to those who can benefit from it the most. It has taken the missionary spirit into the next frontier of education.” President Hans also commented on the important work that ECU continues to do in delivering high-quality health care in rural regions of our state.

In closing, President Hans referred to the updated UNC System’s Higher Expectations Strategic Plan (see Appendix A), which was distributed to the Board members. He remarked that the plan demonstrates how “smart metrics and clear incentives that are aligned can drive better outcomes for our students.” He encouraged everyone to review and share the plan. He thanked the Chancellors for their personal commitment to a shared vision of what our statewide universities can achieve. For President Hans’ complete report, please see Appendix B.

Recognition of the UNC System Campus Police Awards

Chair Ramsey announced that the Board of Governors was honored to recognize several campus police officers who demonstrate valor and exceptional service to our constituent institutions and affiliates. Chair Ramsey thanked the officers for joining the day’s meeting. He called on Mr. Hutchens to begin the presentation.

Mr. Hutchens reported that last week the UNC System Office hosted the annual conference of police officers from each of our campuses. During the conference, the Police Officer of the Year for 2020 and 2021 were recognized, along with seven other campus police officers. Mr. Hutchens was pleased to formally introduce each police officer. The 2020 Police Officer of the Year for Acts of Valor Award was presented to Detective Whitney Montgomery of the University of North Carolina Asheville, and the 2021 Police Officer of the Year for Acts of Valor Award was presented to Officer Mike Reynolds of UNC Charlotte.

Seven campus police officers were also recognized for their acts of valor, including, Captain Johnny Brown of Appalachian State University; Officer Tylor Greene of App State University; Officer William Brown of ECU; Officer

Michael Fecteau of ECU; Officer Shelton Harris of North Carolina Central University, Officer Greg Hughes of NCCU; and Officer Matthew Prewitt of The North Carolina Arboretum. Mr. Hutchens stated that these are exemplary officers whose actions are truly heroic and whose work is lifesaving. The Acts of Valor Awards are given to officers who have distinguished themselves by bravery, heroism, or outstanding courage, and have placed the safety and welfare of others above all other considerations. A booklet describing each officer's profile was distributed (see Appendix C). Chair Ramsey commended the officers for their exceptional acts of bravery and thanked them for their service.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 6 on the day's agenda. Chair Ramsey entertained a motion to approve the consent agenda items. Mr. Ford asked that Item 6c., Exceeding the Policy Limit on Nonresident Freshman Enrollment – N.C. A&T State University, be removed for discussion. Chair Ramsey called for a motion to approve the consent agenda except for Item 6c. The motion was properly seconded, and the motion carried.

Chair Ramsey opened the floor to discuss Item 6c. – Exceeding the Policy Limit on Nonresident Freshman Enrollment at North Carolina A&T State University. Mr. Ford expressed his concern that N.C. A&T was being penalized for being successful and noted that the campus was experiencing historic growth as other campuses are struggling with enrollment. Mr. Ford urged the Board to review its policy related to exceeding out-of-state freshman enrollment limitations.

Following discussion, Chair Ramsey entertained a motion to approve the item. The motion was properly seconded, and the motion passed. Mr. Ford, Mrs. Nichols, and Mr. Williford voted against.

Minutes

a. Minutes of October 20, 2022

Committee on Budget and Finance

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| b. FY 2022-23 Maintenance Repairs and Renovations Capital Projects | Appendix D |
| c. Exceeding the Policy Limit on Nonresident Freshman Enrollment – N.C. A&T State University
[REMOVED FOR SEPARATE DISCUSSION] | Appendix E |
| d. Capital Improvement Projects | Appendix F |
| e. Section 200.6, <i>Policy of Delegation of Authority to the President</i> (Amended) | Appendix G |
| f. Section 600.1.1, <i>Policy on Design, Construction, and Financing of Capital Improvement Projects</i> (Amended) | Appendix H |
| g. Chapter 100.1, <i>The Code</i> , Appendix 1 – Delegations of Duty and Authority of Boards of Trustees (Amended) | Appendix I |

Committee on Educational Planning, Policies, and Programs

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| h. Section 400.1.5, <i>Policy on Fostering Undergraduate Student Success</i> (Amended) | Appendix J |
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Committee on University Personnel

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| i. Section 300.2.14, <i>Policy on Non-Salary Deferred Compensation</i> (Amended) | Appendix K |
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Committee on Audit, Risk Management, and Compliance

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| j. Approval of UNC Systemwide Internal Audit Plan 2022-23 | Appendix L |
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Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee continued discussion of the proposed performance weighting component of the funding model. The component is essential to aligning the funding model

with the UNC System's strategic goals and creating incentives on increasing undergraduate student success. Mr. Holmes commended Vice Chair Roberts, Ms. Haygood, senior vice president for finance, and her entire team for their efforts in bringing this model to fruition. Mr. Holmes offered the following motion.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, the Board of Governors approve the proposed Performance Weighting Component of the Funding Model (see Appendix M).

Motion: James L. Holmes, Jr.

Motion carried

Next, Mr. Holmes reported that the committee heard a presentation on a preliminary analysis on enrollment declines facing higher education nationally and in North Carolina. Three UNC System institutions, UNC Asheville, the University of North Carolina at Greensboro, and the University of North Carolina at Pembroke, have experienced multi-year losses. Mr. Holmes reported that the committee approved a proposal to limit the maximum appropriation losses associated with enrollment declines over the past two years to 4.5 percent of the current year's budget. Mr. Holmes explained that System Office staff will incorporate the cap on enrollment related losses when it finalizes the funding model calculation, which will come to the Board for approval in February 2023.

The committee discussed the matter concerning N.C. A&T having exceeded the Board of Governors policy limit on nonresident freshmen enrollment for the second consecutive year. The committee recommended that the institution's reduced funding amount of \$1,976,546 be reallocated to the Board of Governors UNC Need-Based Grant Financial Aid Program (see Appendix E). The committee also reviewed and approved requests related to capital improvement projects, including approval of the UNC System's FY 2022-23 Maintenance Repairs and Renovations Capital Projects (see Appendix D), which will be reported to the North Carolina General Fiscal Research Division. It further recommended that the Board allow the unassigned cost escalation and contingency reserve to be applied to an approved FY 2022-23 renovation and repair project upon request of the constituent institution and to include the assignment of the contingencies in the annual report of reallocated funds.

In closing, Mr. Holmes reported that the committee received an update on the State Capital and Infrastructure Fund (SCIF) Program. The SCIF Program includes over \$2 billion in capital projects authorized by the General Assembly during its last session. The committee also reviewed and approved three capital improvement projects for NC State University, University of North Carolina at Chapel Hill, and UNC Charlotte (see Appendix F).

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

Mr. Sloan, chair of the committee, reported that the committee received the 2022 UNC Fall Enrollment Report. The committee also received an overview on the Licensure and State Authorization Review process. Next, the committee discussed proposed amendments to the UNC Policy Manual as follows: Section 700.1.1 – *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System*; Section 700.1.3 – *Policy on Non-Resident Undergraduate Enrollment*; and Section 700.10.1 – *Policy on Awarding Undergraduate Credit on the Basis of Advanced Course Examination Scores*. The committee approved the proposed amendments to the policies and will bring these items to the full Board for approval at its next meeting.

In closing, Mr. Sloan called on Mr. Wade Maki, chair of the UNC Faculty Assembly, for a brief report.

Mr. Maki thanked Chancellor Rogers and his entire team for hosting this month's Board meetings. He stated that this has been a wonderful experience and he has enjoyed having the opportunity to meet many members of ECU's staff, faculty, and the students. He stated that the UNC Faculty Assembly is committed to working with the chancellors from across the UNC System. He also thanked the members of the Board for including the faculty in conversations on a range of topics including, student mental health, the new funding model performance metric, and the changing landscape of public higher education. Through those conversations, he had come to learn the

many ways the members of the Board support the core values of the University. Mr. Maki also spoke about the world-class excellence of the faculty and the work they continue to do. He noted that this year marks the 50th anniversary of the UNC Faculty Assembly. Looking forward, the UNC Faculty Assembly will continue to work with the Board, the president, and his leadership team on these important issues. On behalf of the faculty, Mr. Maki stated that “as we move into 2023, the faculty welcome the opportunity to expand the collaborative relationships we began this fall.”

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, reported that committee reviewed and approved two nominations to the Liability Insurance Trust Fund Council. The nominees are Mr. Thomas Shanahan, interim chief legal officer of UNC Health, and Mr. Paul Grosswald, vice president of finance and corporate controller of UNC Health. Mrs. Blue offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors accepts the nominations of Mr. Thomas Shanahan and Mr. Paul Grosswald to serve on the Liability Insurance Trust Fund Council.

Motion: Mrs. Blue

Motion carried

The committee also reviewed and approved a nominee to fill a partial term vacancy on the North Carolina Teaching Fellows Commission. Mrs. Blue explained that the open position is required to be filled by a principal who graduated from an approved education preparation program in North Carolina. The committee recommended Mr. Matthew G. Price to fill the open position. Mrs. Blue offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors accepts the nomination of Mr. Matthew G. Price to fill the partial term as the principal representative on the North Carolina Teaching Fellows Commission ending on June 30, 2023.

Motion: Mrs. Blue

Motion carried

Lastly, the committee heard an update on recent efforts by the Division of Legal Affairs to gather feedback on ways to modernize the UNC Policy Manual and to raise awareness of enterprise risk in legal affairs.

Report of the Audit, Risk Management, and Compliance

Mr. Hutchens, chair of the committee, reported that the committee discussed multiple items including, the UNC System’s Historically Minority-Serving Institutions’ enterprise risk management programs, Systemwide internal audit activities and plans, safety and security operations, and a report from the Joint Cybersecurity Task Force.

First, the committee heard an update on the HMSI Enterprise Risk Management Roundtable. The HMSI chancellors participated in a roundtable discussion on October 22, 2022, and shared data and additional details on their enterprise risks.

Next, the committee received a report on the UNC Systemwide Audit Activities for FY 2022 and the 2022 internal audit findings. Internal audits departments from across the UNC System completed risk analysis, risk assessments, audits, advisory services, audit finding follow-ups, and investigations resulting in 240 reports. The internal audit activities produced 356 recommendations for improvements to internal controls and management actions were also identified. The committee reviewed and approved the UNC Systemwide Internal Audit plan 2022-23 (see Appendix L) and placed the item on the day’s agenda, which was approved by the full Board. Mr. Hutchens also

reported that each UNC constituent institution submitted a summary of its internal audit plan, which was approved by each institution's board of trustees. The committee also reviewed and approved all the internal audit plan summaries that were submitted by each institution.

Lastly, the committee heard an update on the safety and security operations at the Samarcand Training Facility. The facility has proven to be highly effective, collaborative, and cost effective. The committee heard a presentation on the Joint Cybersecurity Task Force, which provides security incident response and coordination, forensics, resource support, technical assistance, and protective services to educational entities, and state and local government agencies that have been the target of cybersecurity incidents.

Report of the Committee on Strategic Initiatives

Mr. Powers, chair of the committee, reported that the committee held its third session examining the changing landscape of higher education leadership. The committee engaged a panel of four of the UNC System's longest-serving chancellors – Chancellor Sheri Everts, App State University; Chancellor Harold Martin, N.C A&T; Chancellor Randy Woodson, NC State; and Chancellor Robin Cummings, UNC Pembroke. The chancellors discussed how their jobs have evolved during their tenure, what is unique about leading their campuses, and the challenges facing future leaders. Mr. Powers thanked the chancellors for their thoughtful comments on the demands and joys of serving. He also thanked Mr. David Crabtree, chief executive officer at PBS North Carolina, for moderating the panel discussion.

In closing, Mr. Powers reported that the committee will begin to develop proposed recommendations to the System's executive search process and practices. The committee will continue to gather input and feedback from key stakeholders, including faculty and staff. The committee will provide a summary of its findings at its next meeting in January 2023.

Report of the Subcommittee on Laboratory Schools

Mr. Byers, chair of the subcommittee, reported that it met on November 10, 2022. During the committee, it approved the 2021-2022 Evaluation of the UNC System Laboratory Schools Initiative Report. Mr. Byers reported that the approval of the report fulfills the statutory obligation to provide the General Assembly with information about North Carolina Laboratory Schools' demographics, admission, process, student achievement data, educator preparation programs, student outcomes, and best practices.

The subcommittee also heard a presentation from researchers at UNC-Chapel Hill and Public Impact, LLC, a non-profit research organization. The results show that parents have positive views of the laboratory schools. While the laboratory schools met growth expectations in every category, the committee will continue to explore opportunities for improvements to ensure more students reach proficiency in reading, math, and science. The committee will provide further updates on its progress at a future meeting.

Chair Ramsey called on Vice Chair Murphy 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 N). The motion was properly seconded.

Motion: Wendy Floyd Murphy

Motion carried

The Board went into closed session at 9:58 a.m. and returned to open session at 10:06 a.m.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, reported that the committee heard several updates from the vice president of human resources. The committee received an update on the status of the Career Banding Classification and Compensation System for SHRA employees. Human Resources has obtained estimates from their consultants to start the work on conducting a labor market refresh of the salary ranges. The committee will provide updates on this initiative at a future meeting.

In closing, Mrs. Coward announced that the committee will distribute a copy of the Racial Equity Task Force Update Report along with Institution Diversity and Inclusion Reports to the Board next month. The committee also reviewed and approved several routine informational reports, which were available in BoardEffect.

There being no further business and without objection, the meeting adjourned at 10:16 a.m. The next meeting of the Board of Governors is scheduled for Thursday, January 19, 2023, at the UNC System Office in Raleigh, North Carolina.

Wendy Floyd Murphy, *Vice Chair*

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	The University of North Carolina System, <i>Higher Expectations</i> , Strategic Plan for 2022-2027
Appendix B	President Hans' Report
Appendix C	Recognition of the UNC System Police Officers of the Year 2022 for Acts of Valor Awards
Appendix D	FY 2022-23 Maintenance Repairs and Renovations Capital Projects
Appendix E	Exceeding the Policy Limit on Nonresident Freshman Enrollment – N.C. A&T State University
Appendix F	Capital Improvement Projects
Appendix G	Section 200.6, <i>Policy of Delegation of Authority to the President</i> (Amended)
Appendix H	Section 600.1.1, <i>Policy on Design, Construction, and Financing of Capital Improvement Projects</i> (Amended)
Appendix I	Chapter 100.1, <i>The Code</i> , Appendix 1 – Delegations of Duty and Authority of Boards of Trustees (Amended)
Appendix J	Section 400.1.5, <i>Policy on Fostering Undergraduate Student Success</i> (Amended)
Appendix K	Section 300.2.14, <i>Policy on Non-Salary and Deferred Compensation</i> (Amended)
Appendix L	Approval of the UNC Systemwide Internal Audit Plan 2022-23
Appendix M	Approval of the UNC System Performance Weighting Funding Model
Appendix N	Closed Session Motion