

DRAFT MINUTES

February 23, 2023
UNC System Office
223 S. West Street, Board Room (17th Floor)
Raleigh, North Carolina
Via Videoconference and PBS North Carolina Livestream

Call to Order

The University of North Carolina Board of Governors met on February 23, 2023, at the UNC System Office, Raleigh, North Carolina. Chair Randy Ramsey called the meeting to order at 10 a.m. He welcomed the guests. He recognized North Carolina House of Representatives member, Ray Pickett, and thanked him for joining the day's meeting.

Invocation

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

Roll Call

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

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| Lee Barnes | J. Alex Mitchell |
| 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 |
| Terry Hutchens | |

The following members were absent:

Pearl Burris-Floyd (*joined by videoconference*) Thomas C. Goolsby (*joined by videoconference*)

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.

Presentation of the 2022 Governor James E. Holshouser, Jr. Award for Excellence in Public Service

Chair Ramsey provided an overview of the Governor James E. Holshouser, Jr. Award for Excellence in Public Service. In 2007, the Board established the award specifically to encourage, identify, recognize, and reward public service by faculty of the UNC System. Now in its 15th year, this award recognizes a faculty member(s) for their contribution to advancing public service and outreach throughout their communities and beyond. He noted that this award is a

way of showing our appreciation to our faculty and our respect for what they do. Chair Ramsey called on Mr. Sloan, chair of the Committee on Educational Planning, Policies, and Programs, to begin the presentation.

Mr. Sloan reported that the Committee on Educational Planning, Policies, and Programs oversaw the award process. He appointed a subcommittee comprised of Mr. Goolsby, Mrs. Murphy, and Mr. Palma to identify recipients who best personify what the award represents. Mr. Sloan called on Mrs. Murphy to introduce this year's recipient.

Mrs. Murphy stated it was a privilege to introduce the recipient(s) of the 2022 Governor James E. Holshouser, Jr. Award for Excellence in Public Service. After consideration of many qualified nominees, the committee selected two recipients for this year's award. Mrs. Murphy mentioned that one recipient will be recognized at the day's meeting and the other recipient will be recognized at the next Board of Governors meeting in April. The Board recognized Dr. Bonnie Fusarelli, professor of educational leadership and educational evaluation and policy analysis from NC State University. Following a video presentation highlighting the scope of Dr. Fusarelli's work and achievements, President Hans presented her with an engraved bronze medallion. Chair Ramsey congratulated Dr. Fusarelli and thanked her and the many faculty colleagues across our great UNC System who strive daily to serve in a way that enhances the quality of life for many North Carolinians. For a profile of Dr. Fusarelli's achievements, please see Appendix A.

Chair's Report

Chair Ramsey reminded the Board that the next Board meetings on April 19-20, 2023, will be held at the University of North Carolina at Pembroke. The Board members were excited to visit UNC Pembroke and thanked Chancellor Cummings for hosting the meetings. Next, Chair Ramsey spoke of the UNC System's operating budget priorities for 2023-25 for the long session of the North Carolina General Assembly, which will be voted on during the day's meeting. It includes support for fully funding enrollment growth, a faculty incentive retirement program, distinguished professorships, and support of nontraditional students who put their educational goals on hold to complete their degrees, cybersecurity needs, and further support for faculty and staff salary increases. He strongly encouraged members to support the proposed budget priorities.

In closing, Chair Ramsey announced that Sue Carpenter, manager of Board operations, would be retiring at the end of this month after a 26-year career in service to the UNC System. He thanked Ms. Carpenter for her service. Chair Ramsey presented a resolution on behalf of the Board of Governors honoring Ms. Carpenter (see Appendix B).

Motion: Resolved, that the Board of Governors accept the resolution honoring Sue Anne Carpenter. The motion was properly seconded.

Motion: Chair Ramsey

Motion carried

President's Report

President Peter Hans reported that he recently met with mental health professionals and the chancellors from across the System to discuss the mental health crisis. He noted how the soaring rates of anxiety, depression, and loneliness among young people have impacted counseling centers across our campuses. He stated that "our responsibility to students has always been much broader than academic preparation alone. That's why our campuses provide an array of support services from mentoring programs to free counseling sessions to crisis hotlines." President Hans was grateful for the support of Gov. Roy Cooper with providing the UNC System with \$7.7 million in pandemic relief funds to expand mental health services provided across the System. For President Hans' complete report, please see Appendix C.

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. The motion was properly seconded, and the motion passed.

Minutes

- a. Minutes of January 19, 2023

Committee on Budget and Finance

- b. Capital Improvement Projects Appendix D
- c. Acquisition of Property by Lease and by Deed – NC State University Appendix E

Committee on Educational Planning, Policies, and Programs

- d. UNC System Academic Degree Program Actions Appendix F

Committee on University Governance

- e. Section 300.5.1 of the UNC Policy Manual, *Policy on Political Activities of Employees* (Amended) Appendix G

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported the committee received a presentation on the final 2023-24 tuition proposals as submitted by the constituent institutions. For the seventh consecutive year, the committee recommended no tuition increase for resident undergraduate students. As to nonresident undergraduate tuition, several institutions requested tuition increases, which are outlined in the Board materials.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2023-24 tuition proposals (see Appendix H).

Motion: Mr. Holmes

Motion carried (*Mr. Pope voted against*)

Next, the committee received a presentation on the final 2023-24 fee proposals. Mr. Holmes explained the proposed fee increases would support inflationary cost increases and that the increases were capped at 3 percent per year.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2023-24 fee proposals (see Appendix I).

Motion: Mr. Holmes

Motion carried (*Mr. Pope voted against*)

The committee also reviewed requests related to capital projects, including the authorization of 14 capital improvement projects at seven institutions, a new capital project and increase authorizations (see Appendix D), and the authorization to acquire property by lease and deed at NC State University (see Appendix E). The committee approved the requests and placed the items on the day's consent agenda, which was approved by the full Board.

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

Mr. Sloan, chair of the committee, reported the committee approved proposed amendments to Section 700.1.1 of the UNC Policy Manual, *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina System*. This item will be submitted for approval to the full Board through the consent agenda at the next meeting. The committee considered the establishment of two academic degree programs and the

discontinuation of three academic degree programs (see Appendix F). The committee approved these items and voted to place them on the day's consent agenda, which was approved by the full Board.

Mr. Sloan recalled that last month, President Hans called for a comprehensive study of the University of North Carolina System policies that support faculty employment, evaluation, and career progression. In order to accomplish this, workgroups have been established to conduct a comprehensive examination of policies and regulations that guide campus approach to faculty employment, workload, post-tenure review and other initiatives. The committee also heard a report on the Faculty Workload policy.

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

Mr. Maki spoke about the goals for the UNC Faculty Assembly this year. One of his goals was to get to know the System Office leadership and develop a comprehensive understanding of the System. Faculty have learned about the System Office leadership team and how they support the work of the faculty and how the faculty can support the System Office. Mr. Maki mentioned that the Faculty Assembly convened its meeting earlier this month at University of North Carolina School of the Arts. He thanked Chancellor Cole and his team for hosting the meeting. He noted that the faculty looks forward to the work on faculty policy initiatives project, which President Hans announced back in January. Mr. Maki stated the objective of the UNC Faculty Assembly is to serve as a credible partner to advance the System and the Board of Governors priorities. He looks forward to his work as co-chair on the Comprehensive Faculty Policy Initiative and will provide an update on the work of the committee at a future meeting.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, reported the committee reviewed and approved the Board of Governors Self-Evaluation Report (see Appendix J). She thanked the members who participated in the process. Mrs. Blue offered the following motion:

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors approve the University of North Carolina Board of Governors Self-Evaluation Report.

Motion: Mrs. Blue

Motion carried

Mrs. Blue reported the committee reviewed and approved revisions to East Carolina University Health Medical Center affiliated agreement (see Appendix K). She offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors approve East Carolina University Health Medical Center affiliated agreement.

Motion: Mrs. Blue

Motion carried

In closing, Mrs. Blue referred to the 2023 Spring Commencement schedule. She encouraged the Board members to sign up to participate in one or more of the commencement ceremonies.

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

Mr. Hutchens, chair of the committee, reported the committee discussed informational items including a revision to the fiscal year 2022-23 internal audit plan; financial audit reports issued by the Office of the State Auditor; a summary of major associated entity audits for FY 2021; and a report on strategic pathways for campus law enforcement personnel. Related to the 2022-23 internal audit plan, the committee heard an update on the

modifications that were made to the internal audit plan due to current staffing changes with the internship program. Regarding the financial audit reports, the state auditor identified 16 financial statement audit reports from the UNC System's constituent institutions for the 2022 fiscal year, all without adverse finding. Mr. Hutchens reported the committee annually reviews a summary of the UNC System's associated entities. As of June 30, 2022, there were 92 major associated entities subject to the reporting requirements. All associated entities received opinions from audit firms that were in good standing with the NC State Board of CPA Examiners. Regarding the report on strategic pathways for campus law enforcement personnel, the UNC System has worked with all the constituent institutions to redesign the classification and compensation system for campus police officers. Currently, six campuses have implemented the new campus police compensation program, and the remaining campuses are scheduled to implement the program in the coming months.

Report of the Committee on Military and Public Affairs

Mr. Williford, chair of the committee, reported the committee held a joint meeting with the Committee on Budget and Finance. During its meeting, the committees heard updates on the 2023-25 Long Session Operating Budget Priorities, the 2023-25 Capital Budget Priorities, the 2023-24 Self-Liquidating Capital Improvement Projects, the Long Session Non-Budget Legislative Proposals, and the UNC System's Federal Priorities for the 118th Congress. The committee voted to approve the items.

Regarding the 2023-25 Long Session Operating Budget Priorities, Mr. Williford offered the following motion:

Motion: Resolved, that on behalf of the Committee on Budget and Finance and the Committee on Military and Public Affairs, I move that the Board of Governors approve the 2023-25 Long Session Operating Budget Priorities (see Appendix L).

Motion: Mr. Williford

Motion carried (*Mr. Pope voted against*)

Regarding the 2023-25 Capital Budget Priorities item, Mr. Williford offered the following motion.

Motion: Resolved, that on behalf of the Committee on Budget and Finance and the Committee on Military and Public Affairs, I move that the Board of Governors approve the 2023-25 Capital Budget Priorities (see Appendix M).

Motion: Mr. Williford

Motion carried

Regarding the 2023-24 Self-Liquidating Capital Improvement Projects, Mr. Williford offered the following motion.

Motion: Resolved, that on behalf of the Committee on Budget and Finance and the Committee on Military and Public Affairs, I move that the Board of Governors approve the 2023-24 Self-Liquidating Capital Improvement Projects (see Appendix N).

Motion: Mr. Williford

Motion carried

Regarding the Long Session Non-Budget Legislative Proposals, Mr. Williford offered the following motion.

Motion: Resolved, that on behalf of the Committee on Military and Public Affairs, I move that the Board of Governors approve the Long Session Non-Budget Legislative Proposals (see Appendix O).

Motion: Mr. Williford
Motion carried

Regarding the UNC System's Federal Priorities for the 118th Congress, Mr. Williford offered the following motion.

Motion: Resolved, that on behalf of the Committee on Military and Public Affairs, I move that the Board of Governors approve UNC System's Federal Priorities for the 118th Congress (see Appendix P).

Motion: Mr. Williford
Motion carried

Report of the Committee on Strategic Initiatives

Mr. Powers, chair of the committee, reported the committee heard an overview on Project Kitty Hawk. Project Kitty Hawk was created in 2021 as a nonprofit associated entity of the UNC System. The mission of Project Kitty Hawk is to enable constituent institutions to build and launch credential programs to serve adult learners. Each year, Project Kitty Hawk is required to report to the General Assembly on its current progress. At its meeting the previous day, the committee received a report from Wil Zemp, founding president and chief executive officer of Project Kitty Hawk.

Chair Ramsey called on Vice Chair Murphy for a motion to go into closed session.

Vice Chair Murphy offered the following motion.

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 (see Appendix Q). The motion was properly seconded.

Motion: Mrs. Murphy
Motion carried

The Board went into closed session at 11:30 a.m. and returned to open session at 11:56 a.m.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, reported the committee heard updates on recent academic affairs and human resources activities. The committee received a brief update on the Comprehensive Faculty Policy Initiative that President Hans announced last month. The committee also received updates from the vice president of human resources on the career banding project and the EHRA referral bonus program for campus law enforcement officers. The committee heard a presentation on the turnover metrics across the UNC System. To address the turnover of employees, legislation and policies were approved by the Board of Governors to provide the constituent institutions with the additional tools needed to attract and retain talent.

Next, the committee considered a Resolution on the Optional Retirement Program of the University of North Carolina (see Appendix R) and Amendment No. 3 to the Optional Retirement Program of the University of North Carolina (see Appendix S). Mrs. Coward offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Personnel, the Board of Governors accept the Resolution on the Optional Retirement Program and Amendment No. 3 on the Optional Retirement Program of the University of North Carolina.

Motion: Mrs. Coward

Motion carried

There being no further business and without objection, the meeting adjourned at 12 p.m. The next meeting of the Board of Governors is scheduled for Thursday, April 20, 2023, at the University of North Carolina at Pembroke.

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>

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| Appendix H | Approval of the University of North of Carolina 2023-24 Tuition Proposals |
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| Appendix J | Board of Governors Self-Evaluation Report |
| Appendix K | Approval of Revisions to East Carolina University Health Medical Center affiliated agreement |
| Appendix L | Approval of the 2023-25 Long Session Operating Budget Priorities |
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| Appendix P | Approval of UNC System’s Federal Priorities for the 118 th Congress |
| Appendix Q | Closed Session Motion |
| Appendix R | Resolution on the Optional Retirement Program of the University of North Carolina |
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