

MINUTES

May 25, 2023
Via Videoconference and PBS North Carolina Livestream
The UNC System Office
223 S. West Street, Board Room (17th Floor)
Raleigh, North Carolina

Call to Order

The University of North Carolina Board of Governors met on May 25, 2023, at the UNC System Office in Raleigh, North Carolina. Chair Randy Ramsey called the meeting to order at 10 a.m. He welcomed everyone to the meeting.

Invocation

Chair Ramsey called on Mrs. Nichols to give the invocation.

Roll Call

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

Lee Barnes	Terry Hutchens
Kellie Hunt Blue	Wendy Floyd Murphy
Pearl Burris-Floyd	Anna Spangler Nelson
C. Philip Byers	Sonja Philips Nichols
Jimmy D. Clark	David Powers
Carolyn Coward	Randy Ramsey
Joel Ford	Lee Roberts
John Fraley	Temple Sloan
Estefany Gordillo-Rivas	Michael Williford
Mark Holton	

The following members were absent:

Kirk J. Bradley
Thomas Goolsby
Reginald R. Holley
J. Alex Mitchell
Art Pope

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. Powers recused himself from Item 11a. May 2023 Board of Trustees Appointments. Chair Ramsey acknowledged.

Administration of the Oath of Office

Chair Ramsey announced that Ms. Estefany Gordillo-Rivas, a rising senior at Western Carolina University, was recently elected president of the University of North Carolina Association of Student Governments (UNCASG). In that capacity, Ms. Gordillo-Rivas would become an *ex-officio* member of the Board of Governors. Chair Ramsey welcomed Ms. Gordillo-Rivas. Next, he introduced the Honorable Associate Justice Phil Berger Jr., who administered the oath of office to Ms. Gordillo-Rivas.

Following the administration of the oath, Mrs. Gordillo-Rivas thanked Associate Justice Berger and the Board. She then provided brief remarks stating that she planned to highlight the issues of accessibility and civil discourse on college campuses as part of her term on the Board.

Presentation of the 2023 Oliver Max Gardner Award

Chair Ramsey announced that the Board of Governors has the honor of annually selecting recipients for the Oliver Max Gardner Award, which was established by the will of the late Governor Gardner. The award recognizes a UNC System faculty member whose work has made the greatest contribution to the welfare of humanity. Chair Ramsey thanked the Gardner Family and the Foundation for their tremendous support in recognizing our faculty's contributions and for their long tradition of advocating for public higher education. Chair Ramsey also thanked the members of the Committee on Educational Planning, Policies, and Programs, which oversaw the award process. The subcommittee consisted of Mr. Bradley, chair; Mrs. Nelson and Mr. Pope were appointed as members. Next, Chair Ramsey called on Mrs. Nelson to begin the presentation. Mrs. Nelson stated that after careful consideration of many qualified nominees, the award subcommittee unanimously selected Dr. H. Shelton Earp from the University of North Carolina at Chapel Hill as the recipient of the 2023 Oliver Max Gardner Award. Mrs. Nelson recognized Dr. Earp's guests in attendance in the audience: Dr. Stephanie Wheeler, Dr. Blossom Damania, Dr. Lisa Carey, Dr. Al Baldwin, and Dr. Christie Page. Mrs. Nelson remarked that Dr. Earp has spent his career making significant contributions to cancer research as one of the preeminent physician-scientists in the country. Following a brief video highlighting Dr. Earp's impressive work, President Hans presented Dr. Earp with a framed citation. President Hans stated that Dr. Earp is highly deserving of this award and called on him for brief remarks. For a profile of Dr. Earp's achievements, please see APPENDIX A.

President's Report

President Hans reported that the University of North Carolina is one of the state's largest health care providers. The state's leaders have recognized a special obligation for the public university to address health care in a broad sense. There continue to be areas of needed improvement across our state where the statewide health systems must serve. As such, President Hans announced the University is supporting a visionary and much-needed investment in the state's rural health infrastructure by forging a closer bond between UNC Health and ECU Health, to operate in tandem to provide essential care for our citizens. Through a partnership between the two entities, along with the leadership of East Carolina University Chancellor Philip Rogers, ECU Health CEO and Brody School Dean Dr. Mike Waldrum, UNC-Chapel Hill Chancellor Kevin Guskiewicz, and UNC Health CEO and Medical School Dean Dr. Wesley Burks, the result is a Senate budget that generously supports our community hospitals and creates rural health clinics in areas where both serve. The partnership allows for both entities to form a clinically integrated network of physicians.

The Senate budget also creates a rural residency and medical education fund designed to place more doctors in high-need areas and raise pay for the nursing faculty across the entire UNC System. The budget funds will also provide resources for a regional behavioral health center at ECU Health, providing psychiatric care for adolescents. It also makes an investment in a world-class children's hospital that UNC Health is spearheading. These resources will prepare more doctors to stay and practice in North Carolina. Aligning health care assets across the UNC System will help meet the fundamental need to ensure fair access to high-quality medical care to our citizens for

generations to come. He recognized and thanked the special guests from both institutions. For President Hans' complete report, please see APPENDIX B.

Chair's Report

Chair Ramsey stated how important the UNC Health and ECU Health partnership is. He reiterated his passion for improving access to health care in small, rural counties in the state. He expressed his appreciation to state lawmakers for working to improve access to care for North Carolinians. He touched on the Senate's proposal to invest \$1.4 billion for the NC Innovation project and how it would strengthen the University's impact as an economic engine for rural areas, as well as growing innovation and entrepreneurship. He is optimistic the House and Senate will fund the priorities put forth for the System. He congratulated the Board on the many achievements over the past 12 months. Highlights included: the launch of Project Kitty Hawk, implementation of an all-funds budget, keeping resident tuition flat for the seventh straight year, expansion of the NC Promise program to Fayetteville State University, the overhaul of the campus funding model, and the refreshing of the Strategic Plan to address demographic decline and enrollment challenges. He said he is proud of the work the Board has accomplished together, and he looks forward to another productive year ahead.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 7 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 April 20, 2023

Committee on Budget and Finance

- b. FY 2022 UNC System Debt Capacity Study APPENDIX C
- c. Capital Improvement Projects APPENDIX D

Committee on Educational Planning, Policies, and Programs

- d. UNC System Academic Degree Programs APPENDIX E

Committee on University Personnel

- e. Section 101.3.2 of the UNC Policy Manual, *Policy on Grievances Filed Pursuant to Section 607 of The Code* (repeal) (approved April 19, 2023) APPENDIX F
- f. Section 101.3.3 of the UNC Policy Manual, *Policy on Delivery of Notices* (repeal) (approved April 19, 2023) APPENDIX G
- g. Section 100.1 of the UNC Policy Manual, *The Code* Chapter V (amend) (approved April 19, 2023) APPENDIX H
- h. Section 100.1 of the UNC Policy Manual, *The Code* Chapter VI (amend) (approved April 19, 2023) APPENDIX I
- i. Section 100.1 of the UNC Policy Manual, *The Code* Chapter VII (amend) (approved April 19, 2023) APPENDIX J
- j. Section 100.1 of the UNC Policy Manual, *The Code* Appendix 1 (amend) (approved April 19, 2023) APPENDIX K

Committee on University Governance

- k. Section 200.8 of the UNC Policy Manual, *Policy on Chancellor Searches and Elections* (amend) (approved April 19, 2023) APPENDIX L

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

Mr. Hutchens, chair of the committee, welcomed the State Auditor, Beth Wood, to the meeting. He asked Auditor Wood to address the board. She presented the results of the 2022 fiscal year audit and thanked the System Office for its work. Her office audited all 16 campuses, along with the North Carolina School of Science and Mathematics, as well as the System Office. There were no findings in the financial statement audits. Auditor Wood's office audited student financial aid, visiting four campuses, and gave one opinion on the program and reported no findings. Her office received 10 complaints from the Auditor's office hotline, two of which were investigated personally by her office, with one being substantiated and the other not. The remaining eight were investigated and referred to the universities themselves. Two were substantiated, and six were not. Mr. Hutchens thanked Auditor Wood and her office for their work. Auditor Wood stated she wanted our system to continue to be the best.

Chair Hutchens reported the open session meeting of the committee included topics such as the enterprise risk management progress within the UNC System Office and institutions, status of a campus law enforcement initiative, transition from SHRA to EHRA, and the annual report on the implementation of UNC System information technology policies. He stated the committee had no action items.

Report of the Committee on Budget and Finance

Mr. Roberts, chair of the committee, reported the committee received an update on the 2023-25 General Fund budget, presented by Jennifer Haygood, senior vice president of finance. The Senate included funding for many of the requests, including funding for the Faculty Retirement Incentive Program and Distinguished Professor matching funds, both of which were not included in the House budget. The Senate budget also included funding to provide a 5 percent salary increase to all employees.

Mr. Roberts stated the UNC System is in the second year of its all-funds budget process and the System Office is using this process to better align resource allocation decisions with strategic goals. The System Office will continue to work with institutions to mature this process with the goal of further improving transparency and effective financial management.

The committee reviewed and approved the annual Debt Capacity Study detailing the System's current debt load and capacity to borrow. It was reported that 15 UNC System institutions maintained or increased their debt capacity over the five-year study period, 13 institutions have increased their debt capacity compared to last year, and all 16 institutions have maintained or improved at least one of their primary financial ratios since the 2021 study. The committee also approved several capital improvement requests, including authorization of seven capital improvement projects at four institutions. Mr. Roberts stated the following two items were approved by the full Board through the consent agenda: \$11.9 million for new capital projects, and approximately \$12.6 million in increased authorizations.

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

Mr. Sloan, chair of the committee, reported the Committee on Educational Planning, Policies, and Programs approved one academic degree program establishment and four licensure approvals. Both were submitted to the Board through the consent agenda. The review of Systemwide student behavioral health initiatives continued from the April meeting. The committee heard an update on the six committees guiding the UNC System Faculty Policy Initiatives. A supersede to Section 400.3.4 of the UNC Policy Manual, *Monitoring Faculty Workloads*, was approved with submission to the full Board through the consent agenda at the next meeting.

Mr. Sloan then introduced Wade Maki, chair of the Faculty Assembly, to give his report. The Faculty Assembly wishes to congratulate the Board on its work this year, specifically updating the chancellor's search policy. The Faculty Assembly offers two suggestions: include groups of faculty leaders to help build day-one support for new chancellors; and establish a pipeline for provosts, like what is being done for chancellors. The Faculty

Assembly models civil engagement in their work and reports positive outcomes when doing so. He cited the recent workload policy approved by the Committee on Educational Planning, Policies, and Programs, accomplished in less than four months with the support of the Board and President Hans. The Faculty Assembly has positively engaged the legislature in support for the work of the assembly. Mr. Maki also reported his constituents re-elected him to a second term. He thanked the Board for its continued partnership and support.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, stated that the committee held a productive meeting and had several action items for the Board. First, the committee approved the remaining appointments to campus boards of trustees. Today, the committee has the following appointments to the boards of trustees: Appalachian State University, Elizabeth City State University, Fayetteville State University, NC State University, the University of North Carolina Asheville, the University of North Carolina at Charlotte, UNC School of the Arts, and Winston-Salem State University.

Mrs. Blue stated the slate of nominees will be as a whole group and not on an individual basis or by individual institutions. She asked if any member of the Board objects to the block voting approach and wishes to vote on a person or institution separately, that he or she speak up. There were no objections. She also proposed the Board vote on the slate of nominees, excluding NC State, and vote on NC State separately. Please see APPENDIX M.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors appoint the slate of individuals for Appalachian State University, Elizabeth City State University, Fayetteville State University, the University of North Carolina Asheville, the University of North Carolina at Charlotte, UNC School of the Arts, and Winston-Salem State University.

Motion: Mrs. Blue

Motion carried

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors appoint the slate of individuals for the NC State University Board of Trustees.

Motion: Mrs. Blue

Motion carried

Mrs. Blue said the committee discussed and approved three nominees for the UNC Press Board of Governors. Dr. Lisa Levenstein and Dr. Timothy Smith are nominated for reappointment, and Dr. Jerma Jackson is nominated for appointment. Please see APPENDIX N.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors accept the nominations of Dr. Lisa Levenstein and Dr. Timothy Smith for reappointment, and Dr. Jerma Jackson for appointment to the UNC Press Board of Governors for terms ending June 30, 2028.

Motion: Mrs. Blue

Motion carried

The committee also reviewed and discussed nominees for the North Carolina Arboretum Board of Directors. Chancellor Kelli Brown, Dr. Undi Hoffler, and Ms. Cheryl Kaynard are nominated for reappointment, and Dr. Linda Martinson is nominated for appointment. Please see APPENDIX O.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors approve the nominations of Chancellor Kelli Brown, Dr. Undi Hoffler, and Ms. Cheryl Kaynard for reappointment, and Dr. Linda Martinson for appoint to the North Carolina Board of Directors for terms ending June 30, 2027.

Motion: Mrs. Blue

Motion carried

Recognition of Outgoing Members of the Board of Governors

In closing the meeting, Chair Ramsey recognized three outgoing members of the Board of Governors – Thomas C. Goolsby, Anna Nelson, and David Powers, as well as former member Jim Holmes. He thanked each of them for pouring their energy and talent into the job, as well as for their commitment to public service. He praised their outstanding work to support and nurture students in North Carolina.

Chair Ramsey called on Mr. Powers to read and present the resolution honoring Jim Holmes.

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the resolution honoring James L. Homes, Jr. and to move this resolution to the official minutes of the meeting. APPENDIX P

Motion: Mr. Powers

Motion carried

Chair Ramsey calls on Secretary Burris-Floyd to read and present the resolution honoring Thomas C. Goolsby.

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the resolution honoring Thomas C. Goolsby, and to move this resolution to the official minutes of the meeting. APPENDIX Q

Motion: Mrs. Burris-Floyd

Motion carried

Chair Ramsey calls on Mr. Sloan to read and present the resolution honoring Anna Spangler Nelson.

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the resolution honoring Anna Spangler Nelson, and to move this resolution to the official minutes of the meeting. APPENDIX R

Motion: Mr. Sloan

Motion carried

Chair Ramsey calls on Mrs. Blue to read and present the resolution honoring David Powers.

Motion: Resolved, that on behalf of the Board of Governors, the Board accept the resolution honoring David Powers, and moves this resolution to the official minutes of the meeting. APPENDIX S

Motion: Mrs. Blue

Motion carried

President Hans announced that Governor Roy Cooper bestowed the Order of the Long Leaf Pine Award to outgoing Board member David Powers. Since 1963, North Carolina's governors have reserved their highest honor, The Order of the Long Leaf Pine award, for persons who have made significant contributions to the state and their communities through their exemplary service and exceptions accomplishments. President Hans thanks Mr. Powers for his outstanding service to the board and the state of North Carolina, presenting him with the award.

Chair Ramsey called on Secretary Burris-Floyd for a motion to go into closed session.

Secretary Burris-Floyd offered the following motion:

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 O). The motion was properly seconded.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 11:36 a.m. and returned to open session at 11:58 a.m.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, reported the committee received an overview from Dr. English on the faculty workload policy that had been voted on by the Committee on Educational Planning, Policies, and Programs. The committee also received updates from Mr. Bass on Senate Bill 195. This currently pending legislation would give the UNC System the authority to convert all SHRA positions that are exempt from the Fair Labor Standards Act to EHRA. Employees currently in those positions would have the option to convert to EHRA or remain SHRA and will be provided with a written explanation of the impact of their election to waive career status prior to making their decision. A workgroup on the Human Resources team has been established and the legal affairs team is drafting the details of how this will be operationalized. She also stated the committee reviewed and voted to recommend approval to the Board of a proposed resolution to delegate authority to the president to develop and issue detailed instructions for the upcoming Annual Raise Process (ARP) pending completion of the current legislative long session.

Motion: Resolved, that on behalf of the Committee on University Personnel I move that the Board of Governors vote to approve the resolution to delegate to the president the authority to develop and issue detailed instructions for the upcoming fiscal year 2023-24 Annual Raise Process. Please see APPENDIX T.

Motion: Mrs. Coward

Motion carried

Mrs. Coward also stated the committee reviewed several routine informational reports.

There being no further business and without objection, the meeting was adjourned at 12:02 p.m. The next meeting of the Board of Governors is scheduled for Wednesday, July 19, 2023, at the UNC System Office in Raleigh, North Carolina.

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>

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Appendix B	President Hans' Report
Appendix C	FY 2022 UNC System Debt Capacity Study
Appendix D	Capital Improvement Projects
Appendix E	UNC System Academic Degree Programs
Appendix F	Section 101.3.2 of the UNC Policy Manual, <i>Policy on Grievances Filed Pursuant to Section 607 of The Code</i> (repeal) (approved April 19, 2023)
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Appendix K	Section 100.1 of the UNC Policy Manual, <i>The Code</i> Appendix 1 (amend) (approved April 19, 2023)
Appendix L	Section 200.8 of the UNC Policy Manual, <i>Policy on Chancellor Searches and Elections</i> (amend) (approved April 19, 2023)
Appendix M	UNC System Boards of Trustees Appointments
Appendix N	UNC Press Board of Governors Appointments
Appendix O	NC Arboretum Board of Directors Appointments
Appendix P	Recognition and Resolution for Outgoing Member of the Board of Governors-Jim Holmes
Appendix Q	Recognition and Resolution for Outgoing Member of the Board of Governors-Thom Goolsby
Appendix R	Recognition and Resolution for Outgoing Member of the Board of Governor-Anna Nelson
Appendix S	Recognition and Resolution for Outgoing Member of the Board of Governors-David Powers
Appendix T	Delegation of Authority to the President to Issue Instructions for SHRA and EHRA Annual Raise Process