

DRAFT MINUTES

September 14, 2023
Via Videoconference and PBS North Carolina Livestream
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 September 14, 2023, at the UNC System Office in Raleigh, North Carolina. Chair Randy Ramsey called the meeting to order at 10 a.m. He reminded Board members of the upcoming UNC System Boards of Trustees Workshop being held at the University of North Carolina at Greensboro in November. He encouraged Board members to attend. He recognized Representative Ray Pickett for attending the meeting. He called on Mr. Bradley, who asked for a moment of silence in remembrance of Professor Zijie Yan of the University of North Carolina at Chapel Hill.

Invocation

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

Roll Call

Secretary McCullen called the roll. The following members were present:

Lee Barnes	Reginald R. Holley
Kellie Hunt Blue	Mark Holton
Kirk J. Bradley	Terry Hutchens
Harry Brown	Wendy Floyd Murphy
C. Philip Byers	Art Pope
Swadesh Chatterjee	Randy Ramsey
Jimmy D. Clark	Lee Roberts
Carolyn Coward	Temple Sloan
Gene Davis	Woody White
Joel Ford	
John Fraley	

The following members were absent:

Pearl Burris-Floyd	Sonja Phillips Nichols
Estefany Gordillo-Rivas	Michael Williford
J. Alex Mitchell	

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 welcomed everyone and the start of a new school year. He mentioned the tragedies that have occurred recently at a few of our campuses, and on behalf of the Board, expressed his grief, and said the Board stands with the campuses. He thanked the campus police officers for their bravery and action. He stated the System will continue to assess and improve security measures across the System. He said we want to do all we can to prevent tragedies.

Chair Ramsey highlighted the recent achievements of the System including flat in-state tuition, decreasing student debt, opening new doors for adult learners, expanding the reach into rural areas, and the opening of the new Appalachian State University campus in Hickory, NC. He mentioned Project Kitty Hawk and how this program will enable our universities to serve more adult learners. It is helping students who had previously dropped out to re-enroll. He encouraged chancellors that have yet to take advantage of this program to please do so. He thanked the legislature for the level of support provided over the past several years and said he looked forward to the passage of the final budget. He thanked President Hans and the System Office staff for their work communicating our priorities to lawmakers. He is optimistic those priorities will be reflected in the final budget. He called on President Hans for his report.

President's Report

President Hans spoke about the importance of low tuition for the citizens of North Carolina. He recommended to the Board that in-state tuition for undergraduates be kept unchanged for the eighth consecutive year. He also reported that we have made huge progress on student debt with fewer students borrowing to attend college. He stated that our University System is growing because we offer enormous value for students and taxpayers. He thanked the Board for its focus on affordability. He noted the consistency of the political support for higher education in the state. He thanked the Board for its continued leadership and for understanding that low tuition is central to our mission. 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 passed.

Minutes

- a. Minutes (Open) of July 19, 2023

Committee on Budget and Finance

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| b. Establishment of For-Profit Associated Entity – University of North Carolina at Chapel Hill | APPENDIX B |
| c. Sale of Special Obligation Bonds – Appalachian State University | APPENDIX C |
| d. Authorized Use of Special Obligation Bonds – University of North Carolina at Chapel Hill | APPENDIX D |
| e. Capital Improvement Project | APPENDIX E |
| f. Acquisition of Property by Deed – Appalachian State University | APPENDIX F |

Committee on Educational Planning, Policies, and Programs

g. UNC System Academic Degree Program Actions	APPENDIX G
h. Licensure Program Approvals	APPENDIX H
i. Early College High School Graduates Report	APPENDIX I
j. Comprehensive Articulation Agreement Annual Report	APPENDIX J

Committee on University Governance

k. Resolution on Security Clearance Requirements	APPENDIX K
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Committee on Audit, Risk Management, and Compliance

l. Approval of Charter (CARMC Oversight Responsibilities and Operating Procedures)	APPENDIX L
m. Approval of the University of North Carolina System Office 2023-24 Internal Audit Plan	APPENDIX M

Report of the Committee on Budget and Finance

Mr. Roberts, chair of the committee, reported that the committee is ready to schedule a special meeting to approve budget allocations if a budget is not enacted prior to the next Board meeting. He stated that Mrs. Murphy gave an update from the Task Force on Pricing, Flexibility, and Affordability from the August meeting, providing a progress report on the self-funded student health insurance implementation plan and beginning a discussion on debt service fees. He reported that over the summer, the System Office engaged Deloitte to conduct a study of the total cost to replace the existing enterprise resource planning (ERP) technology with single-instance cloud-based ERP. The study estimated a one-time total implementation cost of \$164.2 million over a six-year period. He said it is critical that there is a System-led, integrated approach taken to IT modernization, rather than piecemeal solutions. He reported that Ms. Jennifer Haygood, senior vice president and chief financial officer, presented the 2024-25 Tuition and Fees instructions that will be sent to the institutions. The committee also reviewed and approved several routine and transactional items. He said those items were approved by the full Board through the consent agenda. The committee also received several reports, including the FY 2021 Facilities Inventory and Utilization Study, Alternative Construction Delivery Report, and the committee's 2022-23 annual report. Each report is on BoardEffect.

Chair Ramsey thanked Mr. Roberts for his report and agreed that the Board must consider the new ERP program, as the current systems are not sustainable. Chair Ramsey called on Mr. Bradley to deliver the update for the Committee on Educational Planning, Policies, and Programs.

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

Mr. Bradley, chair of the committee, reported that the committee reviewed three academic degree program establishments, four academic degree program discontinuations and consolidations, and four licensure approvals with one limited license approval. He also stated three annual reports were reviewed by the committee and that all requests and reports were approved and submitted to the Board through the consent agenda. He stated a review of systematic student behavioral health initiatives was discussed and will continue throughout the year. The committee also heard an update on the 2023 Board resolution on teacher preparation; all institutions complied with the provisions and the July 1 associated deadline. Two motions were considered and approved. The committee approved a motion that called for requiring educator preparation programs to submit evidence of progress made to implement the recommendations provided in the latest review by July 1, 2024. The second motion approved directed UNC System Office staff to identify opportunities to utilize existing resources, including prioritizing the faculty recruitment and retention fund. The staff will provide the committee with a report at the November meeting. He thanked Mrs. Murphy for those two motions and her leadership on that. A preview of fall 2023 enrollment trends was presented and discussed. A

full review will be made during the November meeting. Mr. Bradley continued with a report on the joint meeting with the Committee on University Personnel.

Report of the Joint Committee on Educational Planning, Policies, and Programs and University Personnel

Mr. Bradley indicated that the committees held a joint meeting to review the comprehensive faculty policy initiative study convened by President Hans in January 2023. The joint committee heard recommendations on the evaluation of teaching, post-tenure review, faculty workload, faculty awards and recognition, faculty retirement incentive program, and the development of a professional/teaching faculty track. He said the Board will be presented with recommended policy changes at the November meeting.

Chair Ramsey thanked Mr. Bradley and the committee for their work, as well as Mr. Wade Maki for his leadership. Chair Ramsey asked Mrs. Coward to report on behalf of the Committee on University Personnel.

Report of the Committee on University Personnel

Mrs. Coward invited the chair of the Staff Assembly, Ms. Crystal Woods from the North Carolina School of Science and Mathematics, to give her final report. Ms. Woods introduced the new Staff Assembly chair as Ms. Shayna Hill, a distinguished alumna from the University of North Carolina at Chapel Hill. She looks forward to her leadership in this new role. Ms. Woods has worked with all the unique 17 institutions during her tenure, meeting with their delegates to the Staff Assembly. She stated that educating North Carolina's students remains the top priority. The unified and diverse governing body committed to the body they serve is one of the reasons the System is one of the best in the country. She thanked Mr. Bradley for his support of the endowment scholarship. She also mentioned the upcoming golf event in two weeks, inviting all to attend. She thanked President Hans and the System Office staff for their guidance and continuing support to make sure staff are always on the radar. She thanked the chancellors for supporting her and the staff on their respective campuses. She thanked Chancellor Todd Roberts for his support over the past 11 years. She thanked the Staff Assembly for going above and beyond what is asked of them. Chair Ramsey thanked Ms. Woods for her outstanding work in this role, stating she should be proud of all she has accomplished during her tenure. He then called on Mrs. Blue to present the report on the Committee on University Governance.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, stated the committee reviewed and approved for submission to the full Board its annual report for 2022-23. In today's consent agenda, the committee and full Board voted to approve a resolution exempting members of the Board of Governors and senior officers of the UNC System from the requirement to obtain individual security clearances in the performance of classified contracts. The committee also heard an update from Mr. Andrew Tripp, senior vice president and general counsel, on the annual report on free speech and free expression within the System. The committee voted to approve the annual report. She stated the committee also voted on the nomination of three individuals to fill seats on the North Carolina Teaching Fellows Commission. These individuals are Debora Powell, Taleek Harlee and Patrick Brennan. She stated their biographical information could be found in BoardEffect. (See APPENDIX N).

Mrs. Blue offered the following motion.

Motion: Resolved, that on behalf of the Committee on University Governance, I move that the Board of Governors accept the nomination of Debora Powell, Taleek Harlee, and Patrick Brennan to fill the partial term vacancies ending on June 30, 2024, on the North Carolina Teaching Fellows Commission.

Motion: Mrs. Blue

Motion carried

Mrs. Blue stated that the North Carolina State Education Assistance Authority Board of Directors has two vacancies that need to be filled. The committee voted on the nomination of two individuals to fill these seats on the board. She said that Jim Rose is nominated to fill the partial term vacancy ending on January 15, 2025, for the seat of expertise in finance and Beth Anderson to a term ending January 15, 2026, for the seat of CFO/CAO of a nonpublic school participating in the Opportunity Scholarship Program. She stated their biographical information could be found in BoardEffect. (See APPENDIX O).

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 nominations of Jim Rose and Beth Anderson to the NCSEAA Board of Directors.

Motion: Mrs. Blue

Motion carried

Mrs. Blue pointed out the updated commencement participation guidelines for Board members in their blue folders. The Board will follow this document's guidelines going forward concerning sign-up for commencement ceremonies.

Chair Ramsey thanked Mrs. Blue for her committee updates and called on Mr. Hutchens for the report from the Committee on Audit, Risk Management, and Compliance.

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

Mr. Hutchens, chair of the committee, stated the open session of the meeting included approving the committee's 2022-23 annual report. Mr. Michael Ptasienski, chief audit officer, then presented the 2024 Internal Audit Plan for the UNC System Office and presented the 2022-23 Internal Audit Year-end Report. In addition, the committee also approved the charter and UNC System Office 2023-24 Internal Audit Plan. The full Board voted through consent agenda to approve the committee charter and the UNC System Office Internal Audit Plan. Mr. Bryan Heckle, director of enterprise risk management (ERM), briefed the committee on the ERM annual report for the top risks identified by the UNC System and the constituent institutions. The top campus risks are cybersecurity, talent management, student retention, financial, public safety, mental health, regulatory compliance, business process, and facilities maintenance. The UNC System Office risks include cybersecurity and IT infrastructure, talent management, and business operations.

Chair Ramsey thanked Mr. Hutchens for the report. He then called on Mr. Holton to deliver the update from the Committee on Strategic Initiatives.

Report of the Committee on Strategic Initiatives

Mr. Holton stated the committee met to discuss their annual agenda and to hear a presentation on return on investment (ROI) in higher education. The committee will consider three topics this year: ROI at our universities, the role of artificial intelligence in higher education, and the effect of the Carnegie Classification System on the Board's role. He encouraged other Board members to join the discussions. The committee heard a presentation from Dr. Andrew Kelly and two representatives from Deloitte on ROI in higher education. He stated the

committee, along with his colleagues from the Committee on Educational Planning, Policies, and Programs, will spend this fall and early winter discussing the ROI and the implications for the policies and practices as a Board. He stated that detailed dashboards will be made available to the committee in November, along with Deloitte's report to the legislature in compliance with the 2021 budget provision calling for the study.

Chair Ramsey called on Secretary McCullen for a motion to go into closed session.

Secretary McCullen 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 (APPENDIX P). The motion was properly seconded.

Motion: Mr. Ford

Motion carried

The Board went into closed session at 10:53 a.m. and returned to open session at 11:07 a.m.

Chair Ramsey asked Mrs. Coward for the committee report on University Personnel.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, stated that during the joint meeting with the Committee on Educational Planning, Policies, and Programs, the committees received a report from Dr. David English, acting senior vice president for academic affairs, and Mr. Maki, chair of the UNC System Faculty Assembly, outlining the result of the comprehensive faculty policy initiative work groups. The committee also received updates from Dr. English on the start of the semester, as well as enrollment. They received an update from Mr. Darryl Bass, vice president and chief human resources officer, on the ongoing project to update SHRA career banding salary ranges. Mrs. Coward stated the target date to present the new salary ranges to the Human Resources Commission will be during their meeting in October or December. The committee also received an update on the work being done to review all the personnel policies in the 300 series of the UNC Policy Manual. The committee also heard an update on the UNC Omnibus Bill, which gave the University the authority to convert SHRA positions that are exempt from the Fair Labor Standards Act to EHRA. The committee voted to accept the 2022-23 Committee on University Personnel annual report for submission to the full Board. They also reviewed a report on the performance review of tenured faculty. Of the 742 tenured faculty who were reviewed this year, over 97 percent met or exceeded expectations.

Chair Ramsey asked if there were any questions for Mrs. Coward. There were none. He then called on Mr. Bradley for an announcement. Mr. Bradley asked for consideration of the Staff Assembly scholarship fund, which is done in tandem with the golf tournament. Mr. Bradley asked Secretary McCullen to send out the information regarding donations, and stated it is a wonderful cause. Chair Ramsey concluded the meeting.

There being no further business and without objection, the meeting was adjourned at 11:12 a.m. The next meeting of the Board of Governors is a special meeting by videoconference scheduled for Thursday, October 19, 2023.

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	Establishment of For-Profit Associated Entity – University of North Carolina at Chapel Hill
APPENDIX C	Sale of Special Obligation Bonds – Appalachian State University
APPENDIX D	Authorized Use of Special Obligation Bonds – University of North Carolina at Chapel Hill
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APPENDIX L	Approval of Charter (CARMC Oversight Responsibilities and Operating Procedures)
APPENDIX M	Approval of the University of North Carolina System Office 2023-24 Internal Audit Plan
APPENDIX N	North Carolina Teaching Fellows Commission Nominations
APPENDIX O	North Carolina Education Assistance Authority Board of Directors Nominations
APPENDIX P	Closed Session Motion