

DRAFT MINUTES

February 29, 2024
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 29, 2024, at the UNC System Office, Raleigh, North Carolina. Chair Randy Ramsey called the meeting to order at 10 a.m. He reminded Board members to get their photos taken and updated in the lobby. He wished Chancellor Franklin Gilliam “Happy Birthday.”

Invocation

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

Roll Call

Secretary Pearl Burris-Floyd, secretary of the Board, called the roll. The following members were present:

Lee Barnes	Estefany Gordillo-Rivas
Kellie Hunt Blue	Reginald Ronald Holley
Kirk J. Bradley	Mark Holton
Harry Brown	Terry Hutchens
Pearl Burris-Floyd	J. Alex Mitchell
C. Philip Byers	Wendy Floyd Murphy
Swadesh Chatterjee	Sonja Philips Nichols
Jimmy D. Clark	Art Pope
Carolyn Coward	Randy Ramsey
Gene Davis	Temple Sloan
Joel Ford	Woody White
John Fraley	Michael Williford

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 2023 Governor James E. Holshouser, Jr. Awards 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 16th 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 noted that the Committee on Educational Planning, Policies, and Programs, chaired by Mr. Bradley, oversaw the award process. Mr. Bradley appointed a subcommittee comprising Mr. Davis, Mr. Pope, Mrs. Murphy, Ms. Gordillo-Rivas, and himself to identify recipients who best personify what the award represents. Chair Ramsey thanked the Board members for their service and called on Mr. Pope to introduce this year's recipients.

Mr. Pope stated it was a privilege to introduce the recipients of the 2023 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. The Board recognized Dr. Kuldeep Rawat, professor from Elizabeth City State University, and Dr. Mike Smith, professor from the University of North Carolina at Chapel Hill. Following a video presentation highlighting the scope of their work and achievements, President Peter Hans presented them with an engraved bronze medallion. Chair Ramsey congratulated the recipients and thanked them 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 the recipients' achievements, please see APPENDIX A.

Chair's Report

Chair Ramsey reminded everyone that the next Board meeting will be held on April 17 and 18 at the University of North Carolina School of the Arts. He told Chancellor Brian Cole that the Board looks forward to the visit and can't wait to see the exciting things happening at UNCSA. He also thanked Chancellor Todd Roberts and his staff for the tour of the North Carolina School of Science and Mathematics campus earlier in the week. He also thanked faculty and Mr. Wade Maki, faculty chair liaison, for the "Foundations of American Democracy" proposal. He applauded the Board for its decision to hold resident undergraduate tuition flat for the eighth year in a row. He recognized the Board for all their accomplishments over the past couple of years and looks forward to finishing the year with passion and purpose. He then called on President Hans for his report.

President's Report

President Peter Hans spoke of the troubling trends regarding the mental health of young people and the negative impact that smartphones and addictive applications (apps) are having on the lives of our students. He recently hosted a reception for Dr. Jonathan Haidt, the renowned author who wrote "The Coddling of the American Mind" and whose recent work explores the psychological effects of social media on young people. President Hans spoke about how the phone has replaced "real life" and the implications this has for higher education. Our mission is to help students have fulfilling lives and purposeful days. As adults, we must make different choices by seeing children as a priority and not a product. Because of the relationship between students and technology, President Hans has asked legal and information technology teams for a plan to block a handful of the most harmful apps that can be accessed via the System network. These apps include Yik Yak, Fizz, Whisper, and Sidechat. President Hans believes these apps have a reckless disregard for the mental well-being of students. Several student body presidents brought these apps and their damaging consequences to the attention of President Hans. President Hans wants to encourage students to study how they spend their time and to make responsible choices in how they shape their lives. Technology is a deeply human enterprise, and we must make responsible choices to shape it. Chair Ramsey applauded President Hans on this important step and stated that Secretary Meredith McCullen will email a link to a recent video presentation given by Dr. Haidt at UNC-Chapel Hill. He encouraged Board members to watch the video, stating that the message is riveting. For President Hans' report, please see APPENDIX B.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 6 on the day's agenda and asked if any items should be removed for discussion. There were none. 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 January 25, 2024

Committee on Budget and Finance

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| b. Sale of Special Obligation Bond – NC State University | APPENDIX C |
| c. Capital Improvement Projects | APPENDIX D |
| d. Acquisition of Property by Deed – University of North Carolina at Charlotte | APPENDIX E |

Committee on Educational Planning, Policies, and Programs

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| e. UNC System Academic Degree Program Actions | APPENDIX F |
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Committee on University Governance

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| f. Section 1100.1 of the UNC Policy Manual, <i>Intercollegiate Athletics</i> (amend) (approved January 24, 2024) | APPENDIX G |
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Report of the Committee on Budget and Finance

Mr. Clark, chair of the committee, reported the committee received information on the final 2024-25 tuition proposals submitted by the institutions. The committee recommended no tuition increase for resident undergraduate students. Several institutions requested nonresident undergraduate tuition increases as well as graduate and professional school tuition increases.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2024-25 Tuition Resolution (see APPENDIX H).

Motion: Mr. Clark

Motion carried

Next, the committee reviewed revised 2024-25 fee proposals. At its January meeting, the committee directed staff to work with institutions to revisit proposed fee increases. After thorough review, staff recommended adjustments to six proposals.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the proposed 2024-25 Fee Resolution (see APPENDIX I).

Motion: Mr. Clark

Motion carried

The committee also reviewed several transactional items including:

- Authorization to issue special obligation bonds for NC State University, in an aggregate principal amount not to exceed \$52 million, plus an additional amount not to exceed five percent of such principal amount. The bonds will finance the costs of the acquisition and renovation of a student housing facility known as University Towers; and
- Authorization of \$11.9 million for three new capital projects at two institutions and \$12.8 million for four increased authorizations at four institutions; and reporting of one chancellor's R&R project less than \$600,000 in compliance with statute; and
- Authorization for the University of North Carolina at Charlotte to acquire property by deed of the Student Outdoor Event Venue and Tailgating Park. The property includes a covered pavilion, an associated support building, and other site improvements constructed by the UNC Charlotte Foundation.

The last three items were approved by the full Board through the consent agenda.

The committee also received reports on the five-year UNC System Workforce Analysis and State Surplus Computers for Nonprofits. Following the regular meeting of the Committee on Budget and Finance, the committee met jointly with the Committee on Military and Public Affairs to review the Short Session Budget Priorities and 2024-25 Self-Liquidating Capital Improvement Projects, which will be considered for vote during its April meeting. Chair Ramsey thanked the committee for their work on tuition and fees. He called on Mr. Bradley for the next report.

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

Mr. Bradley, chair of the committee, reported the committee reviewed requests for nine academic degree program establishments and two discontinuation/consolidations. The requests were approved by the Board through the consent agenda. An update was presented on the Next NC Scholarship—a financial aid program that helps North Carolinians from households making \$80,000 or less pursue higher education by fully covering tuition and fees at any community college or more than half, if not all, of tuition and fees to attend any UNC System institution.

A revision to Section 400.1.5 of the UNC Policy Manual, *Policy on Fostering Undergraduate Student Success*, was approved. The policy revision requires students to complete a course or courses containing two student learning objectives (SLO) in order to graduate. The first SLO would require students to evaluate key concepts, principles, arguments, and contexts in founding documents of the American Republic, including the U.S. Constitution, the Declaration of Independence, and a representative selection of the Federalist Papers. The second SLO would require students to evaluate key milestones in progress and challenges in the effort to form “a more perfect Union,” including the arguments and contexts surrounding the Gettysburg Address, the Emancipation Proclamation, and the *Letter From Birmingham Jail*, as well as other texts that reflect the breadth of American experiences. The proposed revisions will be submitted to the full Board through the consent agenda at the next meeting.

A possible revision to Section 700.1.1 of the UNC Policy Manual, *Policy on Minimum Eligibility Requirements for Undergraduate Admission for the University of North Carolina*, was discussed by the committee. This policy establishes the minimum academic standards that a student must satisfy to be considered for undergraduate admission at any UNC System institution. Committee members engaged in a robust discussion of the possible policy changes and impacts at the meeting. A revision reflecting feedback at the previous day’s committee meeting, along with further input from board members and our institutions, will be discussed and voted on at the next committee meeting. They have one item for closed session. In closing, Mr. Bradley called on Wade Maki, chair of the UNC Faculty Assembly, for a brief report.

Mr. Maki spoke about the foundation of higher education. He has attended several faculty meetings at the University of North Carolina Asheville, North Carolina Central University, UNC-Chapel Hill, NC State University, and the University of North Carolina at Greensboro. He has also met with a Systemwide group of historians to discuss the Foundations of American Democracy project and the rapid changes affecting institutions. He said while return on investment is a thing, it is not the only thing. Students follow their passions and purposes, not always the bottom line. He has heard a lot of feedback and while there is a lot of support for civic education there is always the question of implementation and resources. He stated, “The process we use will determine the trust we build.” He looks forward to working together on the foundational principles project. Chair Ramsey appreciated his work and friendship on the Board. He then introduced Mrs. Coward.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, reported that the committee voted to approve and present to the full Board Section 300.4.1 of the UNC Policy Manual, *Policy on Interpersonal Relationships Among Faculty, Staff, and Students*. These revisions are inclusive of the ongoing Systemwide policy review effort. The review is being conducted chapter-by-chapter, and these changes are described in detail in the Board materials. The proposed

revisions to the policy manual will be voted on through the April consent agenda. Chair Ramsey then called on Mrs. Blue for her report.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, stated the committee received a report from Mr. Andrew Tripp, senior vice president and general counsel, on the UNC System's affiliated entities. The affiliated entities discussed included UNC Health, PBS North Carolina, the North Carolina Arboretum, the University of North Carolina Press, and North Carolina State Education Assistance Authority. The presentation was a helpful reminder of the University System's governance structure and the importance of the oversight, and appointments made as a committee and full Board.

Spring commencement ceremonies are approaching, and this is a great time to be on the campuses. As a reminder, the campus liaisons are given priority for their campus. Secretary McCullen will share the commencement list with the remainder of the Board in one week. Open spots will be filled on a first-come, first-served basis, with final approval coming from the committee chair.

Chair Ramsey said commencement is a great way to interact with students and their families. He encouraged Board members to participate and promised it would be worth their time. He then called on Mr. Hutchens for his report.

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

Mr. Hutchens, chair of the committee, reported that during the open session meeting several informational items were presented including the update on research security activity, UNC System Office internal audit update, reports issued by the Office of the State Auditor, and Appalachian State University campus safety update.

Ms. Mary Millsaps, from NC State, and Mr. Quinton Johnson, from UNC-Chapel Hill, briefed the committee on the recent research security update standards targeting the security of federally funded research. These regulations or standards will impact several compliance areas, including export controls, international travel, standard disclosure requirements, and cybersecurity. These updated regulations or standards will address existing research security risks but will come at a cost. While each System institution can benefit, there is an opportunity to control cost and burden by understanding their unique risk profiles and building a program that fits those research security needs. One such opportunity is the upcoming Association of University Export Control Officers (AUECO) Conference hosted by NC State and UNC-Chapel Hill in Raleigh on May 6-9, 2024. This conference comprises 457 export control officers or professionals with compliance responsibilities that represent 253 institutions of higher education. All campuses are encouraged to participate, and the UNC System Office is sponsoring attendees from across the System.

Mr. Michael Ptasienski, chief auditor, presented an update on the progress of the UNC System Office internal audit plan that identifies the status of the 2023-24 internal audit projects. Mr. Ptasienski further presented on the audits issued by the Office of the State Auditor that included 13 financial statement audit reports on the UNC System for the 2023 fiscal year. Several reports have yet to be issued.

Mr. Andy Stephenson, App State campus police chief, presented on the need to improve the 911 system for the university. Their path includes efforts to design a system that will allow timely responses for the campus police department to respond to 911 calls to include fire or emergency medical assistance. This effort will immediately improve the safety of the campus.

Mr. Michael Vollmer, chief operating officer, reported that Mr. Keith Werner has accepted the position as the chief information officer for App State. Mr. Werner has spent six years at the System Office and currently serves as vice president of information technology strategy and cybersecurity. Mr. Werner has played an integral role

with his leadership in advancing the current cybersecurity posture that has made the institutions and System more resilient against cyber threats. Chair Hutchens is thankful for the work of Mr. Werner and stated we all wish him much success. Chair Ramsey next called on Mr. Holton for his report.

Report of the Committee on Strategic Initiatives

Mr. Holton, chair of the committee, stated the Committee on Strategic Initiatives met jointly with the Committee on Educational Planning, Policies, and Programs for the third time in a series of discussions about academic program planning and return on investment. The session began with a report from the leadership team at Project Kitty Hawk (PKH), the UNC System's initiative to accelerate universities' efforts to serve adult learners. The committees were joined by President and CEO Mr. Wil Zemp, COO Mr. David Eby, and CFO Ms. Raé Williams. Executive vice president, Dr. Andrew Kelly, framed PKH as a shared public utility—a UNC System asset that constituent universities can plug into to achieve their goals related to adult learners and online education. The team reported on the significant progress made to date, including the building of a state-of-the-art tech platform that is designed to host tens of thousands of students across multiple degree programs and recruitment of more than 1,000 students into the UNC System. The tech platform was completed on time and under budget and is a tangible asset that the UNC System now owns. The committee also heard from leaders at each of PKH's first customers—North Carolina Central University and East Carolina University—about the benefits of their partnerships. NCCU's Dr. Kim Phifer-McGhee outlined how the PKH partnership has resulted in 1,500 leads for the bachelor's programs on the platform—an RN to BSN program for working nurses and a bachelor's in information technology. Dr. Allen Guidry spoke to the promising early results at ECU for their programs in psychology, cybersecurity, and security studies. The leadership team provided an overview of financials and how the state appropriation has been used through the end of calendar year 2023:

- \$33.9 million of the appropriation has been spent;
- \$29.8 million has been encumbered but not yet spent; those funds will be spent further expansion of degree program offerings and enrollments;
- finally, \$33.3 million remains to be drawn down and expended by 2026; these funds will go toward bringing additional university partners onto the platform.

In early March, Project Kitty Hawk will present an updated pro forma to its board of directors, including financial and enrollment projections. That information will also be made available to the Board of Governors at the appropriate time.

The joint meeting then reviewed the draft revisions to Section 400.1 of the UNC Policy Manual, *Policy on Academic Program Planning*. Senior vice president, Dr. David English, Dr. Kelly, and vice president, Mr. Dan Harrison, outlined the main areas for improvement and proposed revisions, including clearer authority and responsibility for campuses to conduct regular reviews of academic programs. The System Office's role in both assessing state needs and reviewing academic program productivity would also be made clearer and more robust under the revised policy, the redline for which was in the Board materials. There was a good discussion, including a healthy reminder to ensure that ROI is but one measure of student success and program performance, not the end-all, be-all of college. Mr. Holton stated that he and Mr. Bradley have asked the staff to integrate the feedback received into the working draft presented the previous day and then solicit comments from the campuses before bringing a draft revision of Section 400.1 of the UNC Policy Manual back for consideration by the two committees in April.

Chair Ramsey said he appreciated the work of the committee. He then called on Mr. Fraley.

Mr. Fraley pointed out the handout that each Board member received from myFutureNC titled "North Carolina's State of Educational Attainment Report," which is presented to the legislature each year. It was rolled out to the General Assembly two weeks before. He thanked the person that shared the report. Chair Ramsey thanked Mr. Fraley for his work as chair of the myFutureNC board.

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 §143-318.11(a)(1), (2), (3), for the purposes stated in the written motion that was included in the meeting materials, which have been publicly noticed (see APPENDIX J). The motion was properly seconded.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 11:08 a.m. and returned to open session at 11:29 a.m.

There being no further business and without objection, the meeting adjourned at 11:30 a.m. The next meeting of the Board of Governors is scheduled for Thursday, April 18, 2024, at the University of North Carolina School of the Arts in Winston Salem, 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>

Appendix A	Profile of the 2022 Governor James E. Holshouser, Jr. Award Recipients
Appendix B	President Hans' Report
Appendix C	Acquisition of Property by Lease by Deed – NC State University
Appendix D	Capital Improvement Projects
Appendix E	Acquisition of Property by Deed – University of North Carolina at Charlotte
Appendix F	UNC System Academic Degree Program Actions
Appendix G	Section 1100.1 of the UNC Policy Manual, <i>Policy on Intercollegiate Athletics</i> (Amended)
Appendix H	Approval of the University of North of Carolina 2024-25 Tuition Proposals
Appendix I	Approval of the University of North Carolina 2024-25 Fee Proposals
Appendix J	Closed Session Motion