

MINUTES

April 18, 2024

Via Videoconference and PBS North Carolina Livestream

University of North Carolina School of the Arts

Alex Ewing Performance Place, Catawba Theatre

Winston-Salem, North Carolina

Call to Order

The University of North Carolina Board of Governors met on April 18, 2024, at the campus of UNCSA, Winston-Salem, North Carolina. Chair Randy Ramsey called the meeting to order at 10 a.m. He welcomed everyone and thanked Chancellor Brian Cole and Provost Patrick Sims for hosting the Board, stating that everyone had an amazing week on campus.

Invocation

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

Roll Call

Secretary Burris-Floyd 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
Jimmy D. Clark	Randy Ramsey
Carolyn Coward	Woody White
Gene Davis	Michael Williford
Joel Ford	

The following members were absent:

Swadesh Chatterjee
John Fraley
Sonja Nichols
Art Pope
Temple Sloan

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 Dr. Burris-Floyd for being named to the Order of the Long Leaf Pine. Mr. Holley asked that the audience stand in honor of her achievement. Chair Ramsey stated it had been a pleasure to visit UNCSA, and we were all impressed by the talented students, faculty, staff, and amazing performances during the past few days.

He stated that the arts are a critically important part of our society. He shared two stories of graduates of UNCSA, the artistic director and chief conductor of National Symphony Orchestra of Mexico, Ludwig Carrasco, and Emily Riedel, the star of the Discovery Channel's series "Bering Sea Gold." He noted that both alumni credit their professional and personal success to the skills and work ethic learned during their time at UNCSA. He reminded all not to overlook the value of the arts in developing strong, creative, resilient, and adaptable people while building our workforce. Both industry and artistry are important to economic and social growth in our state. He then called on President Peter Hans for his remarks.

President's Report

President Hans said it was always good to be on campus and that he appreciates how UNCSA puts on a good celebration. He praised Chancellor Cole for the creative energy in shaping talent. He then spoke about author and native North Carolinian John Ehle, and the role he played in the development of the university. Mr. Ehle had a long history of frustration with the way art, music, and drama were taught in the state. A social critic, Mr. Ehle helped spark one of the most productive chapters in North Carolina education. In his work as an advisor to Governor Terry Sanford and in his time with the Ford Foundation, he showed how creative energy can be the spark for real progress, and how the "truest sign of commitment is sticking around for the hard work of rebuilding and reform." The founding charter of this school calls on North Carolina to continue promoting "matters of the human spirit," and he said it's wonderful to see this generation of students embracing that charge. 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 asked if there were any items that members of the Board would like to have 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 of February 29, 2024

Committee on Budget and Finance

- | | |
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| b. Sale of Special Obligation Bond-North Carolina State University | APPENDIX B |
| c. Additional 2023-24 State Capital and Infrastructure Fund (SCIF) Repair and Renovation (R&R) Allocations | APPENDIX C |
| d. Capital Improvement Projects | APPENDIX D |
| e. Disposition of Property by Demolition-Elizabeth City State University | APPENDIX E |

Committee on Educational Planning, Policies, and Programs

- | | |
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| f. Section 400.1.5 of the UNC Policy Manual, <i>Policy on Fostering Undergraduate Student Success</i> (amend) (approved February 28, 2024) | APPENDIX F |
| g. North Carolina Area Health Education Centers Annual Report | APPENDIX G |

Committee on University Personnel

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| h. Section 300.4.1 of the UNC Policy Manual, <i>Policy on Interpersonal Relationships Among Faculty, Staff, and Students</i> (supersede) (approved February 28, 2024) | APPENDIX H |
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Report of the Association of Student Governments

Chair Ramsey invited Ms. Gordillo-Rivas to report on the past year of service as the student member of the Board. Ms. Gordillo-Rivas stated how great it has been to see the passion on display this week and the honing of the craft of so many artists. She explained how her parents gave her the gift of education, teaching her the importance of

being a lifelong learner and how to make an impact in the world. She gave an overview of all the accomplishments of the Association of Student Governments (ASG) this year. She introduced the incoming ASG president, Mr. Cameron Brown from East Carolina University. She thanked the Board for the work being done. She said that higher education changes lives and changed hers. She looks forward to continuing her education in Tennessee. Chair Ramsey said it was an honor to serve with Ms. Gordillo-Rivas, thanked her for her fantastic job representing the student body, and stated that she will be missed. He said Western Carolina University has a lot to be proud of. Please see APPENDIX I.

Chair Ramsey then called on Mr. Clark for the report of the Committee on Budget and Finance.

Report of the Committee on Budget and Finance

Mr. Clark, chair of the committee, reported the committee received information on the 2022-23 UNC System Consolidated Financial Report, the 2022 Facilities Inventory and Utilization Study, and the UNC Quarterly Capital Project Report as of December 31, 2023. He stated the full details of each are available on BoardEffect. The committee also reviewed several transactional items:

- Authorization to issue special obligation bonds for NC State University, in an aggregate principal amount not to exceed \$90 million, plus an additional amount not to exceed five percent of such principal amount. The bonds will finance a portion of the construction costs of the new Integrative Sciences Building.
- Allocation of the remaining \$195.3 million of 2023-24 SCIF R&R funds.
- Authorization of \$106.9 million for 10 new capital projects at seven institutions and \$290.5 million for 10 increased authorizations at five institutions; and reporting of one chancellor's R&R project less than \$600,000 in compliance with statute; and
- Authorization for Elizabeth City State University to dispose of property by demolition of three buildings: the old Ridley Center, Bedell Hall, and the Cardwell-Hoffler Health Center.

He said the last four items were approved by the full Board through the consent agenda.

Following the regular meeting of the Committee on Budget and Finance, the committee met jointly with the Committee on Military and Public Affairs to consider and approve the Short Session Budget Priorities requesting budget proposals for 2024-25 fiscal year. Please see APPENDIX J.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the 2024-25 budget proposals.

Motion: Mr. Clark

Motion carried

The committees also recommended for approval the 2024-25 Self-Liquidating Capital Improvement Projects requesting five projects requiring total debt authority of \$471.6 million. He stated the details are in the Board's materials. Please see APPENDIX K.

Motion: Resolved, that on behalf of the Committee on Budget and Finance, I move that the Board of Governors approve the 2024-25 Self-Liquidating Improvement Projects.

Motion: Mr. Clark

Motion carried

Chair Ramsey applauded the good work of the committee and called on Mr. Bradley for his report.

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

Mr. Bradley, chair of the committee, reported that the committee heard from Dr. David English, senior vice president, who provided an update on the issues and impact of the delays surrounding the revised FAFSA, the Free Application for Federal Student Aid. Due to delays in access and delivery of data, applications for FAFSA are down significantly and institutions are delayed in awarding aid to admitted and continuing students. The UNC System Office will continue to study the impact on enrollment. The committee heard a presentation about the implementation and outcomes of the case management expansion, part of the student behavioral health initiative. Results regarding the increased efforts of supporting case management of student mental health care are encouraging. Cases and data will continue to be collected and analyzed as the program expands.

Mr. Hugh Tilson, director of the North Carolina Area Health Education Centers (NC AHEC), discussed NC AHEC's and North Carolina medical schools' efforts to improve primary care outcomes. Together, they are developing a model to enhance a pathway to primary care, including support to succeed, expand rural residencies, examine workforce needs, and increase preceptors to address all health professionals. Ms. Katherine Martin, senior advisor for health affairs, updated the committee on the UNC System Office's plan to confront and provide solutions to the nursing workforce shortage with \$40 million in funding that has been appropriated by the North Carolina General Assembly. Proposals from UNC System institutions for up to \$3 million with goals that directly impact the nursing shortage are being accepted for funding consideration.

A 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 introduced prior to a vote 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. The vote by the committee was approved, to be sent to the full Board through the consent agenda at the next meeting.

Chair Ramsey asked if there were any questions for Mr. Bradley. He thanked the Board members for attending the committee meetings and having a wide understanding of the issues surrounding FAFSA and will count on the Board and System Office to help the universities get through the issues surrounding it. Chair Ramsey also reminded the Board about the effect of social media on students' well-being, encouraging them to watch the video by Dr. Jonathan Haidt that was sent out after the last Board meeting. He thanked Mr. Bradley for the work of the committee. He then called on Mrs. Coward for the report on the Committee on University Personnel.

Report of the Committee on University Personnel

Mrs. Coward, chair of the committee, introduced Ms. Shayna Hill, staff assembly liaison, and invited her to give the report on the UNC Staff Assembly.

Ms. Hill thanked the Board for the opportunity to speak. She loves the people and colleagues across the state and counts them as her friends. She has worked at the University of North Carolina at Chapel Hill for 17 years and has seen staff work, support, and achieve so much. She said our strength lies in our diversity and is a point of pride. She pointed out the handout regarding the upcoming Chancellor's Cup golf tournament, which supports staff scholarships for professional development. She asked the Board members to please consider donating, registering a team, or becoming a sponsor. The meeting this week reignited her love for the arts. She thanked the university for the incredible work being done at UNCSCA.

Chair Ramsey appreciated her remarks and the work of the staff at all the institutions. He called on Mrs. Blue for the report of the Committee on University Governance.

Report of the Committee on University Governance

Mrs. Blue, chair of the committee, reported that the committee heard an update from Mr. Andrew Tripp, senior vice president and general counsel, on the ongoing UNC Policy Manual update process. On October 1, 2022, the

UNC System Office, through the Division of Legal Affairs, initiated a Systemwide policy review effort. This effort precipitated from, and is grounded in, Systemwide feedback and requests from constituent institutions. The project began with Chapter 100 and *The Code*. The project now continues with Chapter 600. The UNC Policy Manual Project aligns substantive policy changes with the University's statutorily defined purpose to foster the development of a well-planned and coordinated system of higher education.

The committee also discussed and voted to repeal and replace Section 300.8.5 of the UNC Policy Manual, *Policy and Regulation on Diversity and Inclusion Within the University of North Carolina*, superseding them with a new policy, *Equality Within the University of North Carolina*. Mrs. Blue stressed that the new policy ensures that diverse persons of any background, from North Carolina and beyond, are invited, included, and treated equally. The replacement further aligns UNC Policy with recent statutory enactments and current jurisprudence.

This policy change will come before the full Board through the consent agenda at our May meeting.

Chair Ramsey thanked Mrs. Blue. He then called on Mr. Holton for the report from the Committee on Strategic Initiatives.

Report of the Committee on Strategic Initiatives

Mr. Holton, chair of the committee, reported that the committee met jointly with the Committee on Educational Planning, Policies, and Programs for the fifth and final session of their series focused on return on investment (ROI) in higher education. Mr. Holton and Mr. Bradley are pleased to report that they have completed the scope of work promised to the North Carolina General Assembly when they submitted the ROI report back in November. This is not the end of the Board's work on the topic, however; it is the beginning of a new approach to academic program planning and review for the System that prioritizes the needs of the state.

Mr. Holton said both committees unanimously approved amendments to Section 400.1 of the UNC Policy Manual, *Policy on Academic Program Planning*, which governs academic program planning. The new policy requires institutions to engage in regular and consistent review of academic programs, and to ensure that return on investment metrics is included in those institution-based assessments. It also bolsters the System's biennial program productivity review to include measures of value — thereby holding programs accountable for the extent to which they leave graduates better off than when they started the program. Lastly, the new policy calls on the System Office to consistently assess the needs of the state and compare those needs to our academic program portfolio. The revised policy reflects feedback from universities and the UNC System Faculty Assembly, and Mr. Holton thanked the chancellors, provosts, and faculty for their helpful comments. The full Board will vote on the policy change at its May meeting.

The committee heard an update on the other actions taken since the ROI report was sent to the North Carolina General Assembly in November. Mr. Holton looks forward to hearing updates in future meetings regarding the success of these promising initiatives.

Dr. Andrew Kelly, senior vice president, also outlined the System's efforts to ensure consistent and comprehensive collection of wage data. He reported that the System has secured a half-million-dollar philanthropic grant over two years to enhance the System's capacity to conduct its own assessment of the ROI associated with degree programs in the System. To reiterate, this is the start of an ongoing effort to ensure we are not only the most affordable System in the country, but also the most valuable.

These action steps have been recorded in a letter that Mr. Holton and Mr. Bradley will send to the North Carolina General Assembly on behalf of the Board. Mr. Holton thanked Mr. Bradley and the members of each committee for their work on this topic over the past seven months. He thanked Mr. Dan Harrison, vice president; Dr. English, and Dr. Kelly for their leadership and their teams' efforts.

Chair Ramsey supports the scope of work carried out by the committees on the ROI study and appreciates Dr. Kelly and his team's work on that project.

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

Motion: Resolved, that the Board go into closed session pursuant to N.C. General Statutes §143-748 and §143-318.11(a)(1), (3), and (6), for the purposes stated in the written motion that was included in the meeting materials, which have been publicly noticed. The motion was properly seconded.

Motion: Pearl Burris-Floyd

Motion carried

The Board went into closed session at 10:51 a.m. and returned to open session at 11:13 a.m.

There being no further business and without objection, the meeting was adjourned at 11:14 a.m. The next meeting of the Board of Governors is scheduled for Thursday, May 23, 2024, 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>

Appendix A	President Hans' Report
Appendix B	Sale of Special Obligation Bond-North Carolina State University
Appendix C.	Additional 2023-24 State Capital and Infrastructure Fund (SCIF) Repair and Renovation (R&R) Allocations
Appendix D	Capital Improvement Projects
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Appendix F	Section 400.1.5 of the UNC Policy Manual, <i>Policy on Fostering Undergraduate Student Success</i>
Appendix G	North Carolina Area Health Education Centers Annual Report
Appendix H	Section 300.4.1 of the UNC Policy Manual, <i>Policy on Interpersonal Relationships Among Faculty, Staff, and Students</i>
Appendix I	ASG Final Remarks to Board
Appendix J	Approval of Short Session Priorities
Appendix K	Approval of Self-Liquidating Capital Improvement Projects
Appendix L	Closed Session Motion