

## DRAFT MINUTES

November 14, 2024

Via Videoconference and PBS North Carolina Livestream

The UNC System Office

223 S. West Street, Board Room (17<sup>th</sup> Floor)

Raleigh, North Carolina

### Call to Order

The University of North Carolina Board of Governors met on November 14, 2024, at the UNC System Office in Raleigh, North Carolina. Chair Wendy Murphy called the meeting to order at 10 a.m. She welcomed everyone to the meeting and recognized Representative Ray Pickett for being in attendance.

### Invocation

Chair Murphy welcomed and called on Miss Carrie Everett, Miss North Carolina and a North Carolina Central University student, to give the invocation. Chair Murphy thanked Miss Everett for her remarks. She then called on Secretary Burris-Floyd for the roll call.

### Roll Call

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

Lee Barnes	Reginald Holley
Kellie Blue	Mark Holton
Kirk Bradley	Terry Hutchens
Cameron Brown	Alex Mitchell
Harry Brown	Wendy Murphy
Pearl Burris-Floyd	Sonja Nichols
Philip Byers	Art Pope
Swadesh Chatterjee	Randy Ramsey
Jimmy Clark	Temple Sloan
Carolyn Coward	Woody White
Gene Davis	Michael Williford
Joel Ford	
John Fraley	
Kathryn Greeley	

### State Ethics Act

Chair Murphy 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 Murphy reported on the three things she is grateful for as chair of the Board. She is grateful for the unwavering support for public higher education in North Carolina, for the people who work to run our 17 institutions, and she is grateful for the passion and commitment of the Board. She encouraged all to pause, reflect,

and count their blessings, and to show that gratitude is for every day of the year, not just Thanksgiving. She then called on President Peter Hans for his report.

### **President’s Report**

President Hans reported on the urgent need for nurses in the state. There are sharp needs for nurses in rural areas. He stated this fundamental need is exactly what our public universities are here to address, and the System has a great opportunity to leverage our strengths for this cause. The UNC System Office is deploying \$40 million in grant funding from the legislature to help our schools of nursing expand their programs. President Hans also reported on the generosity of Mr. Bill Conway and his wife, Joanne. He spoke of their philanthropic efforts across the state in supporting the System’s nursing programs. He stated he looks forward to serving our fellow citizens with this important initiative in health care access, making a difference for North Carolina. (APPENDIX A)

Chair Murphy then called on Mr. Mark Holton to recognize the UNC System Campus Police Award recipients, who attended the meeting. Mr. Holton stated the awards are given each year in recognition of exemplary service by our most outstanding campus law enforcement officers during the previous calendar year. Those honored included Master Police Officer Frances “Frannie” Tarkington of East Carolina University for the Sergeant Jamie J. Young Officer of the Year Award. Several officers were recognized for their acts of valor. They included: Sergeant Petey Hausley of Appalachian State University; and Corporal Sheena R. Cash, Corporal Floyd T. Wright, Officer Brittany Burgess-Jackson, and Officer Nicholas Poole, all from North Carolina Agricultural and Technical State University. Honorable mentions were awarded to Sergeant Isaiah Benfield of the University of North Carolina School of the Arts, Master Police Officer Robbie Craig of the University of North Carolina Asheville, and Officer Pedro Vasquez from the University of North Carolina at Chapel Hill. Mr. Holton also gave special recognition to Officer Robbie Craig for his exemplary and heroic efforts during Hurricane Helene. Chair Murphy thanked all the award winners for their dedicated service.

### **Consent Agenda Items**

Chair Murphy referred to the consent agenda items listed as Item 6 on the day’s agenda. Chair Murphy entertained a motion to approve the consent agenda items. The motion was properly seconded, and the motion passed.

#### Minutes

- a. Minutes (Open) of October 17, 2024

#### Committee on Budget and Finance

- b. 2024 Hurricane Helene Recovery Funding Allocation APPENDIX B
- c. Sale of Millennial Campus Bonds — Appalachian State University  
APPENDIX C
- d. 2024-25 State Capital and Infrastructure Fund (SCIF) Maintenance Repairs and Renovations  
(R&R) Capital Projects APPENDIX D
- e. Capital Improvement Projects APPENDIX E

#### Committee on Educational Planning, Policies, and Programs

- f. UNC System Mission Statement Reviews APPENDIX F
- g. Early College Renewal APPENDIX G
- h. UNC System Academic Degree Program Actions APPENDIX H

### **Report of the Committee on Budget and Finance**

Mr. Kirk Bradley, chair of the committee, stated the Committee on Budget and Finance reviewed and approved several transactional items that were approved by the consent agenda. They included:

- Allocation of funds appropriated to the UNC System for Hurricane Helene Recovery;

- 2024-25 SCIF Maintenance R&R capital projects and the reallocation, modification, and authorization of SCIF major R&R projects as presented in the materials. It was further recommended that the Board delegate authority to the president to allocate unassigned cost escalation and contingency reserve funds and to reallocate funds among approved SCIF maintenance R&R projects upon request of the constituent institution;
- Authorization of four new capital projects at four institutions and three increased authorizations at three institutions; and
- Authorization for Appalachian State University to issue millennial campus revenue bonds in a principal amount not to exceed \$19 million for the costs of the acquisition, construction, and equipping of a new indoor practice facility.

Mr. Bradley also reported that the NC General Assembly may consider legislation that adjusts the FY25 State budget. If such legislation is enacted, he stated the Board would want to be in position to deploy those funds quickly.

**Motion:** Resolved, that on behalf of the Committee on Budget and Finance, I move that the Committee on Budget and Finance be delegated the authority to allocate funds made available by the General Assembly, if budget legislation is ratified prior to the next Board meeting. There would be a special meeting for this purpose and the entire Board would be invited to participate, either in person or via Zoom.

**Motion:** Mr. Bradley

**Motion carried**

Chair Murphy called on Mr. Terry Hutchens to deliver the report on behalf of the Committee on Educational Planning, Policies, and Programs.

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

Mr. Hutchens stated at their virtual meeting on November 7, the Committee on Educational Planning, Policies, and Programs approved three new academic degree program establishments and three academic degree program discontinuations submitted to the Board through the consent agenda. Mission statement revisions for the University of North Carolina at Charlotte and University of North Carolina Wilmington and a request for an Early College renewal were also submitted to the Board through the consent agenda. Their committee meeting began with a recognition of UNC System faculty and staff participation in supporting the western institutions post-Hurricane Helene.

A review of recent updates and efforts to manage the Distinguished Professorship Endowment Trust Fund followed, including the required report to the Joint Legislative Education Oversight Committee. The Distinguished Professorship Endowment Trust Fund has funded 739 Distinguished Professorships across the UNC System with over \$230 million from state appropriations, supplementing more than \$472 million in private donations, and continues to be an invaluable tool for our institutions to recruit outstanding faculty. Recent efforts focused on filling vacant positions have reduced the vacancy rate across the System.

Next, the committee received an overview of the Carnegie Classification of Institutions of Higher Education, which is a system for organizing the diverse set of degree-granting colleges and universities in the United States. New methodologies are due for release in 2025, and the discussion included an understanding of the changes and the potential impact on our institutions. The committee also examined the robust licensure and state authorization process the System Office provides for nonpublic and out-of-state educational institutions that wish to conduct postsecondary degree activity in North Carolina. Finally, the committee heard an update on two impactful UNC System initiatives, funded by the General Assembly, aimed at improving health care in North Carolina. The first initiative is designed to increase the number of first-time licensed nurses, to address the

nursing shortage in the state, and the second is designed to increase the number of primary care physicians in rural areas of the state, by creating more opportunities for residency training in rural and underserved areas.

Mr. Hutchens asked Mr. Wade Maki to report on the UNC Faculty Assembly. Mr. Maki reported the Faculty Assembly launched six task forces this fall in partnership with the System Office on topics including academic program review, artificial intelligence, governance, and leadership development. He also asked the Board for assistance in lessening regulatory and compliance burdens.

Chair Murphy called on Mr. Alex Mitchell to deliver the report on behalf of the Committee on University Governance.

### **Report of the Committee on University Governance**

Mr. Mitchell stated the Committee on University Governance met and had two items to come before the Board. First, there are three seats up for reappointment to the UNC Health Care System Board of Directors. President Hans recommends that the Board confirm the reappointment of Ms. Tracy Leinbach, Mr. Ward Nye, and Ms. Deborah Murray to the UNC Health Care System Board of Directors. Biographical information is included in BoardEffect. (APPENDIX I)

**Motion:** Resolved, that on behalf of the Committee on University Governance, I move to reappoint Tracy Leinbach, Ward Nye, and Deborah Murray to the UNC Health Care System Board of Directors for terms beginning November 1, 2024, and ending October 31, 2028.

**Motion:** Mr. Mitchell

**Motion carried**

Next, the committee voted to approve the nomination of Mr. Thomas Scrivener to fill a partial term vacancy on the University of North Carolina at Charlotte Board of Trustees. Biographical information is in BoardEffect. (APPENDIX J)

**Motion:** Resolved, that on behalf of the Committee on University Governance I move to appointment Thomas Scrivener to fill a partial term vacancy ending on June 30, 2027, on the UNC Charlotte Board of Trustees.

**Motion:** Mr. Mitchell

**Motion carried**

Finally, the committee heard from Mr. Andrew Tripp, senior vice president and general counsel, on best practices of campus conduct policies. Considering the recent mass gatherings on our campuses, President Hans, Chair Murphy, and Mr. Bradley directed that the Division of Legal Affairs survey existing practices at institutions regarding how these mass gatherings and related student conduct matters are resolved. The existing UNC policy requirements concerning campus gatherings and student conduct are largely left to each institution to implement. Because of that delegation, institutions have developed slightly varying approaches to solving these common challenges and opportunities faced by all sister institutions. It is likely that one institution's thinking might benefit another. The report heard yesterday identified several practices that chancellors might review and consider in the context of the unique challenges their respective institutions face.

Chair Murphy called on Mr. Holton to deliver the report on behalf of the Committee on Audit, Risk Management, and Compliance.

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

Mr. Holton reported that the Committee on Audit, Risk Management, and Compliance held a committee meeting where it received informational updates and ongoing audit, risk management, and compliance activities as well as reviewed and approved a series of annual reports. The open session meeting included multiple informational items on topics such as emergency response resiliency, research security, cybersecurity partnership and outreach, Systemwide FY24 Internal Audit activities, UNC System FY25 Annual Audit Plans, as well as a review and summary of the System Office's Associated Entities' annual financial audit report.

Mr. Will Ray, director of North Carolina Emergency Management, gave an update on the response and recovery in western North Carolina following Hurricane Helene. Ms. Mary Millsaps, director of Research Compliance at North Carolina State University, and Mr. Quinton Johnson, associate vice chancellor for Research Compliance at UNC-Chapel Hill, presented an update on research security activity, including an export controls conference hosted by NC State and UNC-Chapel Hill to learn how to control costs and understand each institution's unique risk profiles. Both presenters further briefed on the National Security Presidential Memorandum 33 (NSPM 33) regarding how federal agencies have issued new and updated regulations targeting the security of federally funded research. These regulations impact several compliance areas, including export controls, international travel, standard disclosure requirements, and cybersecurity.

Dr. Shannon Tufts presented on cybersecurity partnership and outreach, including prior security recommendations and information security posture for each UNC System institution. Dr. Tufts outlined the impact of the expanded adoption of the UNC System Next Generation Managed Detection and Response (NextGen MDR) offering; new System Office cybersecurity capabilities available to UNC System institutions upon request; and enhanced utilization efforts related to the Security Information and Event Management (SIEM) solution facilitated by cross-campus collaboration, System Office student intern expertise, and vendor support. Dr. Tufts further highlighted the existing and emerging student and faculty involvement in cybersecurity efforts at individual UNC institutions and the UNC System Office.

Ms. Jennifer Myers provided a summary of campus Internal Audit activities from the previous fiscal year. She reported that between July 1, 2023, and June 30, 2024, Internal Audit departments across the UNC System completed risk assessments, audits, advisory services, audit finding follow-ups, and investigations resulting in 187 reports. Those Internal Audit activities produced 277 findings leading to recommendations for improvements to internal controls. Secondly, Ms. Myers briefed a summary of the Systemwide FY 2025 Audit Plans. Annual Internal Audit Plans are developed at each institution from a comprehensive risk-based analysis of specific institutional operations. Response to current risks is reflected in each plan. Additionally, Ms. Myers briefed a summary of the University's Associated Entities' annual financial audit reports. As of June 30, 2023, there were 102 Associated Entities subject to the reporting requirements in Section 600.2.5.2[R]. All Associated Entities received clean audit opinions.

Chair Murphy called on Mr. Jimmy Clark to deliver the report on behalf of the Committee on Military and Public Affairs.

### **Report of the Committee on Military and Public Affairs**

Mr. Clark stated the Committee on Military and Public Affairs met the day before to review the activities that have taken place since their last meeting in May. Mr. Bart Goodson, senior vice president for government relations, gave a review and update to the committee on the 2024 legislative short session. The committee also received an update from the federal relations staff. Ms. Elizabeth Morra, vice president for federal relations, updated the committee on how the UNC System's FY 2025 federal priorities are pending in the annual appropriations process. She also provided the legislative outlook for the remainder of the calendar year. Mr. Eric Naisbitt, associate vice president for workforce and military affairs, updated the committee on the System's efforts to serve the military community. The committee also discussed a potential policy request for the North Carolina General Assembly's 2025 legislative session that would allow the Board of Governors to provide

discounted tuition to active duty service members using military tuition assistance and programs that partner with employers to provide educational opportunities to their employees.

Chair Murphy called on Mr. Joel Ford to deliver the report on behalf of the Committee on Strategic Initiatives.

### **Report of the Committee on Strategic Initiatives**

Mr. Ford reported the committee met jointly with the Committee on Educational Planning, Policies, and Programs to continue the ongoing conversations about policies and practices that impact college-going rates.

Dr. David English, senior vice president and chief academic officer, kicked off the meeting with an update on fall 2024 enrollment. Overall, UNC System enrollment was up by a little over two percent from last fall, including an increase of first-time freshmen. The joint committee then received an update on institutions' compliance with the UNC Policy Manual on out-of-state undergraduate enrollment. Next, the committee received an update from Dr. Shun Robertson, interim senior vice president for Strategy and Policy, and Dr. English about transfer enrollment trends and some of the credit transfer challenges students can face when coming to one of our institutions. As one out of every three students in the UNC System is a transfer student, it is important that our System and institutions take measures to ensure a seamless transfer for students and set them up for success. As such, the joint committee learned about a proposed policy change. The committees also heard from Dr. Bethany Meighen, vice president academic and student affairs, and Dr. Robertson on the NC College Connect program — a program aimed at simplifying the application and admissions process for North Carolina high school students. Through NC College Connect, high school students will be notified of their potential eligibility to attend one of our participating UNC institutions — or a community college — and be directed to a simplified application. Since the launch of NC College Connect this fall, initial applications received look promising, and we are encouraged by the progress this effort will make on obtaining a postsecondary degree more accessible by our high school students.

Chair Murphy called on Mr. Philip Byers to deliver the report on behalf of the Subcommittee on Laboratory Schools.

### **Report of the Subcommittee on Laboratory Schools**

Mr. Byers reported on October 30, 2024, the Subcommittee on Laboratory Schools approved the 2023-24 Lab School Evaluation Report. The approval of this report fulfills the statutory obligation to provide the General Assembly with information about laboratory schools' demographics, admissions processes, student achievement data, educator preparation program student outcomes, and best practices. The subcommittee heard a presentation from System Office staff and the research director from the Education Policy Initiative at UNC-Chapel Hill. Following last year's evaluation report, the subcommittee tasked the UNC System Office with developing improvement plans for each Lab School that identified strategic approaches to increasing proficiency rates over the course of this school year and the next. The subcommittee reviewed the plans in May 2024, and members were pleased to see improvement on several data points from the recent dataset. The subcommittee saw increases in performance scores and students from nearly all laboratory schools met academic growth expectations, with some schools exceeding those growth expectations. The ECU Community School was the first Lab School to earn a "B" grade for their impressive performance in math. Additionally, Lab Schools hosted over 250 more clinical interns compared to the prior year. The subcommittee looks forward to continuing that work in partnership with Lab Schools, educator preparation programs, and universities to maintain this encouraging trend.

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Chair Murphy 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 Chapter 143 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. (APPENDIX I)

**Motion:** Secretary Burris-Floyd

**Motion carried**

The Board went into closed session at 11:06 a.m. and returned to open session at 12:03 p.m.

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Chair Murphy called on Mrs. Carolyn Coward to deliver the report on behalf of the Committee on University Personnel.

**Report of the Committee on University Personnel**

Mrs. Coward stated her report covers items discussed during the Committee on University Personnel's meeting on November 13. The committee received a presentation on the University's retirement plans available to the University's benefit eligible workforce. Faculty and staff employees who work 30 or more hours per week must participate in a retirement program. There are also voluntary plans and supplemental deferred compensation arrangements that have varying eligibility rules. She stated a copy of this presentation is available in BoardEffect.

Chair Murphy asked if there were any additional items for discussion. She reminded the Board there would not be a regularly scheduled Board meeting in December.

There being no further business and without objection, the meeting was adjourned at 12:05 p.m. The next scheduled meeting of the Board of Governors is scheduled for January 30, 2025, at the University of North Carolina System Office in Raleigh, North Carolina.

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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	2024 Hurricane Helene Recovery Funding Allocation
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Appendix K	Closed Motion Full Board