

DRAFT MINUTES

October 22, 2020
University of North Carolina
Center for School Leadership Development, Board Room
Via Videoconference and UNC-TV Live Stream

Call to Order

The Board of Governors met on October 22, 2020, in-person and by videoconference. Chair Ramsey called the meeting to order at 9:00 a.m. He announced that the November Board meeting scheduled on the campus of the University of North Carolina at Chapel Hill would be postponed to a later date and that the Board would hold its meeting at the Center for School Leadership Development. Chair Ramsey reminded members that the day's meeting would be conducted pursuant to the amendments to the Open Meetings Act, which apply during states of emergency. All votes are required to be taken by roll call. He reminded the members that all chats, instant messages, texts, or other written communications between members of the Board regarding the transaction of the public business during the remote meeting are deemed a public record.

Invocation

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

Roll Call

Secretary of the University, Ms. McCullen, called the roll. The following members were present:

W. Louis Bissette, Jr.	W. Marty Kotis, III
Kellie Hunt Blue	Steven B. Long
C. Philip Byers	J. Alex Mitchell
Jimmy D. Clark	Wendy Floyd Murphy
Carolyn Coward	Anna Spangler Nelson
N. Leo Daughtry	R. Doyle Parrish
Thomas C. Goolsby	Art Pope
Isaiah Green	David Powers
Reginald Ronald Holley	Randy Ramsey
James L. Holmes, Jr.	Dwight D. Stone
Mark Holton	Michael Williford
Terry Hutchens	

The following members were absent:

Pearl Burris-Floyd	Temple Sloan
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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 2019 Governor James E. Holshouser, Jr. Award for Excellence in Public Service

Chair Ramsey explained that the 2019 Governor James E. Holshouser, Jr. Award for Excellence in Public Service was announced earlier in the year but was postponed due to inclement weather and the COVID-19 pandemic. He thanked the members of the Committee on Educational Planning, Policies, and Programs for overseeing the award process. Mrs. Nelson, former chair of the committee, appointed a subcommittee to oversee the 2019 Governor James E. Holshouser Jr. Award for Excellence in Public Service. The members included Mr. Long, chair; Mr. Daughtry and Mr. Holton. Chair Ramsey called on Mr. Long to begin the presentation.

Mr. Long stated that, on behalf of the Board of Governors and last year’s committee, it was a privilege to introduce the recipients of the 2019 Governor James E. Holshouser, Jr. Award for Excellence in Public Service. After consideration of many excellent nominees, the committee selected two recipients for this year’s award – Dr. Mark I. West, chair and full professor in the Department of English at UNC Charlotte and Dr. Martin Posey, professor in the Department of Biology and Marine Biology at UNC Wilmington. Video presentations highlighting the recipients’ work and achievements were viewed. Following the video presentations, President Hans thanked the recipients for their remarkable work and stated that the University is immensely proud and grateful for all they do. For a brief profile of the award recipients, please see Appendix A.

President’s Report

President Hans spoke about the many challenges confronting the University due to the COVID-19 pandemic. He noted that 14 of the UNC System constituent institutions are conducting classes with a mix of face-to-face and online instruction, and three schools are operating strictly online for undergraduate education. The year ahead will bring organizational and financial challenges. Given the economic uncertainty, President Hans commented that this is not a time for sweeping plans; this is a moment for keeping our most important promises to the students and citizens of North Carolina while protecting our core academic mission. President Hans also spoke about the first annual UNC System live virtual open house sessions. The sessions will be hosted beginning on October 26, 2020 through October 30, 2020. The sessions will offer virtual tours of the UNC System’s campuses and include presentations from faculty, staff, and current students. For President Hans’ complete report, please see Appendix B.

Consent Agenda Items

Chair Ramsey referred to the consent agenda items listed as Item 5 on the day’s consent agenda.

Minutes

- a. Minutes of September 17, 2020

Committee on Budget and Finance

- b. Expenditure Benchmarks for the President and Special Responsibility Constituent Institutions Appendix C
- c. Capital Improvement Projects Appendix D
- d. Acquisition of Property by Deed – Appalachian State University Appendix E
- e. Disposition of Property by Reallocation – NC State University Appendix F
- f. Sale of Revenue Refunding Bonds – UNC Hospitals Appendix G

Committee on Educational Planning, Policies, and Programs

- g. Comprehensive Articulation Agreement Annual Report Appendix H
- h. North Carolina Area health Care Education Centers (NC AHEC) Annual Report Appendix I

Committee on Personnel and Tenure

- i. Section 1300.11 – Policy on Title IX Sexual Harassment (Adopted) Appendix J

Motion: Resolved, that the Board of Governors approve the consent agenda items listed on the day's meeting as described above.

Motion: James L. Holmes, Jr.

Motion carried (Roll Call vote taken; see Appendix N)

Report of the Committee on Budget and Finance

Mr. Holmes, chair of the committee, reported that the committee heard an update on the State's General Fund. The committee also discussed the University's 2021-23 Budget Priorities. Mr. Holmes noted that the Office of State Budget and Management delayed issuing budget instructions for budget request submissions until there is more certainty with the amount of revenue. The committee recommended focusing on four core areas: funding for enrollment growth, the NC Promise program, building reserves, and support for faculty and staff salaries. The committee also identified potential savings in the event contingency funds are needed for costs incurred due to the ongoing pandemic and/or in the event of decreased revenue and receipts.

Next, the committee approved the Expenditure Benchmarks for the President and Special Responsibility Constituent Institutions (see Appendix C). The committee also recommended that the Board of Governors approve the transition of N.C. A&T State University from a Tier 2 to Tier 1 institution.

Mr. Holmes spoke about the work of the Capital Construction Task Force. Last July, the task force made recommendations to improve efficiency and ensure value in the execution of capital projects. The recommendations would require amendments to UNC Policy Manual Sections 200. 6, *Delegation of Authority to the President*, and 600.1.1, *Design, Construction, and Financing of Capital Improvement Projects*. The proposed amendments to the policies will be brought to the full Board for approval through the consent agenda at its next meeting.

The committee also received a presentation and reports on the UNC System-wide STEM study. MGT Consulting Group was brought on to analyze STEM job and enrollment growth, and JMZ Architects will conduct a System-wide STEM Capital Planning Study. These reports will be submitted to the legislature. The committee also considered and approved routine administrative and transactional items, including – North Carolina Central University's request for an increase in authorization for its new student center and NC State's request for two new capital improvement projects. The committee voted to approve these items and place them on the day's consent agenda, which was approved by the full Board (see Appendix D).

The committee also received presentations on two separate property items – Ravens Residence Hall at Appalachian (see Appendix E) and a request to dispose of two parcels of property at NC State (see Appendix F). It also considered UNC Hospital's request for issuance of special revenue refunding bonds (see Appendix G). The committee voted to approve these items and place them on the day's consent agenda.

In closing, Mr. Holmes announced that Mr. Kotis, chair of the Capital Construction Task Force, will discuss agenda topics, meeting dates, and identify members to serve on the task force. He also announced that Mrs. Murphy will chair the task force on Pricing, Flexibility, and Affordability. He noted that Mr. Pope has been added as a member on this task force. The task force is scheduled to meet next month.

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

Mrs. Nelson, vice chair of the committee, reported that the committee reviewed and approved the annual Comprehensive Articulation Agreement (CAA) between the UNC System and the North Carolina Community College System (see Appendix H). In addition, the committee reviewed and approved technical changes to the CAA (see Appendix K).

The committee received a presentation of the annual report from the North Carolina Area Health Care Education Centers (NC AHEC) on “Monitoring the Progress of North Carolina Medical School Graduates Entering Primary Care Careers in North Carolina” (see Appendix I). The committee voted to approve the report and place it on the day’s consent agenda. It also reviewed a draft report from NC AHEC on the Pandemic Health Care Workforce Study and discussed the UNC System-wide Peer Study proposal.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, called on Mr. Garrett Killian, chair of the UNC Staff Assembly, for his report. Mr. Killian thanked the Board for its strong leadership. He thanked the staff for their dedication and resilience during a time of extraordinary change and uncertainty. He spoke about how employees pivoted quickly as the campuses moved to expanded telework all while serving the needs of our faculty and students. He expressed his concerns with staff furloughs due to the pandemic. He encouraged campus leaders to make temporary reassignments in lieu of furloughs. The UNC Staff Assembly has continued its work and will continue to meet in a virtual environment.

In closing, Mr. Killian announced that the UNC Staff Assembly presented its annual Erskine B. Bowles Service Award to Mr. Christopher Wallace of UNC-Chapel Hill. The service award was established in 2010 to recognize staff employees whose accomplishments are consistent with the goals of the University and the University’s public service mission.

Report of the Committee on University Governance

Mr. Powers, chair of the committee, reported that the committee reviewed and approved proposed revisions to UNC Policy Manual Section 200.7, *Duties, Responsibilities, and Expectations of Board Members* (see Appendix L).

Motion: Resolved, that on behalf of the Committee on University Governance, the Board of Governors vote to approve the proposed revisions to UNC Policy Manual Section 200.7, *Duties, Responsibilities, and Expectations of Board Members*.

Motion: David Powers

Motion carried (Roll call vote taken; see Appendix N)

The committee reviewed proposed changes to UNC Policy Manual Section 200.5, *Initiating and Settling Potential and Pending Litigation*. The revisions were prompted by amendments to Chapter 116 of the General Statutes, which permits the president to designate legal counsel for the University with appropriate authorization from the Board of Governors. The Board has directed the president to present a proposed amendment to the UNC Policy Manual formalizing this designation. This item will be brought to the full Board for approval through the consent agenda at next month’s meeting.

Next, Mr. Powers reported the committee will begin a series of presentations surrounding free speech and free expression on our campuses. At next month’s meeting, UNC-Chapel Hill faculty Mark McNeilly, Jennifer Larson, and Timothy Ryan will be presenting their research on this topic.

In closing, Mr. Powers referred to the 2020 Fall Commencement schedule. He encouraged members to sign up to participate in one of the commencement ceremonies. He also mentioned that the committee would begin reviewing the boards of trustees’ selection process in the coming weeks.

Report of the Committee on Public Affairs

Mr. Byers, chair of the committee, reported that the committee reviewed the activities that have taken place since its last meeting in October. The committee received updates on state and federal relations.

Regarding state relations, UNC System Office staff have been working on the 2021 UNC Policy Agenda. The draft policy agenda is focused on affordable and efficient operations. The legislative session will begin in January 2021. The committee reviewed the policy requests that it received from the institutions that included HR flexibilities, carryforward flexibility, and financial aid simplifications. The committee will vote on approval of the policy agenda at next month's meeting.

Regarding federal relations, the committee was updated on the recent stimulus plans proposed in Congress. If a deal is not reached soon, talks will most likely stall until after the November election. Mr. Byers noted that the stimulus plans provide \$29 to \$30 billion for higher education. It was expected that during the lame-duck session, work will continue on the COVID-19 stimulus bill as well as finishing the FY 2020-21 Appropriations bills, or a new continuing resolution bill.

In closing, Mr. Byers congratulated the following institutions for participating in the U.S. Department of Energy's Roundtable with Secretary Brouillette, which was held on October 12, 2020. The institutions that participated in the event included Elizabeth City State University, N.C. A&T State University, NC State, UNC-Chapel Hill, Winston-Salem State University, and NC School of Science and Mathematics.

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

Mr. Holton, chair of the committee, reported that the committee received several informational items. He remarked that October is National Cyber Security Awareness Month, which serves to increase understanding of cybersecurity across the nation. Mr. Holton spoke about the University's efforts related to enterprise risks management, which is a critical area of University operations that requires dedicated support and attention to ensure that top enterprise risks are properly managed and addressed. The committee heard a presentation called "Cybersecurity Landscape, Challenges & Higher Education Strategy," as well as an update on MCNC Security Services. MCNC provides cybersecurity network services to North Carolina's education community.

The committee also heard an update on how campus law enforcement is providing response and community policing related to COVID-19. It is also focused on monitoring and responding to events that could arise as a result of the upcoming election.

In closing, Mr. Holton reported that the committee heard an update on the law enforcement training activities at the UNC System's Public Safety Training Center located in Moore County. He urged the Board members to visit the site.

Report of the Committee on Strategic Initiatives

Mrs. Coward, chair of the committee, reported that the committee received a progress report on the development of the UNC System Literacy Framework for teacher preparation across the UNC System. She recalled that last April, the Board adopted a resolution that called on the UNC System Office to develop a common framework for literacy based on the science of reading for all educator preparation programs across the UNC System. Eight faculty members from across the UNC System were recruited to develop the framework. Two faculty members provided an update on the progress of the framework development.

Following the literacy discussion, the committee heard a presentation on transfer student enrollment and the success of the Comprehensive Transfer Articulation Agreement. UNC System Office staff documented the significant increase in transfer student enrollment over the past decade. The committee also discussed the implementation of a common course numbering system across the public colleges and universities to ease transfer of credit hours between colleges. The committee will bring a draft policy on common course numbering for the Board to consider at its next meeting.

Report of the Committee on Military and Veteran Affairs

Mr. Daughtry, chair of the committee, reported that the committee heard a presentation from Dr. Patricia Oliver, assistant registrar & veterans certifying official at Winston-Salem State University, on veteran suicide prevention strategies. Dr. Oliver and other representatives from organizations across the state, are working together on a statewide effort to implement suicide prevention best practices and policies for service members, veterans, and their families. The committee also heard an update on the benefits and limitations of the state's current compliance with the Veterans Choice Act, a Congressional mandate that went into effect in 2014, which requires higher education institutions to grant in-state tuition waivers to veterans using VA Educational Benefits.

The committee heard an update on the digital marketing and outreach activities focused on helping veterans and military-affiliated students. The committee previewed the UNC System's centralized website for prospective military-connected students. The website is the result of recommendations that the UNC System received from an internal survey of campus leaders as well as the market research study that was commissioned in 2018.

Chair's Report

Chair Ramsey called on Mr. Holmes. Mr. Holmes announced that the Special Session on Student Fees will be held on Tuesday, November 17, 2020, at 2:00 p.m. He encouraged all the members to attend. Next, Chair Ramsey called on Mr. Isaiah Green, *ex officio* member, to speak about the importance of student government and share his story about his experience at UNC Asheville. Mr. Green reported that upon graduation this spring, he will begin working for Converse, Inc., a subsidiary of Nike, in Boston, MA. He explained that one of his primary goals in life was to work for a global marketer of footwear and apparel. He stated that UNC Asheville has played an important role in helping him achieve his goals and prepare him for the future. Serving as UNC Asheville's student body president, he learned management skills and the ability to work with a broad constituency. He thanked Chancellor Cable, the Board of Governors, and many others who helped him accomplish his goals. Chair Ramsey thanked Mr. Green for his comments and leadership.

Chair Ramsey reported that there is a lot of good and important work taking place across our constituent institutions during the pandemic. He commented on the financial challenges facing the University and our state. The pandemic will affect state revenue for years and the UNC System will not be immune from the impacts. He commended President Hans for his focus on budget priorities. He noted that the financial challenges faced by students and their families make the work of the Board's task force on Pricing, Flexibility, and Affordability, even more important. He thanked Mr. Mitchell for his leadership in forming the task force and thanked Mrs. Murphy for chairing the task force. The Board will examine its tuition and fee structure and balance the revenue needs of our campuses with the commitment to maintaining high-quality, affordable education accessible to all students.

Next, Chair Ramsey noted the UNC System welcomes inspiring students of all ages and experiences, including our military-affiliated and community college students. The UNC System will continue to strengthen and streamline the student transfer pathway between the NC Community College System and the UNC System. He was excited about the work on the literacy framework development initiative. He commended the eight faculty members from across the UNC System campuses who were recruited to serve as literacy fellows.

In closing, Chair Ramsey thanked outgoing Board member, Darrell Allison, for his service and dedication to the state of North Carolina and the UNC System.

Chair Ramsey called on Vice Chair Murphy for a motion to go into closed session.

Motion: Resolved, that the Board go into closed session pursuant to N.C. General Statute 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 made available (see Appendix M).

Motion: Wendy Murphy

Motion seconded: Mr. Byers

Motion carried (Roll Call vote taken; see Appendix N)

The Board went into closed session at 10:25 a.m. and returned to open session at 10:35 a.m.

Report of the Committee on Personnel and Tenure

Mrs. Blue, chair of the committee, reported that the committee heard several general human resource updates, including matters related to COVID-19. The committee was also provided an update on the chancellor searches that are underway at East Carolina University and Fayetteville State University.

Next, the committee reviewed results on the 2020 Employment Engagement Survey. The data demonstrated increased participation compared to the 2018 Employee Engagement Survey. The System-wide results mirror the changes seen in the four-year public institution benchmark.

In closing, Mrs. Blue reported that the committee reviewed an informational report on recent salary increase activity. The report reflects a decrease in recent salary activity, which is a result of the pause in non-essential human resources activity due to the pandemic. It also reviewed a routine informational report.

There being no further business, the meeting adjourned at 10:41 a.m. The next meeting of the Board of Governors is scheduled for Thursday, November 19, 2020, at the UNC Center for School Leadership Development in Chapel Hill.

Wendy Murphy, Vice Chair

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	2019 Governor James E. Holshouser, Jr. Award for Excellence in Public Service Recipients' Profiles
Appendix B	President Hans' Report
Appendix C	Expenditure Benchmarks for the President and Special Responsibility Constituent Institutions
Appendix D	Capital Improvement Projects
Appendix E	Acquisition of Property by Deed – Appalachian State University
Appendix F	Disposition of Property by Reallocation – NC State University
Appendix G	Sale of Revenue Refunding Bonds – UNC Hospitals
Appendix H	Comprehensive Articulation Agreement Annual Report
Appendix I	North Carolina Area Health Care Education Centers (NC AHEC) Annual Report
Appendix J	UNC Policy Manual Section 1300.11, <i>Policy on Title IX Sexual Harassment</i> (Adopted)
Appendix K	Technical Corrections to the Comprehensive Articulation Agreement
Appendix L	UNC Policy Manual Section 200.7, <i>Policy on Duties, Responsibilities, and Expectations of Board Members</i> (Amended)
Appendix M	Closed Session Motion
Appendix N	Roll Call Votes