

**BOARD OF TRUSTEES
NORTH CAROLINA STATE UNIVERSITY**

**Special Executive Committee
March 21, 2018, 2:30 p.m.
Room 12, Chancellor's Conference Room, Holladay Hall
Jimmy Clark, Chair
Members: Andrews, Cabaniss, Goodnight, Kelly**

AGENDA

CALL TO ORDER

Reading of Conflicts of Interest
Jimmy Clark, Chair

ROLL CALL

APPROVAL OF MINUTES

TAB 1

- ✓ — February 16, 2018 Open Session Meeting of the Executive Committee
- ✓ — February 16, 2018 Closed Session Meeting of the Executive Committee

DELEGATIONS OF AUTHORITY

TAB 2

ADJOURN

OPEN SESSION MINUTES
North Carolina State University
Board of Trustees Executive Committee
Friday, February 16, 2018

Members present: Jimmy D. Clark, Chair; Robert F. “Chip” Andrews, Thomas E. Cabaniss; Ann B. Goodnight; and Stanhope A. Kelly

Others present: Randy Woodson, Chancellor; Eileen Goldgeier, Vice Chancellor and General Counsel; and PJ Teal, Assistant Secretary

Chair Clark called the meeting to order at 7:30 a.m. He reminded all members of their duty to avoid conflicts of interest and appearances of conflicts of interest under the State Government Ethics Act and inquired as to whether there were any known conflicts of interest or appearances of conflict with respect to any matters coming before the board at this meeting. There being none, Chair Clark then called on Assistant Secretary PJ Teal for the roll call.

ROLL CALL

Assistant Secretary PJ Teal called roll and certified that a quorum was present.

MINUTES

Mr. Cabaniss made the motion, seconded by Mrs. Goodnight, to approve the open session minutes of the November 17, 2017, meeting of the Executive Committee. The motion passed.

CHAIR’S REPORT

Chair Clark reported that he received a memo from Board of Governors’ member Steve Long. The memo asks Boards of Trustees to provide suggestions regarding their duties and authorities. In particular, if there might be certain authorities that are currently exercised by the Board of Governors that would more appropriately be delegated to Trustees. It was agreed that there will be a special meeting of the Executive Committee to engage in thoughtful dialogue prior to developing a response.

CLOSED SESSION

A motion was made by Mr. Kelly to go into closed session to consider the qualifications, competence, performance, condition of appointment of a public officer or employee or prospective public officer or employee. Mr. Cabaniss seconded the motion. The motion carried.

RECONVENE IN OPEN SESSION

After coming out of closed session, Chair Clark announced the meeting is in open session. A motion was made by Mrs. Goodnight, seconded by Mr. Cabaniss, to approve the salary actions for Vice Chancellors recommended by the Chancellor that were discussed in closed session.

With no further business for the Executive Committee, Chair Clark adjourned the meeting at 8:00 a.m.

Respectfully submitted:

Assistant Secretary

Secretary

Chair



The University of North Carolina

BOARD OF GOVERNORS

Constituent Universities
Appalachian State
University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School
North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action
Employer

Memorandum

To: UNC System Boards of Trustees' Chairs and Chancellors

From: Steven Long, Chairman of the UNC Board of Governors'
Committee on University Governance

Date: February 8, 2018

I am writing to continue the discussion begun at the dinner that Chairman Bissette and President Spellings hosted last October and continued at the Boards of Trustees Workshop in November regarding the duties and authorities of the boards of trustees. As you recall, we discussed whether there might be certain authorities that are currently exercised by the Board of Governors that would be more appropriately exercised by boards of trustees.

We have continued this conversation over the past two meetings of the Board of Governors' Committee on University Governance, and the committee is interested in receiving your suggestions. To do this, we request that you each set aside time at your next board meeting to discuss with your fellow trustees the attached governing authorities and send us a collective written response from your board answering the following questions:

1. What specific authorities or responsibilities does your board of trustees feel would be more appropriate for the board of trustees to exercise instead of the Board of Governors and why?
2. Are there any authorities or responsibilities exercised or decisions made by your board of trustees that you feel would be more appropriately exercised elsewhere (with the chancellor, president, or Board of Governors)?
3. Is there anything else related to the governance structure of the University that your board would like to share with us?

To aid in your conversation we have attached two documents.

1. Summary of duties and authorities of the boards of trustees (shared in November)
2. Examples of institution-specific actions of the Board of Governors. This document will give you an idea of specific actions that have been approved by the Board of Governors recently.

Please respond no later than Monday, April 16. We plan to discuss these responses at the May meeting of the Board of Governors, and invite you all to join us on Wednesday, May 23, for that discussion. Please reach out to Andrea Poole, Secretary of the University, with any questions (arpoole@northcarolina.edu, 919-962-3136).

cc: W. Louis Bissette, Jr., Chairman of the UNC Board of Governors
Margaret Spellings, President of the University of North Carolina System
Andrea Poole, Secretary of the University
UNC System Board Professionals

Duties and Authorities of Boards of Trustees

Duty/Authority	Description	Original Authority	Advice & Oversight	Action or Approval	Policy Creation
University Strategy					
Advise the Board of Governors and the chancellor (NCGS §116-33; Code Section 403A)	By statute, and affirmed by the Board of Governors, the BOT serves as advisor to the BOG and the chancellor on matters pertaining to its institution.	NCGS 116-33	X		
Ensure the institution complies with the mission assigned and the strategic plan adopted by the Board of Governors. [Appendix 1 (II)]	The Board of Governors has tasked the BOT with ensuring the constituent institution's compliance with the educational, research, and public service roles assigned to it by the BOG.	NCGS 116-11(2)-(3)	X		
Executive Staffing					
Provide input to assessment of the chancellor (Policy 200.4)	The BOG has established that every four years the president and the BOT shall conduct a comprehensive review of the chancellor's performance that will include major campus constituencies such as faculty, students, and staff.	NCGS 116-11(2)	X		
Establish chancellor search committee and budget, in consultation with the president, and recommend three candidates to the president. (Appendix 1 (I)(D); Policy 200.8)	By statute, and as affirmed the by the BOG, the BOT shall establish, in consultation with the president, a search committee to fill a vacancy in the chancellorship. The chair of the BOT, in consultation with the president, shall establish a budget and identify staff for the committee. By statute, and as affirmed by the BOG, the BOT shall recommend an unranked slate of three names for consideration by the president in designating a nominee for the chancellorship for approval by the BOG, or return the slate to the search committee for further action.	NCGS 116-11(4)		X	
Personnel and Human Resources					
Adopt personnel policies [Appendix 1(I)(C)]	The BOG has provided that the BOT may adopt personnel policies, not otherwise prescribed by state law, the University Code, or policies of the BOG, for personnel in all categories of university employment.	NCGS 116-11(2)			X
<i>Special responsibility constituent institutions with management flexibility:</i> Approve employment actions for EHRA positions [Appendix 1 (I)(A)(1)]	The BOG has provided that the BOT of special responsibility constituent institutions with management flexibility may appoint, promote, and set the compensation for all EHRA positions consistent with the policies and salary ranges set by the BOG and the regulations and guidelines established by the president.	NCGS 116-30.1		X	
Approve employment actions for EHRA employees (Appendix 1 (I)(A)(2)(b); Regulation 300.2.4[R])	The BOG has delegated to the BOT the authority to approve chancellor's appointment, promotion and compensation recommendations for EHRA employees other than tenured faculty and senior administrative positions.	NCGS 116-11(2)		X	
Pass regulations concerning the discharge or suspension of EHRA employees, including rights of appeal (Appendix 1 (I)(B); Policy 300.2.1)	The Board of Governors has provided the BOT authority to create regulations, consistent with applicable policies of the BOG, to govern all discharges or suspensions of faculty members and administrative personnel, other than those subject to the State Personnel Act, effectuated by the chancellor.	NCGS 116-11(2)			

Duties and Authorities of Boards of Trustees

Duty/Authority	Description	Original Authority	Advice & Oversight	Action or Approval	Policy Creation
Hear faculty grievance appeals (Policy 101.3.2; Code Section 607)	The BOG has established that a faculty member may appeal to the BOT if neither the relevant administrative official nor the chancellor makes an adjustment that is advised by the faculty grievance committee in favor of the aggrieved faculty member.	NCGS 116-11(2)		X	
Create policy governing separation and/or retreat to a faculty position (Policy 300.1.6)	The BOG has directed that the BOT establish a policy governing separation and/or retreat of administrators.	NCGS 116-11(2)			X
Make certain appointments and fix compensation (Policy 600.3.4)	The BOG has delegated to the BOT authority to approve the following employment actions for faculty, EHRA non-faculty Tier 2 Senior Academic and Administrative Officers (SAAO Tier 2), and EHRA non-faculty instructional, research, and public service (IRPS) employees: 1) permanent and temporary appointments and salaries; 2) promotion, including faculty rank changes but excluding tenure; and 3) permanent and temporary salary increases or stipends	NCGS 116-11(2)		X	
Adopt political activities policy (Policy 300.5.1)	The BOG has directed that the BOT adopt policies governing political activities of employees.	NCGS 116-11(2)			X
Approve certain petitions for candidacy and officeholding (Policy 300.5.2)	The BOG has delegated to the BOT responsibility to resolve petitions for candidacy and officeholding by University employees other than senior academic and administrative officers, with the exception of petitions concerning candidacy for the General Assembly.	NCGS 116-11(2)		X	
Avoid and adjudicate dual memberships and conflicts of interest (Policy 200.1)	The BOG has directed that each BOT chairman shall designate a standing committee to determine whether a potential conflict is a permissible or impermissible activity and to make recommended findings as to whether this policy has been violated.	NCGS 116-11(2)		X	

Admissions

Establish admissions policies and hear admissions appeals [Appendix 1 (VIII)]	Subject to such enrollment levels and minimum criteria for admission established by the Board of Governors, the BOG has delegated to the BOT responsibility to establish admissions policies and resolve individual admission questions for all schools and divisions within the institution. The BOG has also delegated to the BOT responsibility to hear appeals concerning individual admission cases.	NCGS 116-11(8a)			X
Establish minimum requirements for undergraduate admission (Policy 700.1.1)	The BOG has provided that any constituent institution may set admissions requirements that exceed minimums established by the BOG upon the approval of the BOT.	NCGS 116-11(8a)			X

Duties and Authorities of Boards of Trustees

Duty/Authority	Description	Original Authority	Advice & Oversight	Action or Approval	Policy Creation
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Student Services

Oversee services offered to students [Appendix 1 (XI)]	The BOG has delegated to the BOT responsibility to determine the type, level, and extent of student services (ex: health care, athletic programs, and counseling).	NCGS 116-11(2)	X		
Recommend student fees (Appendix 1 (IX)(E); Policy 1000.1)	The BOG has delegated to the BOT responsibility to recommend to the president the amounts to be charged for application, athletics, health services, student activities, educational and technology, retirement of debt incurred for capital improvements projects, course, and special fees.	NCGS 116-11(7)	X		
Oversee intercollegiate athletics (Policy 1100.1; Regulation 1100.1.1[R])	The BOG has provided that BOT receive annual reports on student-athlete exceptions to the institution's undergraduate admissions criteria; financial indicators; annual institutional budget for intercollegiate athletics, including major sources of revenue and expenses; and audits of all foundations, clubs, and associations established primarily to raise money on behalf of constituent institutions.	NCGS 116-11(2)	X		
Approve head coach and athletic director contracts (Policy 1100.3)	The BOG has directed that the BOT approve contracts of employment between an institution and a head athletic coach or an athletic director for a term longer than one year.	NCGS 116-11(2)		X	

Capital

Prepare and maintain campus master plan [Appendix 1 (VI)]	The BOG has delegated to the BOT responsibility for preparing and maintaining a master plan for the physical development of the institution, consistent with the total academic and service mission of the institution as defined and approved by the BOG.	NCGS 116-11(2); NCGS 116-13.1(a)(1)		X	
Approve plans for capital construction projects (Appendix 1 (VI))	The BOG has delegated to the BOT responsibility, subject to policies of the BOG and all legal requirements relative to the construction of state-owned buildings, for the following matters concerning campus capital construction projects, which have been approved by the BOG and authorized by the state of NC: 1) the selection of architects or engineers for buildings and improvements requiring such professional services; 2) the approval of building sites; 3) the approval of plans and specifications; and 4) the final acceptance of all completed buildings and projects.	NCGS 116-11(2)		X	
Acquire or dispose of real property at certain thresholds [Appendix 1 (VI)]	The BOG has delegated to the BOT authority to authorize a proposal to acquire or dispose of an interest in real property that is valued at less than \$50,000 and proceed to obtain the necessary approvals from appropriate state officials and agencies, without first obtaining the approval of the BOG.	NCGS 116-11(2); NCGS 116-31.12		X	

Finance and Budget

Advise chancellor on budget administration [Appendix 1 (V)]	The BOG has provided that the BOT shall advise the chancellor with respect to the development of budget estimates for the institution and with respect to the execution and administration of the budget of the constituent institution, as approved by the General Assembly and the BOG.	NCGS 116-11(9)	X		
Create and maintain endowment funds (Policy 600.2.1)	By statute, and affirmed by the BOG, the BOT shall establish and maintain an endowment fund for the constituent institution.	N.C.G.S. § 116-36	X		

Duties and Authorities of Boards of Trustees

Duty/Authority	Description	Original Authority	Advice & Oversight	Action or Approval	Policy Creation
Extension					
Approve centers and institutes policies (Regulation 400.5[R])	The BOG has directed that the BOT approve campus level policies on centers and institutes and authorize establishment and discontinuation of institutional centers and institutes, consistent with these regulations and the directions of the president or the BOG. The BOG has provided that the BOT may delegate to the chancellor the authority to approve the discontinuation of institutional centers and institutes.	NCGS 116-11(2)		X	X
Adopt patent and copyright policies (Policy 500.2)	The BOG has directed that the BOT adopt patent procedures, which shall be reviewed and approved by the President prior to approval by the BOT.	NCGS 116-11(2)			X
Campus Safety					
Adopt policies on Illegal drugs (Policy 1300.1)	The BOG has directed that the BOT adopt a policy on illegal drugs applicable to all students, faculty, and staff.	NCGS 116-11(2)			X
Adopt policies of vehicles on campus (Guideline 1300.5)	The BOG has directed that the BOT enact ordinances for the registration of vehicles on campus.	N.C.G.S. § 116-44.4(f)			X

Examples of UNC Board of Governors' Institution-Specific Actions by Committee of Jurisdiction

Budget and Finance

- Tuition and fees
- Allocation of certain capital and operating funds
- Capital improvement projects funded from non-appropriated funds
- Institutional borrowing, including the issuance of Special Obligation Bonds
- Property transactions, other than leases, of \$250,000 or more, to be submitted to the Council of State for final action.
- Lease transactions of \$150,000 or more for certain campuses, to be submitted to the State Property Office for final action.
 - Transactions by Delegated Authority: In 2012, G. S. 116-31. 12 delegated to the Board of Governors the authority to authorize the constituent institutions and the University of North Carolina General Administration to acquire and dispose of real property by lease if the lease was for a term of not more than ten years. The Board had delegated that authority to the president, NC State University, UNC-Chapel Hill, and East Carolina University up to \$500,000.
 - Real estate transactions (acquisition and disposition)
- Millennial campus designations

Educational Planning, Policies, and Programs

- Academic program establishment
- Academic program discontinuation
- Naming of schools within an institution
- Institutional mission statement revisions

Personnel and Tenure

- Coach or athletic director contracts that contain non-standard elements
- Salary ranges set by the President for SAAO-I, SAAO-II, and EHRA Professional positions
- Salary ranges for the President and Chancellors
- Appellate review of certain campus actions and decisions involving faculty

University Governance

- Election of individuals to institutions' boards of trustees and other University-related boards
- Initiation and settlement of litigation and pending litigation in circumstances where that authority has not otherwise been delegated
- Appellate review of certain campus actions and decisions involving students