

## **Recommendations of the Governor’s Commission on the Governance of Public Universities in North Carolina**

June 12, 2023

Having heard testimony from university governance experts, held six public forums to hear from faculty, staff, students, business leaders, and general members of the public across North Carolina, and conducted rigorous data analysis, the Commission submits the following recommendations, in line with Executive Order 272, to improve the governance structure of the UNC System.

**The Commission’s recommendations are motivated primarily by the principle that the governing boards of the UNC System and its institutions should reflect and represent the people they serve and enhance accountability to the citizens they serve.** Today, nearly 250 volunteer citizens have the privilege of serving our state as members of the UNC System Board of Governors or as trustees of the 17 constituent institutions. While our state is rich in all types of diversity, that diversity and that strength is not reflected in our governance today. To draw on the rich talents of many voices and views, we recommend the following:

- 1) **The UNC Board of Governors should create a new Center of Higher Education Governance** to optimize the use of good governance principles in higher education throughout America and to assist the Board of Governors (BOG) and Boards of Trustees (BOTs) in enhancing existing governance practices in North Carolina. The Center could be located on the campus of one of the UNC System constituent institutions or within the UNC System Office and should be provided with the staffing needed to accomplish its goals and adequately serve existing and future members of UNC System governing bodies. The Commission further recommends that the Center have a bi-partisan advisory board appointed in part by the General Assembly and in part by the Governor.

The responsibilities of the Center should include:

- 1) Provide thought leadership on higher education governance in North Carolina and throughout the United States.
- 2) Develop programs and classes on higher education governance for students and the public.
- 3) Develop and deliver an orientation program to all new members of the BOG and BOTs.
- 4) Develop and deliver continuing education for members of governing boards on current issues facing higher education.
- 5) Develop and provide training programs for interested prospective governing board members and, to assist appointing authorities, maintain a database of trained, interested individuals including their qualifications, skills, and experience. The Center would encourage individuals that are representative of the diversity of the state to indicate their interest in serving and to allow themselves to be listed in the database. Previous state employees, such as retired faculty and university administrators, who may not have been eligible

to serve during their careers, would be encouraged to indicate their interest. The database may also include all current and previous members of the BOTs and the BOG as those individuals would be presumed to have the interest and experience needed to serve on other boards where eligible.

- 6) Provide recommendations to the BOTs and the BOG on ways to strengthen policies related to ethical behavior and conflicts of interest, as well as guidelines to clarify board member responsibilities and roles.
- 7) Provide recommendations designed to clarify and enhance the division of responsibilities between the BOG and the BOTs as well as the division of responsibilities between each campus administration and the Office of the President.
- 8) Provide recommendations on how to ensure clear and consistent rules and procedures for board operations, such as the use of consent agendas, voting procedures, etc.
- 9) Produce an annual report of the work of the Center, including demographic data on the makeup of the BOG and each BOT.
- 10) Develop and regularly publish a newsletter providing information about the issues facing governing boards in North Carolina as well as detailing actions taken. This communication tool would serve to keep each BOT aware of what is considered by the BOG and other BOTs, as well as to keep the BOG aware of what is considered by the BOTs. This newsletter would be available to constituent groups of the University as well as the public with the purpose of creating maximum awareness and transparency regarding actions considered and acted upon by governing boards.

- 2) **The General Assembly should increase the size of the Board of Governors from the current 24 to from 32-36 members.** The enlarged BOG would enable additional opportunities to increase diversity pursuant to N.C General Statutes §116-7(a). To ensure geographic diversity, the Commission recommends that 16 members be selected at-large and that 16 members be selected equally from each of the eight North Carolina Prosperity Zones.<sup>1</sup> In addition, the Commission recommends that the BOG include as non-voting ex-officio members the State Superintendent of Public Instruction and the President of the Community College System (or their designees) to enhance collaboration across the education continuum. Finally, the Commission recommends that the BOG include, in addition to the current student representative (who would be allowed to vote on all matters other than the election of the officers of the Board of Governors),<sup>2</sup> two non-

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<sup>1</sup> The North Carolina Prosperity Zones are described on several sites of the North Carolina Department of Commerce at: <https://www.commerce.nc.gov>.

<sup>2</sup> This limitation on the voting rights of the student member seems appropriate because the student member's typical term is one year whereas BOG officers typically serve two-year terms and may serve longer.

voting ex-officio members--the Chair of the Faculty Assembly and the Chair of the Staff Assembly.

- 3) **The General Assembly should select all members of the Board of Governors who are not ex officio members in the following manner:** The majority party in the House and in the Senate should select 12 members each. The largest minority party in the House and Senate should select 4 members each. This selection requirement will ensure a more bi-partisan BOG with greater diversity of political thought and reduce the perception of political influence in university governance.
- 4) **The General Assembly should increase the size of each of the institutional Boards of Trustee (other than the North Carolina School of Science and Math) to 15 members not including ex-officio members.** The Commission recommends that the members of the BOTs be selected in the following manner: 7 members to be selected by the BOG; 4 members to be selected by the General Assembly; and 4 members to be appointed by the Governor. Further, the Commission recommends that, in addition to the existing student member of each BOT, that two non-voting ex-officio members be added to each BOT--the campus Chair of the Faculty Senate and the campus Chair of the Staff Assembly. The Commission believes these changes would ensure more diversity of thought and would increase public confidence in the BOTS while reducing the perception of political influence in university governance. Any appointments allocated to the Governor should not take effect until after January 1, 2025.
- 5) **The General Assembly should increase the length of the terms of members of the Board of Governors and Boards of Trustees from 4 years to 8 years. Members appointed to either the Board of Governors or a Board of Trustees would be limited to one full term on the board to which the individual is appointed.**<sup>3</sup> Governance works best when individuals who are capable, qualified, of high integrity, and focused on the university are free to use their skills and exercise their judgment to oversee the enterprise. With a governance system involving so many individuals, freedom to build consensus and act with principle is essential particularly given the scope and breadth of policy decisions to be understood and made. Longer board terms help build expertise and experience on the board to better serve students and the state. But a single eight-year term also allows more new members to join boards more frequently and add fresh thinking of value to the enterprise. Further, by removing the opportunity for reappointment, single terms may help provide immediate insulation from and lessen the perception of political influence over members by their appointing authority.
- 6) **To enhance transparency and accountability of board members, all general business meetings of the Board of Governors and each Board of Trustees should be livestreamed and recorded.** All committee meetings and full board meetings should be publicly noticed and held in locations that can accommodate a reasonable number of

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<sup>3</sup> This limitation would not apply to any individual's ability to serve at different times on multiple boards at either the System or campus levels.

members of the public. In addition, all members of the BOG and BOTs should be required to establish institutional email accounts and use those institutional accounts for all correspondence related to their role as a member of a governing board. This will enable the public and other stakeholders to contact and provide input to governing board members. The process for appointment of new members of the BOG and/or any BOT and filling vacancies should be transparent and publicly disclosed in advance of the selection process. The disclosures regarding the process should include seats available for selection, the appointing authority, the process for receiving and considering nominees, and the timeline for the process. Further, at the time of the disclosure of the process, information regarding the demographic characteristics, skills, and qualifications of existing members of the board or boards with appointment should be made public. Public transparency and accountability for action is enhanced when the public has easy access to members of governing boards and knowledge of public meetings at which important governance decisions are made. Further, public confidence in our governing boards and their decisions is enhanced by transparency and accountability.

- 7) **Any individual who has been serving as a registered lobbyist or as a member of the General Assembly should have a required “cooling-off” period before serving on a governing board.** Serving on a governing board as a registered lobbyist or recent member of the General Assembly creates the perception of a closeness to an appointing authority as well as potential conflicts of interest. A “cooling-off” period will reduce the risk of real or perceived conflicts of interests and will reduce the perception of political influence in university governance. The Commission recommends that the “cooling-off” period be one year after the individual’s term in the legislature ends or after the individual ceases to be a registered lobbyist.