

APPROVED by the Board of Trustees
May 3, 2012

**University of North Carolina School of the Arts
Board of Trustees Meeting
Eisenberg Social Hall, Hanes Student Commons
February 16, 2012
9:00 a.m.**

Open Session Minutes

Trustees Present

Claire Christopher
Nick Correa, SGA President
John Crumpler
Barbara Goodman
Rob King, Vice Chair
Charlie Lucas, Chair
Tina McGuire, Secretary
Mariana Qubein
John Williams
Tom Kenan, Emeritus
Sam Neill, Emeritus
Phil Nelson, Emeritus
Bill Watson, Foundation Liaison
Linda Carlisle, Ex Officio
Suri Bieler, Honorary
Beth Bostic, Honorary
Jennifer Haire, Honorary
Kirstie Tice Spadie, Honorary
Felix Ventouras, Honorary

Faculty/Staff Present

John Mauceri, Chancellor
George Burnette, Chief Operating Officer
David Nelson, Provost
Jim DeCristo, Director of Economic Development/External Affairs
David English, Associate Provost
Julie Risher, General Counsel
Susan Porter, Interim Director of Human Resources
Joan Roggenkamp, Executive Assistant to COO
Amanda Balwah, Assistant Secretary to BOT
Shannon Henry, Internal Auditor
Marla Carpenter, Public Relations
Brent LaFever, Campus Performance Facilities

Trustees Absent

Michael Almond
Don Flow
Sandi Macdonald, Ex Officio
Lynn Baber, Honorary
Dan DeVany, Honorary
John Mangan, Honorary
Amy Blumenthal, BOV Liaison
Bill Daughtridge, BOG Liaison

Others Present

Ken Keuffel, Winston-Salem Journal

APPROVED by the Board of Trustees
May 3, 2012

Faculty/Staff Present (continued)

Jason Czaja, Campus Performance
Facilities
Brenda Daniels, Interim Dean of Dance
Wade Weast, Dean of Music
Joe Tilford, Dean of Design &
Production
Dean Wilcox, Interim Dean, Division of
Liberal Arts
Deb Cheesebro, Director of Campus
Police and Public Safety
Ward Caldwell, Dean of Students
Jason Romney, Chair of Faculty Council
Chris Boyd, Assoc. Vice Chancellor for
Facilities Management
Carin Ioannou, Senior Director of
Business Affairs
Paula Pressley, Director of Individual
and Planned Giving
Lisa Ransom, Development Associate
Lynda Lotich, Interim Ex. Director of the
Kenan Institute
Sue Ellen McNeil, Ex. Assistant to
Advancement

APPROVED by the Board of Trustees
May 3, 2012

Convening Open Session

Chairman Charlie Lucas convened the February 16, 2012 meeting of the University of North Carolina School of the Arts Board of Trustees at 9:00 a.m. A quorum was confirmed. Chairman Lucas reminded all members of the Board of their duty under the *State Government Ethics Act* to avoid conflicts of interest and appearances of conflicts of interest as required by this Act.

Chairman Lucas noted that this was the first meeting using electronic board books. So far, this process has gone smoothly.

He also acknowledged his grandmother, Mrs. Mary Duke Biddle Trent Semans. This was the first meeting of the Board of Trustees without her, and she is certainly missed by all.

Approval of Open Session Minutes of December 1, 2011

Motion: John Williams moved to approve the Open Session minutes of the December 1, 2011 Board of Trustees meeting. Tina McGuire seconded and the minutes were unanimously approved.

Report from Audit Committee

Rob King reported in Don Flow's absence. The Audit Committee met on February 14, 2012. Everything is in great shape and Internal Audit is moving through the 2011-2012 Internal Audit Plan. Three main items were addressed at the meeting:

- Internal Audit issued a report and provided recommendations to strengthen internal control weaknesses noted in the Housekeeping Division's timekeeping practices. UNCSA accepted and responded positively to those recommendations.
- Chief Operating Officer George Burnette expressed concerns about the risk posed by insufficient staffing levels in the Accounting department. Committee members and staff agreed that it would be appropriate for the Audit Committee Chair to express such concerns to UNC General Administration.
- The Mental Health Counseling audit is underway and drawing to completion. The objectives of the audit are: to ensure internal controls are adequate and effective, procedures are in compliance with relevant laws and regulations, and resources are being used efficiently and effectively. No issues were reported.

Report from Endowment Fund Board

Chairman Lucas reported that the Endowment Fund Board had a brief meeting. Spending was approved for several accounts, totaling \$143,000. Those funds will be spent according to the restrictions set on each of those funds. Paula Pressley gave an update on Banner; more details about that will be included in the Advancement report. UNC Management continues to be managed wisely. Half of the funds are still under their original corpus, but gradual recovery is taking place and we are in a better place than we were two years ago.

APPROVED by the Board of Trustees
May 3, 2012

Report on Policy Discussion

The February 15th Policy Discussion focused on the risks and challenges UNCSA will face in the next 2-3 years. Internal changes such as new facilities, faculty rank and the potential for enrollment growth were discussed, as well as external factors such as state appropriations and funding. The discussion focused on ways the board can interact and help the school move forward. Jim DeCristo emphasized that this was a lively discussion and encouraged all Trustees to continue to submit topics for future Policy Discussions. Barbara Goodman also encouraged all board members to attend as they are wonderful opportunities to learn more about UNCSA and how it operates.

Report from Advancement Committee

Barbara Goodman reported on the Advancement Committee's meeting:

- The collection of unrestricted funding is ahead of where it was last year;
- UNCSA received the largest gift in its history - \$6 million from the William R. Kenan, Jr. Charitable Trust;
- The Committee is in the process of figuring out the best way to identify donors;
- There are currently two vacancies in the Advancement and Public Relations Offices – the Chief Advancement Officer position as well as a Content Manager for the school's website;
- Ms. Goodman acknowledged Mr. Tom Kenan. Thanks to his generosity, UNCSA will have an annual report. It will come out in 2012 and reflect the past two years;
- Ms. Goodman also thanked the Board for meeting the goal set for the Chancellor's Discretionary Account.

Suri Bieler reported that her sister Ida Bieler, an alum of UNCSA, will be teaching violin master classes in the School of Music in February. In March, there will be a convention in Charlotte, NC focusing on monsters. Ms. Bieler and her husband have invited Design & Production to be a part of this convention/contest that Ms. Bieler's husband is judging. Six UNCSA students are entering the competition and the winner will go to California to have their mask displayed in Monsterpalooza, a museum of monsters. Thanks to their efforts, UNCSA's School of Design & Production will be promoted in both Charlotte and California.

Felix Ventouras and Jennifer Haire reported on the work of the alumni committees based on the east and west coasts. The purpose of UNCSA East (based in New York) and UNCSA West (based in Los Angeles) is to bring alumni together to promote the School. Both groups have been working closely with Jonas Silver in the Alumni Office to establish a framework to help engage alumni and assist with establishing hubs or chapters throughout the country.

Report from Finance Committee

Rob King reported that the budget cuts continue to affect UNCSA. He thanked the Administration and Trustees who have reached out to the legislature to explain how detrimental these cuts are to the School.

Motion: Per the unanimous recommendation of the Finance Committee, Rob King asked the Board of Trustees to approve an increase in tuition for non-credit workshops and lectures offered during Summer 2012. Tina McGuire seconded this motion and the Board of Trustees unanimously approved to increase the tuition of non-credit courses and lectures offered in the Summer of 2012.

Mr. King also reported on the committee's discussion to keep the campus informed throughout the construction process. Chris Boyd and his staff are working closely with Administration and Campus Police to keep faculty, staff and students informed and safe throughout this process.

Report from Personnel Committee

Chairman Lucas reported that the Personnel Committee did not meet and there is nothing to report.

Report from Educational Planning and Policies Committee

Claire Christopher reported on the following highlights from the Educational Planning and Policies Committee meeting:

- Nick Correa, President of the Student Government Association (SGA), gave an encouraging report regarding student engagement and SGA's hard work to get information out to the students and solicit feedback and input on important issues, including the new buildings. Some of SGA's upcoming activities include:
 - A Town Hall to answer questions and address concerns from students about construction;
 - The election process for next year is underway with some new students running for office;
 - The Gateway YWCA is allowing UNCSA students to use their pool while the pool on campus is not available. Ward Caldwell is paying for this and the money has not been wasted. The YWCA reports more than 600 visits from UNCSA students;
 - Student Government is supporting Residence Life and their food drive;
 - A new campus group has formed - Students for Sustainability; this group will supplement the UNCSA Sustainability Committee;
 - At the end of March, UNCSA's SGA will host the Association of Student Governments, which is made of up all 17 UNC Student Government Presidents and their cabinets.
- David Nelson, Provost, reported on the following:
 - Transition to Semester System – A few problems have been serviced as they have come up. Credits are being given and students will graduate on time.
 - Summer Programs – This year's offerings include: four for-credit academic courses; continuing summer intensives for high school students, including an ABT ballet intensive; and professional continuing education classes.
 - Enrollment Growth – UNCSA is looking for places we can grow without the significant need for additional resources (i.e. graduate program growth).

- This would allow us to be in a better place for economic sustainability while securing new revenue streams.
- Enrollment: Enrollment and retention are up this year. Retention is at 86% and our current enrollment headcount is at 1,167. The projected enrollment for next year is 1,190. If funded, this will result in an additional \$1 million in appropriations and receipts, which will fund five faculty positions. This increase in enrollment is just the first step in a strategic enrollment growth plan.
 - Searches: The Dean of Dance search has been extended and some changes have been made to the search committee. Jill Lane, Dean of the High School Academic Program is chairing that search. The Dean of Liberal Arts search is ongoing to replace Rick Miller. Candidates for this position will soon be coming to campus for in-person interviews. Two new searches are underway: Wade Weast, Dean of Music, is chairing the search for the Dean of Drama and Provost David Nelson is chairing the search for the new Executive Director of the Thomas S. Kenan Institute for the Arts.
 - Faculty Rank: The faculty rank proposal was distributed to the Ed. Planning committee in December. After taking feedback to Faculty Council from both the Board of Trustees and General Administration, the faculty implemented all of the suggestions and approved the proposal that is currently being presented to the Board of Trustees. In addition to presenting the proposal as written, Provost Nelson noted several reasons why the faculty and administration are in favor of implementing a Faculty Rank System:
 - The system is viewed as a faculty excellence initiative that would allow for healthy growth;
 - The system would allow us to put a new evaluation process in place that is more collaborative;
 - The system would enable UNCSCA to recruit faculty from universities with current rank systems in place;
 - And the system can reward and allow us to retain faculty by breaking through the ceiling of their current salaries.

Motion: Per the unanimous recommendation of the Educational Planning/Policies Committee, Claire Christopher asked for approval to move from an unranked system to a system of Faculty Rank beginning in the fall of 2013. Rob King seconded and the Board of Trustees unanimously approved the move to a Faculty Rank System.

Chairman Lucas noted that this is a huge step in the right direction for the history of the School.

Report from the Governance Committee

Tina McGuire, Chair, reported that the Governance Committee continues to review the Board Self-Assessment. The responses received from that assessment, in addition to a

APPROVED by the Board of Trustees
May 3, 2012

survey sent to all Trustees, show a majority of Trustees who want to move the Board of Trustees' meetings to Thursday/Friday from the current Wednesday/Thursday schedule.

Motion: Per the unanimous recommendation of the Governance Committee, Tina McGuire asked for approval to move the Board of Trustees' meetings to a Thursday/Friday schedule beginning with the September 2012 meeting. Rob King seconded and the Board of Trustees unanimously approved the move to Thursday/Friday meetings.

In addition to the item above, Ms. McGuire addressed the two vacancies on the board at this time. Governor Perdue has selected someone to fill the vacancy left by Denise Franklin; we hope to receive the name of that individual in the coming weeks. The second vacancy left by Lee Chaden will be filled by the Board of Governors. The committee's recommendations to submit to the Board of Governors will be discussed in Closed Session.

Report from Chancellor Mauceri

Chancellor Mauceri thanked the Board of Trustees for their commitment to and love for the School. Much has happened and been achieved in the two months since the Board last met. The funds to run UNCSA are 10% less than last year and we are operating without a Chief Advancement Officer or an HR Director, and have Interim Deans in the School of Dance and the Liberal Arts Program. Despite these setbacks, UNCSA continues to flourish:

- UNCSA will plan, build, rehearse and give over 300 performances throughout the year and continue to win national awards as an arts school and as an academic institution;
- UNCSA has the cleanest audit record in the UNC system and is second only to Chapel Hill in student retention;
- The School has developed exclusive relationships with the American Ballet Theatre and Cirque de Soleil;
- The first-ever full summer school will begin the Summer of 2012;
- The relationship with alumni has been extended and deepened with hubs in New York, Los Angeles, Chicago and Washington, DC;
- We are implementing a three-pronged plan for sustainability that includes:
 - A strategic increase in enrollment;
 - An increased tuition and fee structure that maintains UNCSA's position in the bottom quartile of peer institutions;
 - Adjustments from the state of North Carolina to redress the structural poverty created at the inception of the School;
- Unrestricted fund raising is 12.75% ahead of plan for the first half of the school year and up 57% over the same period last year;
- Alumni giving has increased and is up 35% over the same period last year;
- Kiplinger's has chosen UNCSA, once again, to be in the top 100 best values in public university education;
- Applications for admission to next year's class are up and the quality of applicants is outstanding;

APPROVED by the Board of Trustees
May 3, 2012

- Students continue to win awards and make incredible achievements;

After acknowledging all of these amazing accomplishments, Chancellor Mauceri took time to honor someone incredibly special to UNCSA – Mrs. Mary Duke Biddle Trent Semans. Mrs. Semans was with UNCSA since the beginning. Viewed as the mother of our School, Mrs. Semans was a generous philanthropist who truly loved UNCSA. A small group of our students was honored to present a musical tribute at her memorial service in Durham at Duke Chapel. A group of three musicians were accompanied by a fourth who sang “To Dream the Impossible Dream.” It was truly a remarkable performance. Chancellor Mauceri concluded his report with a video clip of this performance.

Move to Closed Session

Motion: John Crumpler made a motion to move to Closed Session to prevent the disclosure of privileged information under N.C.G.S 143-318.11(a)(1), State Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes and to consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11 (a)(6). Rob King seconded and motion passed unanimously.

Return to Open Session

Chairman Lucas reported that the board discussed a personnel matter and the potential appointment of a public officer.

Closing Remarks/Adjournment

Chairman Lucas thanked everyone for their support and condolences after the passing of his grandmother, Mrs. Semans..

With no further business to discuss, the February 16, 2012 meeting of the Board of Trustees adjourned at 10:58 a.m.

Submitted by:
Amanda Balwah
Assistant Secretary to the Board of Trustees