

UNIVERSITY OF NORTH CAROLINA
SCHOOL OF THE ARTS

Board of Trustees Meeting
Friday, September 25, 2015
8:00 a.m.

Open Session Minutes

Trustees Present

Rob King, Chair
Michael Tiemann, Vice Chair
Erna Womble, Secretary
Stephen Berlin
Allison Burkholder, SGA President
Greer Cawood
Phillip Horne
Mark Land
Charlie Lucas (phone)
Elizabeth Madden
Ralph Womble
Tom Kenan, Emeritus
Justin Poindexter, Alumni Representative
Judy Watson, BOV Liaison

Faculty/Staff Present

Lindsay Bierman, Chancellor
George Burnette, Chief Operating Officer
David Nelson, Provost
Jim DeCristo, Chief of Staff
David English, Vice Provost
David Harrison, General Counsel
Ed Lewis, Chief Advancement Officer
James Lucas, Director of Human Resources
Corey Madden, Ex. Director of the Kenan Institute
Michael Rothkopf, Faculty Council Chair
Leslie Kamtman, Staff Council Chair
Karen Beres, Interim Dean of Music
Ward Caldwell, Dean of Students
Carl Forsman, Dean of Drama
Susan Jaffe, Dean of Dance
Michael Kelley, Dean of D&P
Susan Ruskin, Dean of Film
Dean Wilcox, Dean of Liberal Arts

Trustees Absent

Chris Chapman, Foundation Liaison
Susan Kluttz, Ex Officio
Sandi Macdonald, Ex Officio
Phil Nelson, Emeritus

Faculty/Staff (Continued)

Elaine Pruitt, Interim Dean of High School Programs
Joe Tilford, Design & Production Faculty
Chris Boyd, Director Facilities
Amanda Balwah, Asst. Secretary to the BOT
Marla Carpenter, Director of Communications
Lynda Lotich, Assistant Dir. Kenan Institute
Jason Czaja, Campus Performance Facilities
Cindy Liberty, Foundation Executive Director
Carin Ioannou, Sr. Dir. of Business Affairs
Joan Roggenkamp, Executive Asst. to COO
Shannon Henry, Director of Internal Audit

Other Guests Present

James Hinton, WS Journal Reporter
Members of the UNCSA Board of Visitors

Convening Open Session

Chairman Rob King convened the September 25, 2015 meeting of the University of North Carolina School of the Arts Board of Trustees at 8:03 a.m. Mr. King 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. He welcomed new Trustees Phillip Horne, Mark Land, and Ralph Womble, as well as Allison Burkholder, the 2015-16 SGA President, and guests from the UNCSCA Board of Visitors.

Approval of Open Session Minutes from May 1, 2015 and July 8, 2015

Chairman King thanked Michael Tiemann and Erna Womble for being astute Trustees and pointing out a typo in the May 1, 2015 open session minutes prior to today's meeting. Under the Personnel Committee Report, Title IV has now been changed to Title IX to correctly reflect the Title IX reporting that occurred at that meeting. Corrected copies of the minutes were made available to all Trustees and others in attendance.

MOTION: Michael Tiemann moved to approve the Open Session minutes of the May 1st and July 8th 2015 Board of Trustees meetings. Charlie Lucas seconded and the minutes were unanimously approved.

Report from the Audit Committee

Steve Berlin, Audit Committee Chair, reported that the Audit Committee met on Thursday, September 24th. In their discussion of external audits and reviews, Shannon Henry, Chief Audit Executive, reported the following:

- The University's 2015 financial statement audit is underway. David English, Vice Provost & Dean of Academic Affairs, noted that UNCSCA's 10-year accreditation reaffirmation through the Southern Association of Colleges and Schools (SACS) is occurring now, and that the process requires a review of UNCSCA's financial audit.
- The UNCSCA Foundation received a clean financial statement audit.
- The North Carolina State Education Authority (NCSEEA) completed a review of the State financial aid programs administered by UNCSCA. The review identified one minor finding that required the return of \$631. The money has been returned and UNCSCA has taken action to prevent future non-compliance relative to the finding.
- The Department of Purchase and Contract completed a compliance review of the UNCSCA's Purchasing Department. The University requested the audit with the purpose of having its purchasing delegation increased. The review resulted in three findings:
 - Use of charge cards vs. procurement cards
 - Underutilizing Statewide Term Contract
 - Incorrect Commodity Code

UNCSCA concurred on all findings and the Purchasing Department has taken steps to appropriately address them. The University's purchasing delegation was increased from \$50k to \$100k.

Ms. Henry also provided a snapshot of Internal Audit Operations as of June 30, 2015, which included:

- Completed audits and advisory services resulting in reports with eight findings that produced fifteen written recommendations and six verbal comments for improvements in several university departments.
- Reviews in FY2015 included one follow-up of prior year audit reports.

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- Internal Audit completed an external quality assurance review, which resulted in the highest rating of general conformance to the standards

In addition, Ms. Henry presented the 2015-16 Internal Audit Plan which included two new audits added to the ongoing plan:

- Clery Act Compliance Audit
- Environmental Health and Safety – Life Safety

She also provided updates on the Housekeeping Survey report progress and the IT Operational Review. The Audit Committee approved the 2015-2016 Internal Audit Plan.

Awarding of Proclamations

Dr. David Nelson, Provost, read and presented proclamations for Joseph Tilford, former Dean of Design and Production and current full-time faculty member, and Ira David Wood, a distinguished alum, on behalf of the Board of Trustees.

Report from the Endowment Fund Board

Elizabeth Madden reported the following as Chairman King could not attend the September 24th meeting of the Endowment Fund Board:

- Carin Ioannou, Senior Director of Business Affairs, presented the Investment Summary ending June 30, 2015. All funds are continuing to do well and all investments had distributions last year.
- In other great news, the State side endowment is valued at \$19M and the Foundation side endowment is valued at \$33M, giving UNCSEA a total endowment of \$52M. This is the first time it has passed the \$50M mark.

Report from the Advancement Committee

Michael Tiemann reported the following from the Advancement Committee:

- \$7.2M in private funds were raised last year, surpassing all fundraising goals for FY15.
- The UNCSEA Endowment currently has a market value over \$52M, making it the second highest in the state on a per student basis.
- Advancement has secured a 51.9% first time donor retention rate for FY14-15; this is above the national average.
- \$600k was raised for scholarships during FY15.
- The Advancement Office and Foundation will continue to move forward with strong fundraising goals for FY16; they were able to do an amazing job last year with 6 vacancies, and 3 are still currently open.
- Fundraising events were reduced by 45% to allow for more focus and follow-up on donors; this focus will continue in FY16.
- The annual scholarship fundraiser is set for April 30th and will feature the School of Music's Collage concert.
- The Foundation Board has welcomed new members and will continue fundraising through its Guest Artist Luncheon Series.
- The Communications team is hard at work on the new website that is set to launch in November. It will feature a mobile site and all of the new branding that can be seen at today's meeting.
- The Kenan Institute is hard at work on several projects that highlight the role of the creative economy.

Report from the Finance Committee

Elizabeth Madden, Committee Chair, reported the following:

- Carin Ioannou, Senior Director of Business Affairs, presented the Financial Analysis for June 30th (the end of FY2015), and July 31st (the first month of the new fiscal year) for the school's operating account. Mrs. Ioannou explained the budget delay and how UNCOSA was unaffected. The spending amount, compared to the budget, is currently on track for the year.
- Currently, UNCOSA is over its budgeted student FTE by 17 students. This could mean the University will net the year with an increase in tuition revenue.
- The Institutional Trust Fund report for June 30th provided a clear indication that the finances of the auxiliary supported departments are in good health.
- Chris Boyd, Director of Facilities Services, gave a construction update. The details of that update are in everyone's board materials.
- There will be one item of business for Closed Session.

Report from the Personnel Committee

Michael Tiemann, Committee Chair, reported the following from the Personnel Committee:

- Seven staff members will attend Level 1 Title IX Investigation Training on September 29 and 30 at Gardner Webb University. This will allow for balanced capacity in dealing with Title IX issues should they arise.
- David Harrison, General Counsel, is looking at Policy #117 and condensing it to align with other universities so that everyone on campus knows what Title IX is, who to contact, and who are the responsible people on campus.
- On October 7th, there will be mandatory training for all high school students.
- Five staff persons will attend Clery, Title IX and VAWA training in Chapel Hill.

Report from the Academic & Student Affairs Committee

Greer Cawood, Committee Chair, reported the following from the Academic and Student Affairs Committee:

- Ward Caldwell, Dean of Students, updated the committee on the following:
 - Community Engagement and Career Development. UNCOSA has a new program called ArtistCorps, a recently launched AmeriCorps program. There are currently 10 members serving in sites in Winston-Salem who are using arts integration, exposure and instruction as educational intervention with high-risk children. Another new program, the Vivaldi Project, has also been launched at UNCOSA. Taught by renowned violinist Ida Bieler, the program provides instruction to a select group of violinist on how to be teachers and how to address the instruction needs of high-need children violinists in the community.
 - Health Services has two searches underway, one for the Director of Health Services and another for a Health and Wellness Coordinator/Educator.
 - In Residence Life, one of the High School dorms has received improvements.
 - Enrollment numbers are strong. The target was 1,226, and after the census, the count was 1,238, 12 students over target. With projections for attrition, the average enrollment will be 1,215, which is 17 over the budgeted number of 1,198.
 - Applications for admissions are up; UNCOSA has currently received 162 versus 142 this time last year.
- David Nelson, Provost, provided a handout about all the new faculty members at the University for the 2015-16 academic year. This handout can be found at your seat.

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- David English, Vice Provost, reported that UNCSCA is going through the SACS-COC 10-year reaffirmation of accreditation process. The accreditation starts with an extensive report with narratives that address ninety different standards. The report was submitted this month. The next step is an outside review where questions about the report will be raised. UNCSCA will then respond with a focus report addressing the concerns. Lastly, there is an on-site review that will take place in early March.

Allison Burkholder, SGA President, reported that the Student Government Association has had a busy first month welcoming the incoming class of 2019. They just recently had their first meeting of the year with Residence Life Staff and are looking forward to a fun and productive year.

Dr. Nelson briefly introduced Elaine Pruitt, the former Provost, who is returning as Interim Dean and Headmaster of the High School Academic Program, Karen Beres, Interim Dean of Music, and Michael Kelly, the new Dean of Design & Production.

Report from the Governance Committee

Charlie Lucas, Committee Chair, reported that the Governance Committee met on September 24, 2015 and discussed the following:

- State Budget Outcomes
 - We are pleased enrollment growth was fully funded for the System. UNCSCA did grow a little and it was important to have this support.
 - UNCSCA was exempted, again, along with other small campuses, from the management flex budget reduction. This year the system reduction was \$17.9M. This exemption is vitally important to UNCSCA and has saved us from millions of dollars in cuts over the years.
 - As a test, all campuses are allowed to carryforward an additional 2.5% of our budget into 2016-2017 restricted in use for repair and renovation and capital planning. The hope is if we can generate the savings to carryforward, we can use it strategically to make necessary repairs around campus.
 - The budget includes funds to support in-state tuition for veterans.
 - The budget also includes a one-time lump sum bonus of \$750 for all employees.
 - Also, the Film Incentive grant funding was tripled to \$30 million for the next 2 years. A step in the right direction to encourage film production in NC. It does not impact budget, but it should provide opportunities for our students and alumni.
- We have one gubernatorial vacancy on the Board. The Governor is working on filling the vacancy. We hope to have a new member by our next meeting.

Report from Chancellor Bierman

Chancellor Bierman acknowledged several student achievements and reviewed the Strategic Plan Draft that has been developed by the working committee. The proposed plan includes five initiatives:

- **Initiative A – Enhancing the Living and Learning Environment**
UNCSCA will be a supportive, nurturing and inclusive creative community where students can become their best selves and do their best work.
- **Initiative B – Launching Transformative Programs and Curricula**
Building on the greatest traditions of conservatory education, UNCSCA will leverage contemporary innovations in performance and media to prepare emerging artists who engage new audiences with deeply relevant and outstanding work.
- **Initiative C – Fostering a Quality Workplace**

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UNCSA will attract, develop and retain an exemplary faculty and staff inspired by a sense of mission, meaning, and purpose.

- **Initiative D – Becoming a Creative Incubator**

UNCSA will guide and support the development and prototyping of breakthrough artistic works.

- **Initiative E – Catalyzing Arts-Based Community and Economic Development**

UNCSA will attract and support the artists, creative entrepreneurs, and visionary planners and developers who fulfill Winston-Salem's potential to become a leading cultural capital in the South.

MOTION: Chairman Rob King moved to approve the strategic plan and its five initiatives as presented by Chancellor Bierman. Michael Tiemann seconded and the motion was unanimously approved.

Move to Closed Session

MOTION: Michael Tiemann moved to go into Closed Session to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), state employee personnel records under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes, a student's education records under The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568, to consult with our attorney under N.C.G.S. 143-318.11(a)(3) to protect the attorney-client privilege, to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action regarding:

- a. **Bryan Haynes v. UNCSA, in the Office of Administrative Hearings, No. 14OSP03556; and**
- b. **Erin Dickinson v. UNCSA et. al., Civil Action No. 1:14-CV-412, United States District Court, Middle District of North Carolina.**

And to establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property under N.C.G.S. 143-318.11 (a) (5).

Return to Open Session

Chairman King reported that the Board discussed some issues of concern with the University Attorney, as well as a designer selection request.

Closing Remarks/Adjournment

Chairman King invited all Trustees and guests to make their way to Performance Place to attend the installation of Chancellor Bierman.

With no further business to discuss, the September 25, 2015 meeting of the Board of Trustees adjourned at 9:31 a.m.

Respectfully submitted by:

Amanda G. Balwah

Assistant Secretary to the Board of Trustees