

DRAFT OPEN SESSION MINUTES

December 6, 2019

University of North Carolina School of the Arts
Hanes Student Commons, Eisenberg Social Hall
Winston-Salem, North Carolina

***denotes voting Trustee**

TRUSTEES PRESENT

*Ralph Womble, Chair

*Erna Womble, Vice Chair

*Steve Berlin, Secretary

*Greer Cawood

*Skip Dunn

*Anna Folwell

*Phillip Horne

*Maura Wetzal, SGA President

*Mark Land

*Rob King

*Elizabeth Madden

*Michael Tiemann

Al Crawford, ex officio Alumni Representative (phone)

Susi Hamilton, ex officio

Peter Juran, Foundation Liaison

TRUSTEES ABSENT

Sandi Macdonald, ex officio

Sue Henderson, BOV Liaison

Tom Kenan, Emeritus

STAFF PRESENT

Brian Cole, Interim Chancellor

Amanda Balwah, AVC and Secretary of
the University

Elizabeth White, Chair of Staff Council

Mike Wakeford, Chair of Faculty Council

Karin Peterson, Interim Ex. Vice
Chancellor and Provost

David Harrison, VC for Institutional
Integrity and General Counsel

Joan Roggenkamp, Ex. Assistant to the
Chief of Staff

Jim DeCristo, VC for Economic Development & Chief of Staff
Michael Smith, VC for Finance and Administration
Ed Lewis, Vice Chancellor for Advancement
Shannon Henry, Chief Audit, Risk and Compliance Officer
Angela Mahoney, Director of Human Resources
Cindy Liberty, Ex. Director UNCSA Foundation
Virginia Riccio, Ex. Assistant to the Provost
Rich Whittington, AVC for Advancement
Tracey Ford, Interim Vice Provost & Dean of Student Affairs
Scott Zigler, Dean of Drama
Dean Wilcox, Dean of Liberal Arts
Tony Woodcock, Interim Dean of Music
Susan Jaffe, Dean of Dance
Michael Kelley, Dean of Design & Production
Martin Ferrell, Dean of High School Academics
Jeremy Serkin, Digital Media CRM
Jackie Riffle, Director of Budget

Lauren Whitaker, Media Relations Manager
Sharon Fogerty, Community and Summer Programs
Wiley Hausam, Managing Director of Performance Facilities
Lisa McClinton, AVC for Finance and Controller
Paul Razza, Director of Admissions
Suzanna Watkins, Director of Educational Outreach and Summer Programs
Jane Kamiab, Director of Financial Aid
Jason Bohon, Drama Faculty
Molly McCarter, Design & Production Faculty
Regan Mitchell, Liberal Arts Faculty
Erin Baker, Executive Assistant to the Chancellor
Katherine Johnson, Strategic Communications
Catherine Swaim, Dept. of Natural and Cultural Resources
Corey Madden, Ex. Director of the Kenan Institute
UNCSA Sound Contractor

CONVENE OPEN SESSION

Chairman Ralph Womble convened the December 6, 2019 meeting of the University of North Carolina School of the Arts Board of Trustees at 9:00 a.m. A quorum was confirmed. Chairman Womble reminded all members of the Board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts as required by this act.

OATH OF OFFICE

Jackie Riffle, Notary Public, administered the Oath of Office to the Honorable Susi Hamilton, Secretary of Natural and Cultural Resources.

APPROVAL OF MINUTES

MOTION: Steve Berlin moved to approve the open session minutes from the September 27, 2019 meeting as presented. Elizabeth Madden seconded and the minutes were unanimously approved.

REPORT FROM INTERIM CHANCELLOR COLE

Interim Chancellor Cole reported on the outstanding faculty at UNCSA, with the goal of providing a greater understanding of what they do, what they mean to the students, and the challenges the institution continues to face in recruiting and retaining world-class artist teachers.

The work that faculty do with students at UNCSA surpasses any formula created by policy-makers. There is individual investment, industry engagement, lifelong mentorship, and commitment built into the lives of our faculty who work tirelessly for the benefit of their students. Faculty members assist students with mental health issues and work with student groups. They all maintain ties to their industries and continue to mentor students after graduation. The level of commitment that arts conservatory training requires goes above and beyond what our faculty were trained for, especially with the goal of maintaining the kind of industry relevance and connection that is one of the hallmarks of UNCSA.

Interim Chancellor Cole went on to address the UNCSA Faculty Salary Initiative, which includes four steps:

1. Establish new peer institution comparison
2. Establish faculty rank system
3. Fund increases to rank minimum
4. Fund salaries to competitive levels

Many of these steps are in-process, and there is work to do beyond them to insure UNCSA can recruit and retain world-class faculty talent in the future.

REPORT FROM THE AUDIT, RISK AND COMPLIANCE COMMITTEE

Steve Berlin, Committee Chair, reported the following from the December 3rd Audit, Risk, and Compliance Committee:

Michael Smith, Vice Chancellor for Finance and Administration, presented an update regarding Enterprise Risk Management (ERM). He updated the committee on Risk #4, which examines risks related to the condition of facilities and residence halls, and the detrimental effect this can have on the recruitment and retention of students. Mr. Smith shared the results of a bow-tie analysis to determine the root cause of the risk, potential consequences, preventative responses, reactive responses, and financial implications.

Greg Gleghorn, Director of Information Security, provided an update on Emerging Risks in IT Security. UNCOSA has a cloud-first approach, so as this model matures, the risks may increase without proper controls. One of the primary ways to mitigate this emerging risk is to gain greater visibility and control of UNCOSA data, applications, and services held in the cloud. IT is currently investigating a brokerage relationship with vendors that provide cloud access security brokerage service known as CASB. Once UNCOSA settles on the right CASB partnership, this should improve the School's visibility and control over UNCOSA's cloud architecture.

Another emerging information security risk is disaster recovery and business continuity. While UNCOSA does have disaster recovery and business continuity processes in place, the digital transformation will demand more from this area. Addressing this risk will become a priority during the first quarter of 2020.

Valerie Thelen, Chief Compliance Officer and Director of Title IX, and Frank Brinkley, Chief of Police, discussed the release of the Annual Security Report related to the Clery Act. Mr. Brinkley also referenced that the department is going through the process for becoming an accredited police department.

Cindy Liberty, Executive Director of the UNCOSA Foundation, shared this year's financial statement audit report for the Semans Art Fund. It was a clean audit.

Lisa McClinton, Associate Vice Chancellor for Finance, presented several external audit reports to the committee:

- UNCOSA Financial Statement Audit for Fiscal Year 2019.
- UNCOSA Housing Corporation Financial Statement Audit 2019.
- UNCOSA Program Support Corporation Financial Statement Audit 2019.

All were clean audits. Ms. McClinton reiterated that a clean financial statement audit means stakeholders can place reliance on the reported numbers, and there are no material misstatements. While clean annual Financial Statement Audits are a good thing, they do not give insight into whether or not there is fraud, waste, or abuse, or if the school and/or foundations uses its resources efficiently.

The NC Office of the State Auditor completed its 2019 federal compliance audit related to federal financial aid. The University received a management letter with no issues to report. The final report will be issued sometime in spring 2020, when the State's single audit report is scheduled to be released.

Jane Kamiab, Director of Student Financial Aid, reported that the North Carolina State Education Assistance Authority (NCSEAA) recently completed a program review for four years (2014-15, 2015-16, 2016-17, and 2017-18) with one observation related to the completion of student withdrawal forms. No liability for NCSEAA programs was identified as a result of the audit.

Shannon Henry, Chief, Audit, Risk, and Compliance Officer, and Rod Isom, Audit Manager, presented the Environmental Health & Safety review, which resulted in **6** findings and **12** recommendations. The following findings were identified:

- Lack of Comprehensive and Effective Safety Management Plan
- Insufficient Health and Safety Training Plan
- No Safety Committee
- Ineffective Information and Communication about EHS Services
- No Risk Management Process
- Campus Perception of EHS

Internal Audit also completed audits and advisory services resulting in reports with findings that produced **15** written recommendations for Human Resources, the Controller's Office, and Environmental Health & Safety.

Internal Audit is due for its External Quality Assessment Review and is in the process of performing a self-assessment that will be validated by the North Carolina Office of State Budget and Management for conformance with the Institute of Auditors' International Standards for the Professional Practices of Internal Auditing. The qualifications of the external validators from OSBM were shared with the committee. They are highly qualified reviewers and will be on-site in January to perform their independent validation of the Office's findings.

Mr. Berlin presented revisions to the Office Charter. The charter was revised to recognize and clarify the full span, scope and responsibility of the Office of Audit, Risk, and Compliance (OARC), as well as each of its operations, to document incorporation of the function into the University's new Division of Institutional Integrity, and to ensure the mandatory standards of audit practice were recognized appropriately. The Audit, Risk, and Compliance Committee approved these revisions and bring it to the full board for approval.

MOTION: The Audit, Risk, and Compliance Committee moves to approve the revisions to the Internal Audit Office Charter as presented. The motion was unanimously approved.

Mr. Berlin shared one final piece of good news - the Internal Audit team has been selected to receive the 2019 North Carolina Internal Audit Award of Excellence. This was awarded by the North Carolina Council of Internal Auditing, and decided upon by the State Auditor, the State Controller, the State Budget Officer, and the State's Secretary of Revenue. It is a competitive process and the award is given to the office deemed most worthy of recognition for their commitment and dedication to further the profession of internal auditing within the North Carolina State government. Congratulations to Shannon Henry and her team!

REPORT FROM THE GOVERNANCE COMMITTEE

Rob King, Committee Chair, reported that the Governance Committee reviewed and recommended the addition of a new member to the Thomas S. Kenan Institute for the Arts Advisory Board, Laura Gutierrez. Ms. Gutierrez received her BFA in Contemporary Dance from UNCSEA and upon her graduation was awarded a Kenan Performing Arts Fellowship at Lincoln Center Education.

MOTION: The Governance Committee moves to appoint Laura Gutierrez as a member of the Thomas S. Kenan Institute for the Arts Advisory Board. The motion was unanimously approved.

The Committee also reviewed the recommendation to add the President of the William R. Kenan, Jr. Funds as a voting Ex-Officio member of the Kenan Institute Advisory Board.

MOTION: The Governance Committee moves to add the President of the William R. Kenan, Jr. Funds as a voting Ex-Officio member of the Kenan Institute Advisory Board. The motion was unanimously approved.

Mr. King went on the report that there is a vacancy to fill on the Board of Trustees due to the resignation of Peter Brunstetter, who is currently serving on Interim President Roper's team at the UNC System Office. He encouraged all Trustees to provide recommendations for any person they feel would be a strong candidate to replace Mr. Brunstetter.

REPORT FROM THE ENDOWMENT FUND BOARD

Ralph Womble, Chair of the Endowment Fund Board reported that the Board met on December 5th and a quorum was present. Associate Vice Chancellor Lisa McClinton reviewed the investment summary as of September 30, 2019 as well as the Flash Report from the UNC Investment Fund. Ms. McClinton stated that the Endowment summary shows the Fund overall net earnings of 1.4% for the current fiscal year through Q1 FY2020. Since the last report dated June 30, 2019, endowments had a net increase in the market value of approximately \$335,000. She also reported two new gifts totaling \$500,000 to existing endowments were received in October 2019.

The Board approved an allocation of \$905,000.80 for 19 endowments, for the upcoming 2020-2021 academic year, which represents an average 4% spending distribution.

REPORT FROM THE ADVANCEMENT COMMITTEE

Mark Land, Committee Chair, reported the following from the December 5th Advancement Committee meeting:

Fundraising Report

Annual Giving (Unrestricted Revenue) is ahead of budget projections, due in part to Campaign giving. End of year e-mail and mail solicitations will be sent this month. The annual Day of Giving will be March 3, 2020. Temporarily Restricted Revenue is ahead of budget projections in gifts and grants and slightly behind in current scholarship gifts. Permanently Restricted Revenue is slightly behind budget projections and from where we were this time last year, however we anticipate meeting and surpassing this goal.

Comprehensive Campaign

The Campaign Leadership Circle (CLC) met on October 23 to discuss strategies for major gift prospects. The CLC will meet again in late February or early March. As of November 30, 2019, we have raised \$58.8 Million. The State match of approximately \$2 million is not included in that figure. According to Case guidelines, we cannot count this number in our totals. Combined Institutional Giving from January 1 through November 30, 2019 is \$10,152,392.13. This phase is still ongoing. The Office of Advancement is continuing to meet with board members to discuss campaign giving.

Events

On November 15, UNCSA hosted a campaign launch event in Charlotte in conjunction with the Giannini Society's Spotlight event on "Once on this Island". Discovery Day was November 19. The goal of this event was to bring in new Giannini Society members. It included a lunch with current and potential new members. On December 13, we will celebrate The Nutcracker opening night with a pre-show reception at the Stevens Center. The event is at capacity.

Upcoming major events include:

- NYC Campaign Launch Event: January 19, 2020
- Annual Scholarship Luncheon: March 25, 2020
- NextNow: April 25, 2020
- LA Campaign Launch Event: Early May, 2020

UNCSA Foundation Board

Acadia Property was sold on Tuesday, November 5. Proceeds were \$50,000. From these proceeds, the Executive Committee approved a motion to grant \$30,000 to the Chancellor's Search and \$20,000 to Facilities for Repair & Renovations funding.

The Executive Committee accepted the recommendation of the Finance Committee to pull funds from UNC Management Fund at the time of the endowment calculation (approximately December, 2019) in lieu of leaving those funds invested at UNC Management until June 30, 2020.

The Foundation Board's 2019 Guest Artist Luncheon was in November 5. It featured guest artists Gary Griffin and Steven Freeman, director and music director respectively for "Spring Awakening." The event secured 3 corporate sponsors and raised over \$11,000 for the Guest Artist Endowment.

The Foundation Board accepted the letter from Board of Trustees for the Chancellor's Discretionary Fund.

UNCSA Board of Visitors

The Board of Visitors met on November 7 and welcomed two new board members at this meeting, Annamarie D'Souza and Jennifer Grosswald, and one returning member, Judy Watson.

Continuing with a Campaign focus, this fall's meeting highlighted the pillar of the Living & Learning Environment, with a report from Vice Chancellor for Finance and Administration Michael Smith, as well as the pillar of Community Engagement, which included interactive demonstrations from students.

The Nominating Committee will meet December 10 to review term limits and begin discussions on recruiting for the 8 spots that will open up this spring.

Advocacy Committee Chair Clare Jordan compiled a list of the NC Senate, House of Representatives and the Board of Governors names. This document will be used to help establish, build, and further relationships with UNCSA's leaders as we work on our Advocacy efforts for the school. This was shared digitally and hard copies were brought to the Board of Visitors meeting and Foundation Board meeting.

REPORT FROM THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE

Mark Land Chaired the Academic and Student Affairs Committee in Greer Cawood's absence. He reported the following from their December 5th meeting:

Chief of Police, Frank Brinkley reviewed the CLERY crime statistics for the last three years. No particular trends were noted. David Harrison, Vice Chancellor for Institutional Integrity and General Counsel, informed the committee about student, faculty and staff training on Title IX that has been done this year to increase knowledge to prevent and address sexual misconduct on campus. Andrea Sell, Associate Director of Student Conduct reviewed statistics on conduct for the last five years.

Dr. Karin Peterson, Interim Provost, gave an update on vacancies in the Registrar's office. She has hired an employee from A&T through 12/31 for 16 hours per week to ensure that the transition from fall to spring semester goes smoothly. Back up plans are in place for the spring if needed. The search committee for the new Dean of Filmmaking has been formed and will be starting their work on choosing a search firm and crafting a job description. The committee, made up of 10 faculty, 2 staff and 2 students, represents diversity in race, gender, rank and type of film position. There is a plan to add an alumni advisory board who can help interview and give feedback about the finalists. Dr. Peterson told us about her work on Equity, Diversity and Inclusion this semester. Several groups of deans, faculty and students are working on mapping exercises in the coming months to track work that has been done, as well as to imagine a vision for the next five years. Faculty search committee members were given Implicit Bias training. In the spring, we will be working on the creation of a diversity statement.

Brian Cole, Interim Chancellor, gave an overview of the Tuition and Fees proposal for 2020-2021 which was discussed and voted on in the Finance Committee.

Dr. Peterson gave an update on the new minor in Arts Entrepreneurship. 29 students are actively working toward the minor with 8 slated to graduate with the credential in May. Conversations are starting about additional minors with the intention to propose at least one more to the Educational Policies Committee in the spring to be available in Fall 2020.

Interim Vice Provost, Tracey Ford, reported on the increased number of students with food or health insecurity and the resulting increase in demand for Counseling and Case Management. Students will be moving from Bailey Street into the Gateway apartments in January. There are bids out for transportation services and movers to help the students make the physical transition. She and her team have been working on a strategic plan to set the direction for the division going forward. The primary concern is for student wellness, safety and security.

Paul Razza, Director of Admissions, discussed the formation of an Enrollment Management committee to develop enrollment targets for 2020-2021. He is currently working with the deans to refine these numbers. Year to date, there is an 8% increase in the number of applications.

Chair of Faculty Council, Mike Wakeford, reported that faculty task forces are making steady progress in the areas of faculty workload and course evaluations. Faculty salaries will continue to be a top priority as well as a plan for the evaluation of upper administrators.

Maura Wetzel, Student Body President, gave an update on the work of the Student Government Association. She thanked the Chancellor and Provost for their attendance at meetings, rehearsals and performances. SGA is working with the General Counsel to look at changing single stall bathrooms on campus to gender-neutral bathrooms. SGA is also looking into a preferred name policy that will allow a student's preferred name to show up on diplomas, list serves and course rosters.

REPORT FROM THE FINANCE COMMITTEE

Elizabeth Madden, Committee Chair, reported the following from the December 5th Finance Committee Meeting:

Michael Smith, Vice Chancellor for Finance and Administration, reported that the System Office set very clear parameters pertaining to tuition and fees, which included:

- up to a 3% increase to new resident undergraduates
- market-driven increases for non-resident high school, undergraduate, and graduate students
- 3% overall increase in general fees; and

- no increase or introduction of any special fees.

The University's Tuition and Fees committee met and recommended a \$194 tuition increase for the following students:

- new undergraduate residents
- all undergraduate non-residents
- both resident and non-resident graduate students; and
- non-resident high school students.

Along with the tuition increase, there is a recommendation to:

- increase housing rates at \$300 for Residence Halls A-F
- \$1,000 increase to Center Stage Apartments; and
- the introduction of a rate for the new Gateway Lofts in between the Center Stage Quad and Center Stage Double rates

The final fee increase request is to the application fee of \$5 to cover unfunded recruitment needs.

The Finance Committee unanimously approved these recommendations from the Tuition and Fees Committee and bring them to the full board in the form of a motion for full board approval.

MOTION: The Finance Committee moves to approve the tuition and fees schedule for 2020-21 as presented. The motion was unanimously approved.

Lisa McClinton, Associate Vice Chancellor for Finance, reported that the school has received a clean audit report for the 11th consecutive year. Congratulations to Ms. McClinton and her team!

Ms. McClinton also presented and requested approval to write-off accounts that are deemed uncollectible in the amount of \$23,059.33. The Finance Committee thoroughly reviewed this request, unanimously approved it, and bring it to the full board in the form of a motion for full board approval.

MOTION: The Finance Committee moves to approve the write-off of accounts that are deemed uncollectible in the amount of \$23,059.33 as presented. The motion was unanimously approved.

Vice Chancellor Smith gave the capital projects update, providing specific updates on the New Residence Hall, Semans Building, and Performance Place renovations.

Ms. McClinton asked for approval regarding the issuance of special obligations bonds for the new residence halls. State legislation requires the Board of Trustees approve this issuance. The Finance Committee unanimously approved the issuance and bring this to the full board for approval in the form of a motion for approval.

MOTION: The Finance Committee moves to approve the issuance of special obligations bonds for the new residence halls. The motion was unanimously approved.

REPORT FROM THE PERSONNEL COMMITTEE

Meeting of the Board of Trustees – Personnel Committee Report

Phillip Horne, Committee Chair, reported the following from the Personnel Committee meeting of December 5th:

New Hire Updates

Angela Mahoney, Director of Human Resources, reported on new hires and separations since the September meeting:

Total New Hires: 7

- EHRA Non-Faculty – 2
- SHRA Employees – 5

Key Separation (EHRA Tier 1) Ward Caldwell, Vice Provost and Dean of Students

Total Separations: 10

- Voluntary – 8
- Retirement – 2

Employee Appreciation week was October 28th-November 1st, with themed events held each day of the week. The events were well received by those participating.

Ms. Mahoney reported that there has been no formal action by the legislature regarding increases for university employees, and that information is expected from the System Office once a budget is passed.

Ms. Mahoney also reported that Andrea Clemmer resigned in October. Keyona McNeill has joined UNCSA as the Benefits/Leave Manager. She was previously employed at WSSU and worked with UNCSA HR in the past as well.

The Open Enrollment period was a success, with benefit enrollment for 2020 being held from November 2nd-19th.

Human Resources currently has a voluntary formal exit interview process and is planning on using Qualtrics software to develop an online survey which will allow for better data analysis. Projected implementation of an online survey is January 2020.

Human Resources is tracking the Learning and Development opportunities offered to Faculty and Staff. Training offered this fall included the Active Shooter Training (A.L.I.C.E), offered by Campus Police, as well as sessions offered by UNCSA, CompPsych, and the State Employee's Credit Union.

Ms. Mahoney reported that effective 1-1-2020, the new FLSA rules go into effect, raising the threshold for federal overtime pay requirements from \$23,660 to \$35,568. This means that any employee currently exempt from overtime but making less than \$35,568 will become non-exempt and subject to overtime effective January 1. There are not a large number of employees affected by this change, and Human Resources is meeting with the managers of those employees advising them of the effect on the employees time reporting.

The BOG approved Paid Parental Leave in September, with implementation required between January 1, 2020 and April 30, 2020. This is for benefits eligible SHRA and EHRA non-faculty, who experienced a qualifying event (becoming a parent via childbirth, adoption, foster care or another legal placement) on or after 9-1-19. Provisions include four weeks of Paid Parental Leave to care for and bond with an eligible child, to be taken within the first twelve months of the birth or placement of the child. An additional four weeks of Paid Parental Leave is allowed for recuperation during the disability period for a newborn child. More details and specifics of eligibility will be shared with campus as further details are received from the System Office.

The Diversity and Inclusion Council held its first meeting November 20, 2019. The Council is an advisory body for the UNC System. Ms. Mahoney serves as a member of the council and Dr. Karin Peterson serves as the Diversity and Inclusion Officer.

Dr. Peterson shared that Corey Madden was approved as an Associate Professor and Dean Wilcox as a Full Professor.

Vice Chancellor Jim DeCristo reported that the search committee will meet on campus next week to begin vetting the targeted candidates. The search is moving forward on pace, and they anticipate the first 'Skype' interviews to begin after the first of the year.

Elizabeth White, Staff Council Chair, reported that Staff Council has formed an ad-hoc committee to look at redistricting to promote better communication between the representatives and their district. As the Semans Academic and Administration Building comes online, there will be personnel shifts, so the committee is considering department based representation rather than the building based model for districts.

MOTION TO GO INTO CLOSED SESSION

Phillip Horne moved that the board go into closed session to prevent the disclosure of information that is privileged or confidential pursuant to:

- **The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes;**
- **Title IX of the Education Amendments of 1972, 20 U.S.C. §1681 et seq;**
- **The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568;**

- **Not considered a public record within the meaning of Chapter 132 of the General Statutes;**
- **To hear or investigate a complaint, charge, or grievance by or against a public officer or employee; and**
- **Too prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award.**

Erna Womble seconded and the motion was unanimously approved.

REPORT FROM CLOSED SESSION

Chairman Womble reported that the Board went into closed session to consider the conferral of emeritus status, and to discuss confidential matters pursuant to State Employee Personnel Records, Title IX, and the Family Educational Rights and Privacy Act of 1974.

ADJOURNMENT

With no further business to discuss, the December 6, 2019 meeting of the Board of Trustees adjourned at 10:50 a.m.