

OPEN SESSION MINUTES

December 4, 2020

University of North Carolina School of the Arts
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
*Nic Brown, SGA President
*Mark Land
*Rob King
*Elizabeth Madden
*Kyle Petty
*Michael Tiemann
Sandi Macdonald
Secretary Susi Hamilton
Al Crawford
John Wigodsky, Foundation Liaison
Anne Rainey Rokahr, BOV Liaison

TRUSTEES ABSENT

Tom Kenan

STAFF PRESENT

Brian Cole, Interim Chancellor
Patrick Sims, Ex. Vice Chancellor and
Provost
Karen Beres, Vice Provost and Dean of
Academic Affairs
Jim DeCristo, VC and Chief of Staff
David Harrison, Vice Chancellor and
General Counsel
Claire Machamer, Vice Chancellor for
Strategic Communications

Ed Lewis, VC for Advancement
Michael Smith, VC for Finance and
Administration
Tracey Ford, Interim Vice Provost and Dean
of Students
Jared Redick, Interim Dean of Dance
Scott Zigler, Dean of Drama
Saxton Rose, Interim Dean of Music
Michael Kelley, Dean of Design and
Production
Dean Wilcox, Dean of Academic Affairs

Martin Ferrell, Headmaster and Dean of the High School
Mike Wakeford, Chair of Faculty Council
Sharon Fogarty, Chair of Staff Council
Susan Porter, Human Resources IR Manager
Deb Carley, Human Resources
Amanda Balwah, AVC and Secretary of the University
Ginger Caston, Ex. Assistant to the Ex. Vice Chancellor and Provost
Nick Johnson, Information Technologies
Kurt Linney, Information Technologies
Joan Roggenkamp, Ex. Assistant to the Vice Chancellor and Chief of Staff
Erin Baker, Executive Assistant to the Chancellor
Elizabeth White, Strategic Communications
Jackie Riffle, Director of Budget
Suzanna Watkins, Director of Summer and Community Programs

Jeremy Serkin, Strategic Communications
Katherine Johnson, Strategic Communications
Wendy Emerson, Associate Vice Chancellor and Controller
Marla Carpenter,
Lauren Whitaker, Strategic Communications
Marla Carpenter, Senior Communications Manager
Maura Wetzel, Former SGA President
Paul Razza, Director Admissions
Virginia Riccio, Special Assistant, Provost's Office
Richard Whittington, AVC for Advancement
Rod Isom, Interim Chief Audit, Risk and Compliance Officer
Lynda Lotich, Interim Ex. Director of the Kenan Institute
Steve Martin, Associate Vice Chancellor for Facilities

GUEST PRESENT

John Newsome, *Winston-Salem Journal* and *Greensboro News & Record*

CONVENE OPEN SESSION

Chairman Ralph Womble convened the December 4, 2020 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.

APPROVAL OF MINUTES

MOTION: Rob King moved to approve the open session minutes from the September 25th and October 20th meetings as presented. Michael Tiemann seconded, and the minutes were unanimously approved.

REPORT FROM INTERIM CHANCELLOR COLE

Chancellor Cole welcomed everyone to the virtual Board of Trustees meeting. He emphasized that UNCOSA is coming out of the most challenging semester in the history of the School and we have a lot to be thankful for. Chancellor Cole highlighted the following regarding Covid-19:

- Faculty, staff, and students have all demonstrated an incredible commitment to UNCOSA and the Community Health Standards.
- Covid cases have been low due to everyone's adherence to safety protocols.

- Campus surveillance testing has been successful and a very important tool that will continue in the Spring Semester.
- Re-entry testing will be required of all faculty, staff, and students once they return in the spring.
- The Covid Dashboard has been an effective and timely way in keeping the campus community updated about Covid cases.

Chancellor Cole praised the work that is coming out of every art school during this difficult year, and the creative approaches that have been taken to make performances virtual.

He went on to thank Henry Grillo, Interim Dean of the School of Filmmaking, for his 35-year commitment to UNCSA. Mr. Grillo is retiring this month. Dale Pollock, former Dean of the School of Filmmaking, will serve as Interim Dean for the remainder of the academic year. Mr. Pollock retired from UNCSA in 2019.

The three dean searches for the Schools of Filmmaking, Dance, and Music are progressing. Search firm Isaacson Miller has been hired to oversee each of them. All three search committees will complete EDI and Implicit Bias training.

The EDI Committee, co-chaired by Claire Machamer and Kris Julio, has made good progress on the EDI framework. The working committee includes 20 members made-up of faculty, staff, and students, with more than 50 people participating across campus through sub-committees. Shayla Herndon-Edmunds from Wake Forest University has been hired to facilitate the work of the committee.

Despite the pandemic, UNCSA has seen continued movement in the comprehensive campaign. To date, \$70.2M has been raised, which is more than \$5M above the original goal of \$65M.

Chancellor Cole congratulated Vice Chancellor for Advancement, Ed Lewis, for his recent outstanding fundraiser award, and the Kenan Charitable Trust, a tremendous supporter of the School, for their recent recognition as Outstanding Philanthropic Organization. He went on to congratulate the School of Filmmaking for their outstanding school rankings.

The residence hall project is on schedule and will open in January 2022 for 450 students. Chancellor Cole concluded his report with a video rendering of the new residence hall that is focused on artistic community living.

REPORT FROM THE AUDIT, RISK, AND COMPLIANCE COMMITTEE

Steve Berlin, Committee Chair, reported the following from the December 1st meeting of the Audit, Risk, and Compliance Committee:

Jim DeCristo, Vice Chancellor for Economic Development and Chief of Staff, provided an Enterprise Risk Management update. A majority of the ERM efforts have been focused on Covid-19 since March of this year. Some of the previous risk priorities have continued to make

progress over the past several months, such as the new residence hall project, faculty and student support through the comprehensive campaign, and implementation of new Title IX regulations.

Greg Gleghorn, Director of Information Security, provided an update regarding Information Governance and Security. Phase One of IT's Multifactor Authentication Project (MFA) is complete and all faculty and staff are now participating in multifactor authentication. This is a significant milestone and will help increase UNCSCA's security posture, especially as it pertains to compromised authentication accounts. Phase 2 of the project is underway and Phase 3 will include students. A tabletop exercise has also been designed to test and evaluate how effectively IT responds to ransomware incidents.

Wendy Emerson, Associate Vice Chancellor for Finance and Controller, presented the results of the liquidation of the Federal Perkins Loan Program. All loans in the Federal Perkins Loan Portfolio have been accounted for, assigned to the Department of Education, or purchased by the University. The service cancellation data has been properly reported. She also presented the results of the UNCSCA Annual Financial Statement Audit. The audit was clean with no findings.

Cindy Liberty, Executive Director of the Foundation, provided an update on the associated entities financial statement audits. The UNCSCA Foundation and Semans Art Fund audits were both clean audits with no findings.

Rod Isom, Interim Chief Audit, Risk, and Compliance Officer, reported that there are currently only two auditors within Internal Audit as one person is out on leave. Internal Audit currently has three vacancies within the unit. The search for an IT Auditor is underway. He also reported that the Filmmaking Salary Increase Investigation did not result in any reportable observations after an anonymous complaint was received from the UNC System Office related to allegations about an improper salary increase was completed.

Mr. Isom reported that the next planned review will be an examination of the University's Covid spending and response plan. The Engagement Letter was issued to management on November 23, 2020 and the fieldwork will commence in January 2021.

The Medical Wig Program Investigation fieldwork has been completed and the draft report is being prepared. Results of the review will be discussed in February.

Three projects have been completed so far this year, with one project currently in progress. So far this fiscal year, Internal Audit has completed audits resulting in reports that produced five observations and ten written recommendations for the Provost's Office, Community and Summer Programs, Human Resources, and Community Engagement and ArtistCorp.

REPORT FROM THE GOVERNANCE COMMITTEE

Rob King, Committee Chair, reported that the Governance Committee has one item for Closed Session.

REPORT FROM THE ENDOWMENT FUND BOARD

Ralph Womble, Board Chair, reported the following from the Endowment Fund Board meeting:

Wendy Emerson, Associate Vice Chancellor for Finance and Controller, reviewed the UNC Management Company Flash Report and the UNCSCA Endowment Fund Investment Summary as of September 30, 2020. Ms. Emerson stated the UNCSCA Endowment Fund Investment Summary reflects overall net earnings of 7.3% for the 1st Quarter of the current 2021 fiscal year. As of September 30, 2020, there have been no new endowment gifts.

The Board approved an endowment distribution allocation of \$1,011,700 for 23 endowments for the upcoming 2021-2022 academic year. This represents an increase over the 2020-2021 academic year distribution of \$905,000.80 for 19 endowments. The average of the distribution allocation is 3.7%, and the funds support the University's distinguished professorships, visiting artists, and scholarships.

REPORT FROM THE ADVANCEMENT COMMITTEE

Mark Land, Committee Chair, reported the following from the Advancement Committee:

Fundraising Report

- Advancement has made up some of the lost ground reported at the September meeting and anticipates being in line with budget projections by the end of the calendar year.
- The Annual Fund is tracking slightly behind budget projections, but that will likely be made up as December is typically an active month for giving before the calendar year-end.
- In Temporarily Restricted Revenue, under Scholarships Gifts, we are ahead of where we were this time last year. We are slightly behind in Gifts and Grants compared to where we were last year at this time.
- Some lost ground has been made up in Permanently Restricted Revenue.
- UNCSCA plans to soon receive a \$200K Gift In-Kind to the School of Filmmaking.
- Last month, Advancement received \$1.5M in matching funds from the State for three endowed distinguished professorships.
- Over \$16K has been raised from 55 gifts to the J. Phillip Horne Scholarship in Filmmaking.

Comprehensive Campaign

- Advancement received a \$2M bequest from a School of Dance alumnus last month.
- As of the end of November, \$70M has been raised, over the initial goal of \$65M.
- The campaign goal does not reflect the full need of UNCSCA, therefore, Advancement is still working to secure additional gifts.
- Naming opportunities are available in the newly renovated Semans Arts and Administration Building and in the Alex Ewing Performance Place.

Staffing Update

- A verbal offer has been made for the Major and Planned Giving Officer position, and the candidate has verbally accepted.
- Advancement is in the final stage of the Database Administrator search and the department anticipates making an offer next week.

Events

- The majority of Advancement's events continue to be hosted digitally. This has presented great opportunities for growth, innovation, and engagement.
- Chancellor Cole hosted three Cocktails on the Terrace events for very small gatherings at the residence. Multiple layers of processes and health protocols were put into place to ensure guests felt safe and comfortable.
- This semester, the Office of Advancement, in conjunction with Deans, hosted virtual Dean's Council events for the School of Dance, School of Design & Production and the School of Music.
- The Associates hosted their annual Freshman Drama Monologues on October 19.
- The Giannini Society held a Virtual Spotlight on *Fletcher Opera Scenes: An Evening at the Opera*.
- The main event for this semester will be a cinematic reimaging of "The Nutcracker". UNCOSA will host "The Nutcracker" Opening Night Scholarship Benefit on Saturday, December 12.
 - This virtual event will raise critical funds for scholarships, one of the pillars of the Powering Creativity Campaign.
 - The event will take place on a web and mobile app that provides opportunity for real time interaction and behind the scenes engagement the night of the event, but also the week leading up to the event.
 - At this time, close to 700 households have registered for this event.
 - The film will be available to broader audiences beginning December 17 and will also air on UNC-TV.
 - This has provided an exceptional PR moment for UNCOSA.
 - UNC-TV will be showing the film December 23-25.
 - Already, we have received a large amount of press for "The Nutcracker", including exposure in newspapers, magazines (*En Point*, *Winston-Salem Monthly*), local TV and national publications.
 - Red Cinemas in Greensboro will be running the trailer and showing the film after the 17th. This is thanks to Board of Governors member Marty Kotis.

Alumni Relations

- This semester, the Alumni Office hosted virtual events with Chancellor Cole, Provost Sims, and Deans from the Schools of Dance, Design and Production, Filmmaking and Music.
- The Alumni Office has started a series of regular communications with alumni, including a monthly birthday greeting, a monthly newsletter and a survey to find out how they would like to stay engaged with UNCOSA.
- The Alumni Office has also been working with Mark Land, '78 and members of the Board of Trustees Governance Committee to identify alumni who would be good candidates to serve on the Board of Trustees.

UNCOSA Foundation Board

- The Finance Committee met on September 1 to review FY 2020 results. They approved changes to the Foundation Endowment Spending policy to align our spending with other campuses in the UNC system.

- They pulled the administrative fee out separately from the endowment distribution and increased the endowment distribution to .6%.
- The committee will meet again in December to review the calculation and distribution.
- Once approved, those numbers will be given to Financial Aid so they can share those with the schools.
- The Audit Committee finalized the 990s with the tax auditors. The Foundation Board accepted the 990s and the Chancellor's Discretionary MOU.
- The board is full with 25 members, 6 of which will rotate off in September 2021. The recruitment process has begun.
- Advancement Committee Report:
 - Board giving continues to be at 100%. Total board giving during the campaign has exceeded \$5 million.
 - Day of Giving – leading board participation at 91% last fiscal year.
 - Day of Giving is tentatively scheduled for March 9, 2021.
 - The committee is working with Advancement on sponsorship support for the “The Nutcracker” Opening Night Scholarship event
- January will be a busy month for the Foundation. It will focus on mailing the year-end letters as well as the 1099s.
- The Foundation has hired a new accountant. Their first day is scheduled for February 3rd.

UNCSA Board of Visitors

- The Board of Visitors met virtually on Thursday, October 8. During the meeting, they welcomed seven new board members.
 - Kami Chavis
 - Matt Harris, '94
 - Joe Logan
 - Shreita Powers
 - Lee Thompson
 - K. Victoria (Vicki) Threlfall
 - Nancy Trovillion
- This meeting focused on ways the board can serve as ambassadors and supporters of UNCSA during this time.
 - Board members were asked to follow, subscribe and share information about the school on Social Media and attend virtual performances.
 - The board was also asked to focus their efforts this semester on building an audience for “The Nutcracker” Opening Night Scholarship Benefit on December 12.
- The Advocacy and Nominating Committees will meet in January to refocus efforts on recruiting new board members and planning for advocacy efforts this spring.

REPORT FROM THE PERSONNEL COMMITTEE

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

Hires and Separations Since the September Meeting

- Total New Hires: 2
 - Faculty - 0
 - EHRA Non-Faculty -0
 - SHRA Employees – 2

- Total Separations: 10
 - Involuntary - 3
 - Voluntary - 4
 - Retirement – 1
 - Death - 2
- *Key Separations include: EHRA Tier II: Erin Morin, Registrar

Covid-19

HR continues the daily collection of Faculty, Staff, and Contractor data for the Covid dashboard and manages staff teleworking requests as well as related reporting to the System Office. HR is a participant in the UNC System Office Return to On-Site Operations weekly calls to monitor trends and receive updated communication.

Benefits Update

Open Enrollment is complete, with 98% of employees participating in Benefits Enrollment for upcoming year. Also, Retiree Health Insurance Eligibility will change January 1, 2021. Anyone hired on or after January 1, 2021, who enrolls in one of the two retirement plans will no longer be eligible to continue health insurance with the NC State Health Plan upon retirement. This does not affect current employees, or anyone hired prior to January 1, 2021.

Learning and Development

There is a continued need for a Learning and Management System, as well as the establishment of a full-time position dedicated to Learning and Development. This will allow HR to offer a variety of training in support of leadership development, supervision, and other professional skills. Investing in professional development is vital for retention, engagement and compliance. HR will research various systems and funding options.

Staff Council Updates

Staff council has continued to offer professional development and community service opportunities, and virtual social events.

On December 1, a virtual all staff meeting was held with Provost Sims and Chancellor Cole. Staff Council has relayed to the Chancellor that there is an increased pressure on staff when positions are not filled. Staff Council has proposed that managers and supervisors prioritize what/how work will be done, and how to better streamline processes across campus, and how supervisors can monitor/manage stress load on employees during this time.

REPORT FROM THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE

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

- Chief of Police, Frank Brinkley reviewed preliminary CLERY crime statistics for 2017-2019. Director of Title IX & Chief Compliance Officer, Valerie Thelen told us that Title IX cases dropped when the students left campus last spring and all violations have decreased as students are not congregating as they have in the past. Interim Associate Director for Student Conduct & Community Standards, Nick Gawlik reviewed statistics on conduct for the last five years. There has been a large spike in cases this fall related to Community Health Standards.

- Provost Patrick Sims reported that the Equity, Diversity and Inclusion committee has launched with 54 participants made up of students, faculty and staff as an outgrowth of the EDI Framework document. The committee plans to present preliminary recommendations to the Provost and Chancellor in February/March which in turn, will be presented to the Board for endorsement in April. To gauge the impact of COVID19, Academic and Student Affairs teams developed a student check-in survey to assess how well we deliver courses in an online format as well as to determine student needs. The data showed that a majority of students are satisfied with their classes and most feel they have enough time in person for both academic and arts classes. A number of respondents took the time to make positive comments on the University's handling of the COVID crisis. When asked about non-academic concerns, almost half reported emotional and mental health. This is in line with what is seen nationally - even before COVID19.
- Chancellor Cole gave an overview of the Tuition and Fees proposal for 2021-2022 which was discussed and voted on in the Finance Committee.
- Vice Provost and Dean of Academic Affairs, Karen Beres reported that in conjunction with Faculty Council and the Faculty Development Committee, a process is close to being finalized for faculty teaching at least one fully online course to access support for their continued development in online teaching.
- Vice Provost Tracey Ford discussed the challenges and successes of UNCSCA's COVID protocols which resulted in low numbers of cases. Student Affairs established extensive quarantine procedures to care for students. In addition, Vice Provost Ford shared the utilization data for health and counseling services and case management which shows overall increases in student usage.
- The Director of Admissions, Paul Razza reported that despite all of the challenges of this recruiting season with no travel and reduced face-to-face opportunities, that they were able to realize a 19% increase in applications for a November deadline using virtual info sessions, student ambassador chats and virtual preview weeks.
- Faculty Council Chair, Mike Wakeford reviewed Faculty Council's ongoing priorities of shared governance, faculty salaries, and the reinstatement of an evaluation process for upper administrators. The Council will continue collaborative efforts with the administration to address these topics.

Nic Brown, Student Body President, reported that the fall was a difficult semester for students with the culture shock of COVID and its impact on classes, productions and the ability to gather. Student Government members focused on community, communications and collaboration. SGA hosted several events for students – movie nights, poetry readings, meditation and relaxation events. They also focused on voter registration before the election. EDI framework committee meetings and focus groups are going well.

REPORT FROM THE FINANCE COMMITTEE

Elizabeth Madden, Committee Chair, reported the following from the Finance Committee:

- Michael Smith, Vice Chancellor for Finance and Administration, presented a proposal from the UNCSCA Tuition and Fees Committee to increase non-resident tuition by 3% for high school, undergraduate, and graduate students for FY21-22. If approved by the UNCSCA Board of Trustees, the recommended increases would be presented to the UNC Board of Governors for subsequent approval. Mr. Smith also outlined the requisite

increases to its housing inventory for FY21-22 and FY22-23 as part of its multi-year plan to facilitate the opening and operations of its new residence hall.

MOTION: The Finance Committee moved to approve the Tuition and Fees proposal as presented. The motion was unanimously approved.

Wendy Emerson, Associate Vice Chancellor for Finance, provided the results of UNCOSA's financial statement audit. UNCOSA received a clean audit with no findings, which was the 14th consecutive year achieving these outstanding results.

Vice Chancellor Smith gave the capital projects update, providing specific updates on the New Residence Hall, Seman's Arts and Administration Building, and Performance Place renovations. Michael briefly discussed the annual Repair and Renovation appropriation for UNCOSA to address the backlog of deferred maintenance.

As previously discussed, Mr. Smith presented a formal request to enter into a Master Lease at the nearby Gateway Loft Apartments for temporary housing in support of the new residence hall project. The requested approval is for a lease amount of \$362,560 for the period May 15, 2021 through January 15, 2022.

MOTION: The Finance Committee moved to approve the extension of the Master Lease at the Gateway Loft Apartments as presented. The motion was unanimously approved.

Ms. Emerson provided an update on the liquidation of the Federal Perkins Loan Program. The NC Office of the State Auditor issued a report stipulating that all loans in the UNCOSA Federal Perkins Loan Portfolio have been accounted for, assigned to the Department of Education or purchased by the University, and the service cancellation data has been properly reported.

Three loans were purchased through the liquidation of UNCOSA's Federal Perkins Loan portfolio that have been deemed uncollectible by the US Department of Education, and the University is seeking approval to write these off. Of the loans purchased, one had a balance that was too low to be assigned to the US Department of Education for further collection and two were missing Master Promissory Notes required to secure the debt. The total amount of debt purchased and requested to be written off is \$4,786.75, comprised of \$2,913.70 in principal and \$1,873.05 in interest and fees.

MOTION: The Finance Committee moved to approve writing off three loans purchased through the liquidation of UNCOSA's Federal Perkins Loan portfolio, as presented. The motion was unanimously approved.

MOTION TO GO INTO CLOSED SESSION

MOTION: Mark Land moved to 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;**
- **The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568; and**
- **Not considered a public record within the meaning of Chapter 132 of the General Statutes.**

- **To Consult with our attorney in order to preserve the attorney-client privilege;**
- **To hear or investigate a complaint, charge, or grievance by or against a public officer or employee; and**
- **To consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee.**

Steve Berlin seconded and the motion was unanimously approved.

REPORT FROM CLOSED SESSION

Chairman Womble reported that the Board of Trustees went into Closed Session to consult with their attorney regarding a confidential issue, and to discuss potential candidates for the Board of Trustees.

He then called on Rob King to present a motion from the Governance Committee.

MOTION: The Governance Committee moves to recommend the following individuals for consideration for appointment to the Board of Trustees in July 2021:

- **Paul Tazewell**
- **Jeffrey Bullock**
- **Al Crawford**
- **Rhoda Griffis**
- **Nia Franklin**

And that Kyle Petty be reappointed for a 4-year term. The motion was unanimously approved.

ADJOURNMENT

With no further business to discuss, the December 4, 2020 Board of Trustees meeting adjourned at 10:29 a.m.

Respectfully submitted by:

Amanda G. Balwah

Associate Vice Chancellor and Assistant Secretary of the Board of Trustees