

**OPEN SESSION MINUTES**

October 1, 2021 | 1:30 p.m.

University of North Carolina School of the Arts  
Winston-Salem, North Carolina

**TRUSTEES PRESENT**

\*Denotes voting Trustee

\*Ralph Womble, Chair  
\*Mark Land, Vice Chair  
\*Greer Cawood, Secretary  
\*Jeffery Bullock  
\*Al Crawford  
\*Jenna Cusack, SGA President  
\*Skip Dunn  
\*Anna Folwell  
\*Rhoda Griffis  
\*Peter Juran  
\*Ches McDowell  
\*Kyle Petty  
\*Paul Tazewell  
Tom Kenan, *ex officio*  
\*Beth Petty, Alumni Representative

**TRUSTEE ABSENT**

Tom Kenan, *ex officio*  
Sandi Macdonald  
Secretary Reid Wilson

**STAFF PRESENT**

Brian Cole, Chancellor  
Patrick Sims, Ex. Vice Chancellor and Provost  
Jim DeCristo, VC and Chief of Staff  
David Harrison, VC and General Counsel  
Michael Smith, VC for Finance and  
Administration  
Amanda Balwah, AVC and Secretary of the  
University  
Richard Whittington, Interim VC for  
Advancement  
Michael Kelley, Dean of Design and Production  
Steve Gallagher, Associate Dean of Student  
Affairs  
Kathryn McMillan, Special Assistant to the  
Provost

Kevin Bitterman, Executive Director of the  
Kenan Institute  
Darren Chiott, Chair of Staff Council  
Josh Selander, Chair of Faculty Council  
Tareake Ramos, Alum and former Student  
Body President  
Wiley Hausam, Managing Director of  
Performance Facilities  
Angela Mahoney, AVC and Director of Human  
Resources  
Scott Zigler, Dean of Drama  
Endalyn Taylor, Dean of Dance  
Shannon Wright, Ex. Asst. to the Vice  
Chancellor for Advancement  
Saxton Rose, Dean of Music

## CONVENE OPEN SESSION

Chairman Ralph Womble convened the October 1, 2021 meeting of the University of North Carolina School of the Arts Board of Trustees at 1:30 p.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: Mark Land moved to approve the open session minutes from the April 2021 meeting as presented. Greer Cawood seconded and the minutes were unanimously approved.**

## AFFIRMATION FOR NEW TRUSTEES

Amanda Balwah, Secretary of the University, administered an affirmation to the following new Trustees: Jeffery Bullock, Al Crawford, Jenna Cusack, Rhoda Griffis, Ches McDowell, and Paul Tazewell.

## REPORT FROM CHANCELLOR COLE

Chancellor Cole welcomed everyone to the first Board of Trustees meeting of the year. He began his report with a Covid-19 update, noting vaccination rates are incredibly strong and holding steady at 92% for students, faculty, and staff. As of this morning, there are only two active cases on campus.

He went on to note that this academic year is more normal than the last, with in-person performances returning to campus. UNCSA has a full symphony orchestra ready to perform, Fall Dance is set to begin, and *Nutcracker* will be in person this year. Tickets go on sale October 7<sup>th</sup>. The School will continue to stream some performance from Watson Hall.

Chancellor Cole provided an update on the Stevens Center. The balcony has been closed for the foreseeable future, and the School continues to seek funding from the State. He asked all Trustees to continue to advocate for the funding required to preserve this space.

Several new key hires have taken place since the April Board of Trustees meeting:

- Saxton Rose, Dean of Music
- Endalyn Taylor, Dean of Dance
- Deborah LaVine, Dean of Film
- Martine Kei Green Rogers, Interim Dean, Division of Liberal Arts
- Kevin Bitterman, Executive Director of the Kenan Institute
- Doug Griffith, Director Animatronics Graduate Program, School of Design & Production

Other notable news:

- UNCSA is partnering with Posse Arts
- The individual art schools continue to rank amongst the best in the nation.
  - School of Drama #4
  - School of Filmmaking #11
- The NY Times is running a story on Drama students who graduated at the height of the pandemic – “Drama Students Trained for Years, then Theatre Vanished”

- Advancement’s Powering Creativity collaterals won a CASE award
- Alumni continue to amaze on the screen and stage. Chancellor Cole highlighted recent accomplishments of:
  - Camille A. Brown
  - Richard O’Neill
  - Mary-Louse Parker
  - David Gordon Green
  - Jonathan Majors
  - And current student Brianna Middleton

Chancellor Cole concluded his remarks by thanking the Trustees for their continued support of UNCSCA and their presence at his installation earlier in the morning.

**REPORT FROM THE GOVERNANCE COMMITTEE**

Al Crawford, Committee Chair, reported that the Governance Committee met on September 30, 2021 and a quorum was present. He went on to report the following:

The members of the Governance Committee reviewed the committee charge since it was the first meeting of the year. The committee then reviewed the proposed meeting dates for 2022-23, 2023-24, and 2024-25.

**MOTION: The Governance Committee moved to approve the proposed Board of Trustees meeting dates for 2022-23, 2023-24, and 2024-25 as presented. The motion was unanimously approved.**

The Committee discussed the request from the Board of Governors (BOG) to review its delegations of authority. David Harrison, Vice Chancellor for Institutional Integrity and General Counsel, reviewed the request and draft resolution. A few years ago, UNCSCA revised the policy manual, categorizing policies as rules and procedures with Board of Trustees’ authority and regulations as those with Chancellor authority. This policy manual restructuring put UNCSCA in a very good position to complete this request from the BOG.

The Kenan Institute put forward 3 Kenan Advisory Board members for renewal of their terms. They are Mari Meade, Paul Fulton, and T.J. Donoghue. The Governance Committee accepted these nominations.

**MOTION: The Governance Committee moved to approve the renewal of Mari Meade, Paul Fulton, and T.J. Donoghue to the Kenan Institute Board of Advisors. The motion was unanimously approved.**

The Committee also reviewed a change to the Board of Trustees bylaws to delegate authority to the Chancellor to make substantive changes to the bylaws when the General Assembly, Board of Governors, or other controlling legal mandate requires the change. The purpose of this proposed amendment is to align the bylaws with mandates as quickly as possible. The Committee fully supports the change.

**MOTION: The Governance Committee moved to approve the proposed amendment to the bylaws to allow for substantive changes mandated by the General Assembly, Board of Governors, or other mandate. The motion was unanimously approved.**

## **REPORT FROM THE ENDOWMENT FUND BOARD**

Chairman Womble reported that the Endowment Fund Board met on Thursday, September 30 and a quorum was present.

Wendy Emerson, Associate Vice Chancellor for Finance, reviewed the UNC Management Company Flash Report and the UNC CSA Endowment Fund Investment Summary as of June 30, 2021. Ms. Emerson stated that the UNC Management Company Report reflects overall net earnings of 42.3% for fiscal year 2021, its best fiscal year return since inception. UNC CSA's investments had an increase in market value just over \$13 million from FY2020 to FY2021. This increase was the result of unrealized gains and new endowment gifts.

During fiscal year 2021, there were six new endowment gifts totaling just over \$2.7million added to the University's existing endowment pool. The Board approved the acceptance of the new gifts during the 2021 fiscal year.

The Board was updated on the Endowment Fund Investment Procedures for the current 2022 fiscal year.

## **REPORT FROM THE ADVANCEMENT COMMITTEE**

Kyle Petty, Advancement Committee Chair, reported the following from the September 30<sup>th</sup> committee meeting:

A search for the new Vice Chancellor for Advancement is underway. Rich Whittington, Interim Vice Chancellor, is a part of the search committee.

The Committee reviewed the fundraising numbers for FY21 YTD through June 30, 2021 and FY22 through August 31, 2021.

The Advancement Office will continue its focus on donor appreciation and stewardship. The Office is currently developing new online donor friendly giving resources and developing initiatives to support UNC CSA's equity, diversity, inclusion, and belonging (EDIB) priorities, including the Posse Arts Program.

The Nutcracker will return to the Stevens Center this year and Advancement is working to secure sponsorships.

The annual NextNow Scholarship Fundraiser will be held April 30, 2021 in conjunction with the Fletcher Opera's 20<sup>th</sup> Anniversary.

The Foundation Board reported a complete, clean audit from Smith Leonard.

The Board of Visitors is evaluating new member criteria with goals to broaden geographic reach and encourage greater diversity. The Board is pausing on their slate of new members until this work is complete.

Rich Whittington introduced the Chancellor's Discretionary Account MOU to the Advancement Committee. Each year the Board is asked to approve the Foundation agreement for the Chancellor's Discretionary Fund. No changes were made to this document from the previous year.

**MOTION: The Advancement Committee moved to approve the Chancellor's Discretionary Fund Memorandum of Understanding as presented. The motion was unanimously approved.**

Mr. Petty then called on Rich Whittington who presented highlights from the campaign:

- Total Raised - \$75,330,418
- Goal was \$65 Million; Exceeded Goal 115%
- Nearly 19,400 individual gifts made by more than 10,000 unique donors.
- More than 70 new endowed and current use scholarships created and dozens more expanded.
- More than \$5.5 million raised from UNCSEA alumni.
- New endowed professorships in the schools of Drama, Design & Production, and Music, and in the Division of Liberal Arts.
- The renovation of the newly renamed Alex Ewing Performance Place.
- The creation or expansion of initiatives such as the Institute for Performance Innovation, the Choreographic Institute, the Media and Emerging Technology Lab (METL), and the Animatronics M.F.A. program.
- An endowed professorship supporting guest artists.
- Forty-one new planned gifts totaling more than \$12.5 million.

## **REPORT FROM THE PERSONNEL COMMITTEE**

Jeffery Bullock, Personnel Committee Chair, reported that the committee met on September 30<sup>th</sup> and discussed the following:

Angela Mahoney, Director of Human Resources, reported 24 new hires since the April Board of Trustees meeting, including 3 faculty, 13 EHRA non-teaching, and 8 SHRA employees. There have been 23 separations during this time, 11 of which were voluntary, 3 transferred to other agencies, and 9 employees retired.

Employee Appreciation Week will be held October 25-29. Events will include a free flu shot clinic, tie-dye t-shirts, a food drive for the UNCSEA Pickle Pantry, employee meal vouchers, and group/departmental photo opportunities.

Ms. Mahoney reported 22 SHRA vacancies as of May 1, 2021. 13 of those vacancies have been filled, 8 recruitment efforts are still in process, and 1 offer was declined (internal candidate decided to remain in their current position). Of the 36 EHRA positions vacant, 22 are currently posted, 13 have been filled, and 1 is being managed by an outside search firm. Based on the data received as of May 1, 2021, we do not have a vacancy due to the economy or the inability to provide a competitive market.

Ms. Mahoney reported that HR will be working with a consultant to develop a training assessment tool to better determine the training needs of UNCSEA employees. Several professional development opportunities have been offered to date, with workshops facilitated by HR staff, Gillette Consulting, and the ComPsych Employee Assistance Program.

Open Enrollment for benefits will be held October 11-29, with virtual enrollment sessions held throughout the week to assist employees with their enrollment.

The Covid-19 Vaccine continues to be covered at 100% by the State Health Plan, and the cost of COVID testing is waived as well.

Staff Council updates were presented by Darren Chiott. Staff Council is focusing on increasing employee engagement across campus this year. They are also beginning monthly meetings of the Staff and Faculty Council Executive Committees to increase understanding and support between these groups. The Staff Council Committees this year include Professional Development, Community Service and Sustainability, Special Events and awards, and Membership and Elections.

## **REPORT FROM THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE**

Greer Cawood, Academic and Student Affairs Committee Chair, reported that the committee met the day prior and a quorum was present. She went on to report the following:

Provost Patrick Sims presented UNCSA's world rankings and outlined the university's new partnership with the Posse Foundation. UNCSA is one of five schools joining their new initiative "Posse Arts Program". This partnership will create a cohort of 10 students each year recruiting students from non-traditional backgrounds, who will attend UNCSA on a full-tuition grant. Ms. Cawood then called on Provost Sims to present the new Collaborative Scheduling Initiative (CSI) which will help create better balance on campus with room for interdisciplinary exploration as well as build on the strategic plan goals of EDIB and Health and Wellness. He acknowledged that CSI is no easy feat, but it is important work that will benefit the entire campus.

Ms. Cawood reported that Vice Provost and Dean of Academic Affairs, Karen Beres, shared more information about new multi-year contract faculty and reported out about Student Advantage Week, a program to provide support for first year incoming undergraduate students. Dr. Beres also reported on UNCSA's minor degree programs in Arts Entrepreneurship and German Studies noting Academic Programs is watching for areas of potential growth with additional minors.

Tracey Ford, Vice Provost and Dean of Student Affairs, reported on the increase of crisis counseling appointments and how Student Affairs has utilized HERF funds to help hire outside contract counselors, as well as outfit spaces where students can collaborate. Student Affairs has made a Mental Health First Aid Class available for faculty, staff, and students to help provide campus wide support. Dr. Ford reported that 92% of campus is vaccinated and we are continuing surveillance testing weekly across campus. Lastly, there is a lot of excitement around the new residence halls "Artist Village" and the refresh of other dorm spaces across campus with new furniture, paint, and blinds.

Paul Razza, Director of Admissions, reported incoming student enrollment numbers highlighting a 4.6% increase from last year which puts UNCSA 2<sup>nd</sup> for growth in the system. Mr. Razza also highlighted that the minority student population is up 2% from last year, up 17% over the last 10 years. He went on to outline the recruitment process and shared more details about partnerships with Cappex, College Greenlight, Community-based Organizations and Posse Arts.

Faculty Council Chair, Josh Selander, stressed that the faculty and students are experiencing Covid fatigue. He expressed that salary compression is disheartening and discussed the impact of faculty rank, salaries, and the desire for faculty to have more transparency when it comes to budget.

Ms. Cawood finished her report by calling on Student Body President, Jenna Cusack, to provide an update on Student Government. Miss Cusack discussed the goals and initiatives of SGA, including a focus on campus safety, health and wellness, elevating student feedback, and facilitating discussions between students, faculty, and staff.

## **REPORT FROM THE FINANCE COMMITTEE**

Mark Land, Chair of the Finance Committee, reported that the Committee met the day prior and discussed the following:

Michael Smith, Vice Chancellor for Finance and Administration, provided an update on the FY21-22 state budget. Absent an approved state budget, UNCSA is operating under Continuing Budget Authority, utilizing the permanent base budget from the prior fiscal year.

Mr. Smith provided official enrollment data for UNCSA, as of Census Day, noting an increase in 23 students from the Fall of 2020. He also outlined the annual tuition and fs process and timeline. Recommendations for proposed actions will be presented at the December Board of Trustees meeting for approval and submission to the UNC System Office and subsequently the Board of Governors.

Vice Chancellor Smith provided a capital projects update, providing specific updates on the Artist Village Residence Hall and Performance Place projects. Mr. Smith briefly discussed the annual Repair and Renovation appropriation for UNCSA to address the backlog of deferred maintenance.

Mr. Smith provided background information regarding the All-Funds Budget, a UNC System initiative to encourage best practices in budgeting across the System. The All-Funds Budget will provide a comprehensive operating budget for each institution in a standard and consistent format, reflecting both General Fund and Institutional Trust Fund operating revenues and expenses.

He went on to discuss ongoing actions occurring to mitigate the spread of COVID-19 and addressed tangential third and fourth order effects of the global pandemic, including mental health concerns, cyber security risks, and ongoing student financial needs.

## **REPORT FROM THE AUDIT, RISK, AND COMPLIANCE COMMITTEE**

Peter Juran, Committee Chair, presented the following from Audit, Risk, and Compliance Committee:

Jim DeCristo, Vice Chancellor for Economic Development and Chief of Staff, provided an Enterprise Risk Management (ERM) update. Based on changes made by the UNC Board of Governors, and at the request of the University System President, UNCSA updated the ERM Steering Committee Charter to include cyber security risk. IT security is already one of UNCSA's top five risk priorities and continues to be actively addressed by the ERM Steering Committee, the Director of Information Security, and his staff. The Committee ratified the amendment to the

charter as presented.

Greg Gleghorn, Director of Information Governance and Security, provided the following update: Information Technology's cyber security program is being assessed by MCNC against ISO 27002 Information Security Controls. Within this Information System Management (ISMS) framework, there are 14 high-level controls, each with sub controls (a total of 114) that are evaluated against a categorical scale.

UNCSA began this project in May 2021 and uploaded the final assessment documentation on September 9, 2021. All UNC schools are participating in this project.

IT has engaged with Vantage Technology Consulting Group, who is helping the unit formalize IT Governance, IT Audit Preparation, and rewriting the Information Security Regulation based upon ISO 27002. The division has also partnered with Arctic Wolf as an external Security Operations Center (SoC). This partnership helps augment the unit's small staff, providing 24/7 support. IT has deployed sensors on UNCSA's campus network and granted AW access to hosted and cloud environments.

Valerie Thelen, Chief Compliance Officer and Director of Title IX, provided the following update: The Title IX Office has recently offered new Title IX training to meet its goal of reaching and educating more students. Partnering with Student Affairs, the training addressed issues such as bullying, harassment, and sexual assault and walked all students through the Title IX investigation process.

The office has also been able to contract with someone to assist with investigative services to ease the office workload and ensure the goal of reaching and educating all students.

Michael Smith, Vice Chancellor for Finance and Administration, presented the following: The UNCSA Housing Corporation Financial Statement Audit and the UNCSA Program Support Corporation Financial Statement Audit for fiscal year 2021 were completed earlier this month. The results of both audits included an unqualified opinion (clean audit) with no findings or issues to report. The UNCSA Financial Statement Audit for fiscal year 2021 is underway with an anticipated completion date before the end of December. The NC Office of the State Auditor is conducting the audit.

Rod Isom, Chief Audit, Risk, and Compliance Officer, presented the UNCSA Foundation Audit for fiscal year 2021. The result of the audit included an unqualified opinion (clean audit) with no findings or issues to report.

Mr. Isom and the Internal Audit staff presented the following:

Internal Audit is happy to report that Rod Isom was appointed Chief Audit, Risk, and Compliance Officer July 1, 2021. The top priority for the division is to fill the Audit Manager previously held by Mr. Isom.

For 8 of the 12 months of FY21, Internal Audit only had 2 auditors working, and current operating staff levels are at 50% with only 3 out of 6 positions filled. All Internal Audit team members have professional certifications: 2 Certified Public Accountants, 1 Certified Information Systems Auditor, and 2 Certified Internal Controls Auditors.

Summary of Internal Audit Activity for Fiscal Year 2021:

- Audit Plan Completion Percentage – 60% (6/10)
- **9** projects were planned and **1** project was added to the audit plan
- **6** projects were completed and **4** were not started/ carried forward.
- Completed audits and advisory services resulted in reports with **11** observations that produced **29** written recommendations in various departments
- 100% of post audit satisfaction surveys were issued for applicable reviews and customers rated services 4 or higher (agree/strongly agree) on a 5-scale rating
- Averaged 126 days from Planning Meeting to Draft Report (goal is 120 days)
- Actual Hours Worked for FY21 totaled **1,005** with planned hours of **1,800** (one auditor unavailable for 8 months). Actual Hours worked for FY20 totaled **2,232** hours. FY20 overage will offset FY21 shortage and will result in roughly 400 additional hours added to the audit plan.

All findings have been resolved in the follow-up review for the Center for Design Innovation (CDI).

The audit plan was reviewed and updated to add **1** new investigative review that occurred since the plan was last approved in the April's meeting. Other projects in progress includes an IT Operations Post Follow-up Review and a Title IX Planned Review, which is centered around training and awareness programs for Students.

The Self-Assessment Maturity Model (SAMM) is a self-assessment framework tool that was implemented by the North Carolina Council of Internal Auditing and must be completed annually by September 30<sup>th</sup>. The tool allows IA to assess the function against professional internal audit standards and good practices, assist with communicating audit value, and identify gaps for improvement to aide in the audit function's maturity. On a scale of 1-5, an audit function must score at least a 3 for compliance. The unit scored a **3.2**.

Mr. Isom presented the Audit, Risk, and Compliance Committee Charter as it must be reviewed on an annual basis. No changes or amendments were made to the charter.

## **ADJOURNMENT**

With no further business to discuss, the October 1, 2021 Board of Trustees meeting adjourned at 2:36 p.m.

Respectfully submitted by:

Amanda G. Balwah

Associate Vice Chancellor and Assistant Secretary of the Board of Trustees











