

OPEN SESSION MINUTES

March 4, 2022 | 9:00 a.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
- *Jenna Cusack, SGA President
- *Skip Dunn
- *Anna Folwell
- *Rhoda Griffis
- *Peter Juran
- *Ches McDowell
- *Kyle Petty

John Wigodsky, Foundation Board Liaison

TRUSTEE ABSENT

- *Paul Tazewell
- Tom Kenan, *emeritus*
- Sandi Macdonald, *ex officio*
- Beth Petty, *ex officio Alumni Representative*
- Secretary Reid Wilson, *ex officio*

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
Claire Machamer, VC for Strategic Communications
Karen Beres, Vice Provost and Dean of Academic Affairs
Tracey Ford, Vice Provost and Dean of Student Affairs
Joan Roggenkamp, Ex. Asst. to the Chief of Staff
Travis Andrews, IT Helpdesk
Steve Martin, Assoc. Vice Chancellor for Facilities
Jeremy Serkin, CRM Manager - Strategic Communications

Amanda Balwah, AVC and University Secretary
Richard Whittington, Interim VC for Advancement
Kathryn McMillan, Special Assistant to the Provost
Angela Mahoney, AVC and Director of Human Resources
Endalyn Taylor, Dean of Dance
Saxton Rose, Dean of Music
Martin Ferrell, Dean and Headmaster of the High School
Rod Isom, Chief Audit Officer
Erin Baker, Ex. Asst. to the Chancellor
Marla Carpenter, Senior Communications Manager - Strategic Communications
Katherine Johnson, Director of Media Relations and Communications - Strategic Communications

CONVENE OPEN SESSION

Chairman Ralph Womble convened the March 4, 2022 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. Mr. Womble welcomed Graydon Pleasants to his first Board of Trustees meeting.

OATH OF OFFICE

Amanda Balwah, Notary Public, administered the Oath of Office to Graydon Pleasants, who was recently appointed to the Board of Trustees by the UNC Board of Governors.

APPROVAL OF MINUTES

MOTION: Peter Juran moved to approve the open session minutes from the December 3, 2021 meeting as presented. Mark Land seconded, and the minutes were unanimously approved.

REPORT FROM CHANCELLOR COLE

Chancellor Cole welcomed everyone to the third meeting of the academic year and the first of 2022.

He began his report by celebrating the recent opening of Artist Village, UNCSCA's new state-of-the-art dormitory. Students moved in at the beginning of spring semester.

Chancellor Cole reported that the newest members of the UNC Board of Governors recently came to campus for a tour and lunch. During that visit he had the opportunity to share the importance of the work that is done at UNCSCA, and how critical our training is for the arts and entertainment industry, economic development, and the overall human condition.

He went on to highlight the broad level of access UNCSCA provides for young, emerging artists despite challenges brought by Covid. UNCSCA is happy to report that we are seeing substantial progress with Covid after the Omicron surge in January. The spring semester began with increased health and safety measures, and the campus continues to see improvements each week. UNCSCA has one of the highest vaccination rates in the UNC System, and after a recent directive from the UNC System Office, the campus will move to masks optional beginning March 7th. Chancellor Cole thanked the Health Services and Student Life teams for their hard work in keeping everyone safe on our campus.

One major success since our last meeting was the return of *The Nutcracker* to the Stevens Center stage. This year a new production with new choreography was featured, and despite the balcony being closed, our marketing team was able to implement a new ticket pricing system based on demand that helped us raise \$590k for scholarships. We were also able to reach a wider audience with a streaming option and airing of the production after the live run on PBS North Carolina.

With the recent approval of a state budget last fall, UNCSCA will receive \$25M for Stevens Center renovations in addition to another \$4.8M for roof repairs. The overall cost for the Stevens Center renovation is estimated to be \$42.2M. We are excited to begin Phase I and have already started the Request for Qualifications process.

Chancellor Cole went on to highlight UNCOSA's new partnership with the Posse Arts Foundation. On January 25th, six high school seniors were announced as UNCOSA scholars who will begin training with us in the fall. Chancellor Cole was able to attend a virtual celebration announcing all of the Posse Arts Scholars with Lin-Manuel Miranda, his father Luis Miranda, and US Secretary of Education, Miguel Cardona.

The Chancellor's report concluded with a thorough walk-through of UNCOSA Forward, the University's 2022-2027 strategic plan. The final draft details five areas of focus for the next five years that are rooted in UNCOSA's mission and values. The plan was developed with stakeholder feedback from every constituent group. Chancellor Cole walked through each focus area and the priorities in the plan, which include:

- Equity, Diversity, Inclusion, and Belonging (EDIB)
- Health and Wellness
- Interdisciplinary Work in the Arts
- Industry Relevance
- Institutional Sustainability

The Board of Trustees also reviewed an advance copy of the final written plan prior to the meeting.

MOTION: Mark Land made a motion to approve UNCOSA Forward: Our 2022-2027 Strategic Plan as presented. Peter Juran seconded and the motion was unanimously approved.

REPORT FROM THE FINANCE COMMITTEE

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

Michael Smith, Vice Chancellor for Finance and Administration, provided an update on the certified state budget to the committee. He discussed the many positive impacts for UNCOSA, with specific information regarding employee compensation, capital projects, enrollment growth, and building reserves.

Vice Chancellor Smith updated the committee regarding the FY22-23 Tuition and Fees process. UNCOSA is optimistic that future annual Tuition and Fees processes will offer greater ability to increase tuition and fees, and increased flexibility in utilization of these resources. A brief conversation ensued regarding the need to increase parking fees across campus after an in-progress comprehensive study is completed.

Associate Vice Chancellor for Facilities Management, Steve Martin, gave the capital projects update, providing specific updates on the Artist Village Residence Hall and Performance Place projects. Mr. Martin briefly discussed the annual Repair and Renovation appropriation for UNCOSA to address the backlog of deferred maintenance.

Vice Chancellor 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. Mr. Smith also reported that UNCOSA's financial statement audit was completed with an unqualified opinion (clean audit) without any findings or issues to report.

REPORT FROM THE ENDOWMENT FUND BOARD

Chairman Womble reported the following from the Endowment Fund Board:

Rich Whittington, Associate Vice Chancellor for Advancement, presented information regarding a new \$1.5 million dollar gift for a professorship that will benefit the animatronics program. The Board approved the acceptance of the gift. A request to match the gift will now be presented to the UNC System Office, which, if approved, will result in a \$3 million dollar professorship.

Wendy Emerson, Associate Vice Chancellor for Finance, reviewed the history and proposed updates of the University's Endowment Fund Investment Policy. The Board approved the updated Endowment Fund Investment Policy, with the authority for technical corrections as needed going forward. The University's updated Endowment Spending Policy aligns with the UNCOSA Foundation's Endowment Spending Policy with respect to the distribution method, distribution range, distribution percentages, and required investment time before distribution eligibility. Aligning the University and Foundation Endowment Spending Policies allows for consistency for our donors.

The Board approved an endowment distribution allocation of \$1,445,768.60 for 25 endowments for the upcoming 2022-2023 academic year. The dividend per share is \$17.70 and the distribution rate is 3.55%. The funds support the University's distinguished professorships, visiting artists, and scholarships.

Ms. Emerson reviewed the UNC Management Company Flash Report and the UNCOSA Endowment Fund Investment Summary as of December 31, 2021. The UNC Management Company Report reflects a gain of 1.0% for the month of December 2021, and 8.1% for the first half of the 2022 fiscal year. UNCOSA's investments have an increase in net market value of just over \$3.3 million.

For the 1st half of fiscal year 2022, there have been three new endowment gifts totaling \$1.9 million added to the University's existing endowment pool.

REPORT FROM THE ADVANCEMENT COMMITTEE

Kyle Petty, Committee Chair, reported the following from the Advancement Committee:

UNCOSA recently welcomed Vice Chancellor for Advancement Lissy Garrison. Ms. Garrison shared several early observations and stressed her excitement over how well-positioned UNCOSA is for growth coming out of the success of the Powering Creativity campaign.

The Committee reviewed the numbers for FY22 YTD through January 31, 2022 and received a status report on the Chancellor's Discretionary Fund which currently has 47% board participation and has reached 67% of fund goal.

The annual Day of Giving is scheduled for March 24th. We have a goal of reaching 700 donors by

the end of the day. The site is live at www.give.uncsa.edu.

Launching soon, the Donor Thank You Portal is a new way for donors and endowment/scholarship contacts to access information about scholarship recipients and endowed fund performance. Donors will receive emails with instructions on how to log in.

The annual Scholarship Luncheon will be held on March 23rd, 2022, at the Benton Convention Center and the annual NextNow Scholarship Fundraiser will be held April 30, 2022, in conjunction with the Fletcher Opera's 20th Anniversary. NextNow's goal is to raise \$50,000 to support scholarships through ticket sales and sponsorships. Sponsorship information is available on the UNCSA website.

The committee celebrated fellow Board of Trustee's member Paul Tazewell's Academy Award nomination for Best Costume Design for his work on West Side Story.

Cindy Liberty, Executive Director for the Foundation and Kevin Bitterman, Executive Director for the Thomas S. Kenan Institute gave updates on the Foundation Board and Kenan Institute.

REPORT FROM THE PERSONNEL COMMITTEE

Jeffery Bullock, Personnel Committee Chair, reported the following from their December 2, 2021 meeting:

Angela Mahoney, Director of Human Resources, provided several updates. There were 10 new hires since the December meeting, including 1 key new hire – Lissy Garrison – Vice Chancellor for Advancement. UNCSA had 19 separations during this time, 11 of which were voluntary, 2 involuntary, 2 transfers to another agency, and 4 retirements.

All benefit-eligible employees in a permanent position as of June 30, 2021 received a 2.5% salary increase in January. The increase was retroactive to July 1, 2021, with the lump sum retro amount due included in the January check.

Ms. Mahoney reported as of December 1, 2021, UNCSA had 16 SHRA vacancies, with 5 positions posted, 4 offers accepted, and 7 in process. Of the 6 EHRA positions vacant, 3 were posted, 1 position has been filled, 2 recruitments in process. There were 12 Faculty positions posted. Data shows that we do not have a vacancy due to the economy or the inability to provide a competitive market.

HR has worked with a consultant to develop a training assessment tool. Campus input ended in January. The consultant is reviewing responses and will provide an analysis to HR. Three professional development opportunities have been offered to employees since December 1.

Employees are required to review specific University policies and regulations each year. The review was conducted during the month of February for all permanent and temporary employees.

For the Spring semester, UNCSA has 428 employees working on-site 100% of the time, 48 working a hybrid schedule, and 11 employees teleworking 100% of the time.

Governor Cooper extended the ability for employees to use community service leave to help combat staff shortages in K-12 school districts due to COVID-19 through April 15, 2022.

At home COVID Rapid tests are now covered 100% by the State Health Plan (up to 8 tests per month).

The University System is offering new life insurance for employees, spouses, and dependent children. Open enrollment runs through March 4. The current NC Flex Life Insurance coverage will end in December 2022.

Responses were submitted to Internal Audit for the HR audit conducted in February 2019. Of the 7 findings, 4 are resolved, 1 is partially resolved, and 2 are not yet resolved. Since the time-period covered by the audit (January 2017 through December 2018), HR is under new leadership and several new staff members have joined the department as well.

The Annual HR Compliance Report (Management Flexibility) covers FY21 and includes information on new and continuing EHRA appointments, salary and non-salary compensation for those appointments, analysis of equity issues, as well as any audit findings. UNCOSA complies with UNC System Office standards. This report requires BOT approval prior to submittal to UNC System Office.

MOTION: The Personnel Committee made a motion to approve the annual Human Resources Management Flexibility Report as presented. The motion was unanimously approved.

Staff Council updates were presented by Darren Chiott, Staff Council Chair. The Council is continuing to focus on increasing employee engagement across campus. The other committees continue to be active during the Spring semester with the new Professional Enhancement Committee working to improve processes and open lines of communication to connect groups across campus who share similar work functions.

REPORT FROM THE ACADEMIC AND STUDENT AFFAIRS COMMITTEE

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

Vice Provost and Dean of Academic Affairs, Karen Beres, reported that staff transitions are impacting workloads within academic affairs. The Division is utilizing a part-time person to cover the Director of Learning Resources position in the interim. This search is posted and in process of recruitment. Losing the Director of Faculty Affairs has been a huge loss as the position handles the full life cycle of faculty. It is also difficult to have cross-over or backups to these types of positions.

Alumni came to our student in-service program to host a panelist discussion. This program was highly successful and will be a model for future alumni programs

Vice Provost and Dean of Student Affairs, Tracey Ford, reported that Student Affairs is having issues with market value, equity, and securing employees. Three searches have concluded, and we are happy to announce three internal candidate promotions - Ramona Richmond, Director of Student Affairs Operations and Chief Housing Officer; Steve Gallagher, Associate Dean of Student Affairs/Deputy Chief Student Affairs Officer; and Laurel Donley, Assistant Dean of Student Affairs

The High School Residential Building is old and in need of repairs and updates. We have been able to work with facilities over the last year to update staff apartments. Upon further investigation,

repairs and renovations to this building should be funded by the State as no revenue is generated by the building.

Artist Village is open and students are residing in the building. It was a difficult process moving with winter weather, delays, and other setbacks but things moved forward and residents are happy to be in the new space. This new building will help with recruitment efforts.

Paul Razza, Director of Admissions, reported several impacts on admissions applications including: Covid and negative industry attention. On a positive note, Mr. Razza reported that in-state students attending one of the UNC System's high school programs can now attend a UNC system school tuition-free

Admissions strategy is to increase matriculation rate on admitted to enrolled students with greater investment in accepted student packets, active student phone calls, accepted student VIP experience, congratulatory emails from deans, handwritten postcards from alumni, and a robust orientation and onboarding user experience.

Mr. Razza concluded his report by introducing our six 2022 Posse Artists - 3 in Film, 2 in Drama, and 1 in Music.

Faculty Council Chair, Josh Selander, reported that Faculty Council has been working with the entire campus on the Collaborative Scheduling Initiative (CSI) project. February 2nd, Faculty Council hosted an information session with details about the initiative.

Mr. Selander went on to report that faculty workload needs to be addressed by having more faculty on campus. Faculty salaries are a constant issue at UNCSA with new faculty being hired at 20%+ than current faculty. Provost Sims and Chancellor Cole are actively trying to find support.

There are changes coming to the faculty manual and the faculty welfare committee is working with Dr. Beres to ensure that adjunct faculty can access the Teaching in Excellence grants.

Student Body President, Jenna Cusack, reviewed previous actions and on-going initiatives of the Student Government Association (SGA). They are continuing to hold town halls in all art schools and have begun the search for a new Student Body President. SGA will continue to focus on goals surrounding the well-being of students.

Provost Patrick Sims reported that the Artists of Color program hosted several events over February for Black History month and the Student Multicultural Resource Center will help provide support to celebrate throughout the year and give learning experiences within our community.

- DLA Dean search is moving full speed ahead – 5 finalists will move to on-campus interviews and will close search by the end of the year
- Our CSI initiative is no small feat. The fact that we're are near completion of the phase 1 of a multi-phased process of academic and performance calendar revamp is astounding.
- Summer Intensives – Funding model needs to be revisited as it does not take into account the total costs to execute the programs, in particular the summer staffing/personnel
- Artist Corp is currently the institution's only major outreach and community engagement effort. We will likely need to sunset this effort despite the fact that System has expectations of each campus to document and engage in outreach.

- Institutional morale is low - we currently have 16 active faculty searches that will wrap up by end of semester and 4-6 more that will happen in the fall
- Provost Sims has developed a rank promotion process that will help minimize some of the gaps as we move forward – to date there is no salary increase associated with rank promotion
- Need quality infrastructure and quality personnel to ensure sustainability
- Need to invest in the full UNCSCA experience – this should extend beyond the financial offer; we need to support new onboarding processes and we need to support our people
- We are excited about where we're headed; we want to remind ourselves our most precious resource is our people who also happen to be uniquely skilled problem-solvers.

REPORT FROM THE AUDIT, RISK, AND COMPLIANCE COMMITTEE

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

Under Enterprise Risk Management, UNCSCA's risk owners continue to make progress on risk mitigations and best practices to propel UNCSCA forward. An update was given on two of the university's top five risks: 1) Equity, Diversity, Inclusion, and Belonging (EDIB) and 2) Scholarships and Salaries

Greg Gleghorn provided an information governance and security update. During January and February, all phishing attempts were remediated by IT's email security gateway. From November to present, the university has not had a compromised account since enforcing multifactor authentication for all faculty, staff, and students when accessing UNCSCA's cloud environment.

The committee discussed external audits and reviews. The UNCSCA Financial Statement Audit for fiscal year 2021 is complete. The results of the audit were an unqualified opinion (clean audit), with no findings or issues to report.

Two internal audit projects have been completed during the quarter and one project is in progress. Results from follow-up reviews for the year revealed 71% of previous Internal Audit observations have been resolved. Most of the outstanding items reviewed have been partially resolved or management has made satisfactory progress toward improvements. Internal Audit will be commencing their annual risk assessment process this quarter which allows the unit to assess the current risk landscape and update the audit plan which will be presented to ARCC for review and approval.

MOTION TO GO INTO CLOSED SESSION

Mark Land made a motion to go into closed session to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award; and to consult with our attorney to preserve the attorney-client privilege; and to consider and give instructions concerning the handling or settlement of:

- i. **Alloways-Ramsey, et al. v. Milley, et al., Forsyth County Superior Court case 21 CVS 5899; and,**
- ii. **Soderlund, et al. v. University of North Carolina School of the Arts and The University of North Carolina, North Carolina Industrial Commission case numbers TA-29599 - TA-29605.**

- iii. **Mandzik v. UNC School of the Arts and Pegram v. UNC School of the Arts, North Carolina Industrial Commission, case numbers TA-20157 and TA-29158.**

Peter Juran 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 consult with our attorney on the aforementioned cases.

OTHER BUSINESS

Chairman Womble reminded all Trustees of the Statement of Economic Interest annual filing that will be due to the State Ethics Commission by April 18th.

ADJOURNMENT

With no further business to discuss, the March 3, 2022 Board of Trustees meeting adjourned at 10:41 a.m.

Respectfully submitted by:

Amanda G. Balwah

Associate Vice Chancellor and Assistant Secretary of the Board of Trustees