



**Board of Trustees  
CARL Committee  
December 1, 2020  
9:45am  
Chancellor's Boardroom**

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**Discussion Item**

CARL-2      Annual Institutional Risk Management Update

This Institutional Risk Management update will provide an overview of the current risk environment at UNCG. The work of the Institutional Risk Management program is to align risk appetite and strategy with strategic initiatives to mitigate any potential threats.

**Background Information**

At the September 24, 2019 meeting of the CARL Committee, Mark McKinney, Director of Institutional Risk Management presented an annual Institutional Risk Management update pursuant to UNC System Policy 1300.7 – University Enterprise Risk Management and Compliance. The update included a discussion of UNCG's submission to the UNC System Office regarding their request for member institutions Top 5 risks from December 2018. A 2019 updated submission of top risks can be obtained from the UNCG Board of Trustees website under Meeting Material Archives from November 2019 CARL-5; background on the origin of the request from November 2018, CARL-2.1; and background on UNCG's risk management program from May 2017, ARMC-3.1.

Attachment:

CARL-2.1 Presentation (see below)

A handwritten signature in black ink that reads "Robert J. Shea, Jr." in a cursive style.

Robert J. Shea, Jr.  
Vice Chancellor for Finance and Administration



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# **Board of Trustees Meeting – CARL Committee UNC Greensboro**

Division of Finance and Administration  
Office of Institutional Risk Management  
*Director Mark McKinney*  
*December 1, 2020*



# Current Risk Environment at UNCG

- Almost all operational and strategic risks have been impacted by COVID-19. We continue work to determine by how much, for how long, and what that means in the short-term and longer-term.
- Shift from a balanced look at operational and strategic risks to almost exclusively dealing with operational risks at all levels of the institution. But we must continue our work to maintain the momentum of our mission.
- Primary risks (discussed with CARL Committee in September):
  - Health and safety of the UNCG Community
  - Potentially significant financial impacts to mission
  - Cyber Security/IT Risk (increased teleworking and online classes, infrastructure stress, etc.)



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# Financial Update – Bob Shea, VC Finance and Administration

- Top 5 Risks

- Cyber and Data Security
- Campus Safety
- Compliance
- **Funding Stability**
- Increasing Collaborative Partnerships (Millennial Campus)

- **Financial Risk Assessment**

- Managing risk in semester increments
- Focus on Enrollment Management
  - recruitment and retention
- Budget Cuts of \$24.2M
  - \$8M in CARES
  - \$5M in state funds
  - \$11.2M in non-state funds
- Revenue growth in tuition, room, board and fees restricted by UNCISO; health fee approved for \$62 increase, which will pay for COVID-19 generated health expenses
- Growth in headcount, unrestricted philanthropy and expense discipline is the way forward



# CARES Act Summary

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Program	Total Amount	Total Distributed	Encumbered	Balance	Details
<i>Updated - As of 11/20/2020</i>					
<b>State Aid – Coronavirus Relief Fund:</b>					<i>December 31 deadline to use the funds</i>
CRF - UNC-BOG Allocations	1,707,303.00	100,000.00	1,606,410.00	893.00	From May 2020
Additional BOG PPE Allocation	1,198,009.00	555,024.01	640,314.00	2,670.99	From Sept 2020 - Purchasing
COVID Testing Allocation - SHS	341,900.00	-	321,690.00	20,210.00	For SHS full usage
<b>Total State Aid – Coronavirus Relief Fund (2)</b>	<b>3,247,212.00</b>	<b>655,024.01</b>	<b>2,568,414.00</b>	<b>23,773.99</b>	
<b>Federal Aid – COVID-19:</b>					<i>May 2021 Deadline</i>
HEERF – Section 18004 (a) (1) - Student Portion	9,283,941.00	9,283,941.00		-	Student Portion
HEERF – Section 18004 (a) (1) - Institutional Portion (3)	9,283,940.00	-	8,325,000.00	958,940.00	Institutional portion - See below
HEERF – Section 18004 (a) (2) - Additional Awards	913,277.00	79,545.37	110,000.00	723,731.63	Strengthening Institutions program - \$110K for Enroll Mgmt
<b>Total Federal Aid – COVID-19</b>	<b>19,481,158.00</b>	<b>9,363,486.37</b>	<b>8,435,000.00</b>	<b>1,682,671.63</b>	
<b>Grand Total</b>	<b>22,728,370.00</b>	<b>10,018,510.38</b>	<b>11,003,414.00</b>	<b>1,706,445.62</b>	



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## Total Fall Enrollment

<b>Undergraduate</b>	<b>2019</b> (Fall Census)	<b>2020</b> (Fall Census)	<b>Difference</b>
New Enrollment	5,472	4,866	-606 (-11%)
Continuing Enrollment	11,065	11,097	32 (.02%)
<b>Total</b>	<b>16,537</b>	<b>15,963</b>	<b>-574 (-3.5%)</b>

<b>Graduate</b>	<b>2019</b> (Fall Census)	<b>2020</b> (Fall Census)	<b>Difference</b>
New Enrollment	1,265	1,494	229 (18%)
Continuing Enrollment	2,350	2,275	-75 (-.03%)
<b>Total</b>	<b>3,615</b>	<b>3,769</b>	<b>154 (4.3%)</b>

**TOTAL ENROLLMENT**

**20,196**

**19,764**

**-432 (-2.1%)**



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# Projected Spring 2021 Enrollment

Undergraduate	2020 (Spring Census)	Projected 2021*	Difference
New Enrollment	1,281	1,045	-235 (18.3%)
Continuing Enrollment	14,056	13,663	-393 (2.8%)
Graduate	2019 (Fall Census)	Projected 2021*	Difference
New Enrollment	264	305	41 (15.6%)
Continuing Enrollment	3,130	3,273	143 (4.6%)
<b>Total</b>	<b>3,394</b>	<b>3,578</b>	<b>184 (5.4%)</b>

**TOTAL ENROLLMENT**

**18,763**

**18,306\***

**-457 (2.4%)**



# Critical Enrollment Factors-Spring 2021

- New student enrollment
  - New Freshmen- Projected slight increase for spring
  - New Transfers- Projected decrease for spring-students not transferring from community college-COVID concerns
  - Decreased returning students
  - Decreased non-degree visitors
- Launched campaigns to target students who were admitted for fall but didn't enroll at UNCG or elsewhere- still admitting students
- Decreased Continuing Enrollment because of 600 student decline in the fall
- Graduate and online enrollment continues to be positive
- Recruitment in a virtual world
  - Virtual Open Houses
  - Virtual HS Visits
  - Virtual College-Specific Engagement





## Other Key Risk Issues

- Youth Programs
  - <https://compliance.uncg.edu/youth-programs/>
- Campus Safety – Pedestrian traffic at Walker/S. Josephine Boyd intersection
- Deferred Maintenance
  - ~\$500 million total
  - ~\$29 million needed for roof repairs



# Insurance Update

- Policy 1300.7.1 UNC System Policy on Insurance Coverage – adopted 7/23/2020
  - All insurance programs administered or overseen by the NC Department of Insurance
  - Prior to policy adoption – all UNCG buildings carried minimum Fire and Lightning; discretion over additional coverage
  - Policy establishes minimum insurance coverage of “all-risk special form” or its equivalent to mitigate risks associated with damage to or loss of University property
- UNCG (Tammy Downs) participated in UNC System-wide implementation group
  - Premium increases go into effect at renewal date (March 1, 2021 for UNCG)
  - Discussion regarding deductibles for property versus contents
- Financial Impact
  - Increased total university property premiums by ~\$350k to \$470k depending on deductible
  - Biggest impacts to Residence Life with increase of ~\$120k to \$190k



# UNC System Update

- ERM Advisory team formed by VP Compliance and Audit
  - Continuation of dialogue with UNC System Office from Policy 1300.7 – University Enterprise Risk Management and Compliance
  - UNCG, UNCC, NC A&T, NC State, Western Carolina participating
  - Purpose:
    - to build better collaboration and increase dialogue around best risk management practices for campuses to support each other
    - to help the UNC System better understand risk issues so they may better support its campuses risk management efforts (e.g. Top 5 risk submissions, next steps, further actions)



# Risk Management Lessons Learned and to Carry Forward

- UNCG manages risk more effectively and efficiently when we engage with increased collaboration and enhanced communication, resilience, and empathy
- It is difficult to prepare for an adverse event of low likelihood, high impact and long duration. What we can do though is ensure effective structures to manage through such a crisis, to make sure that those structures have been tested, and that those structures are known throughout the campus community
- Patience is required to manage risks associated with response, continuity, and recovery when those modes are occurring simultaneously

# Discussion



Mission: to provide *reasonable* assurance regarding the achievement of UNCG objectives; specifically by enhancing risk response decisions and working to identify and manage risk across the UNCG community.