



**Board Retreat**  
**August 3, 2021**  
**Charles Aris, Inc.**  
**299 N Greene Street, Greensboro, NC 27410**

## **MINUTES**

---

**Members Present:** Betsy Oakley, Chair; Anita Bachmann, Margaret Benjamin, Mae Douglas, Mona Edwards, Ernest Grant, George Hoyle (via zoom), Elizabeth Phillips, Tim Rice, AliReza Hamdoon

**Members Absent with Notice:** Brad Hayes, Dean Priddy, Linda Sloan

**Others Present:** Chancellor Frank Gilliam; Provost Debbie Storrs, Bob Shea, Vice Chancellor for Finance & Administration; Jerry Blakemore, General Counsel; Beth Fischer, Vice Chancellor for University Advancement; Jada Drew, Speaker; Preston Yarborough, Speaker; Waiyi Tse, Chief of Staff; Kelly Harris, Assistant Secretary to the Board of Trustees

Chair Betsy Oakley called the meeting to order at 9:30 am and thanked trustees for an opportunity to discuss some university and budget focused topics before moving into engaging conversation around trustee roles, how they work together as a new group, and how the work of the board could be viewed and executed through an EDI lens, something that is central to UNCG's mission and values.

The conflict of interest statement was read. None were identified. Roll call was taken and a quorum was confirmed.

### **Strategic Priorities with Chancellor Frank Gilliam**

Chancellor Frank Gilliam gave an overview of strategic priorities in the context of budget and enrollment, which are essential drivers as strategic decisions are made on how to move the university forward the next few years.

UNCG has met freshman enrollment goals under Tina McEntire, new Vice Chancellor for Enrollment. However, the enrollment dips from the previous two years have created a "cohort drag" – the smaller cohorts ahead of our new first-time cohort will continue to weigh on the budget despite gains in new students. It is nearly impossible to make up that gap with one incoming class.

Currently, we are down 3.3% in total headcount from last year. This figure may shift until the October census, and we will not have confirmed student credit hour production figures until later in the fall.

To adjust to the decline and its impact on our budget, we will need to collectively prepare for a 4% to 6% reduction. Leadership, including deans, have seen the strategic framework and we will no longer invest in low-performing, under-enrolled academic programs. With new Provost Debbie Storrs on board, we are already being more strategic, especially on the academic affairs side. This creates a real opportunity to bring organizational alignment to our agreed upon priorities and it is important to be transparent about how we are making decisions.

Priorities intersect with values and principles of decision making. Student Success is in and of itself a strategic priority - it is also key for retention/enrollment and therefore has budget implications. We'll also look to develop programs that build on our strengths, will get us first to market, grow enrollment, generate revenue, and make us distinct. Our esports initiative is a great example. The facility will be ready in the coming months, and we're offering certificates and badges while developing a research agenda that will make the program unique in the region and us first in the Triad.

Our Tate + Gate project is another very distinctive investment in a strategic priority that builds on our strengths in the arts. It also grows our arts administration program, which is unique in the UNC system in how it integrates all art forms (a major that is in great demand and a driver of enrollment). The facility will integrate technology such as immersive projection and green screen to inspire innovative performance, research, and learning that meets the University's programmatic, operational, economic, and sustainability goals.

A high functioning and effective board is essential to the success of any university. In our case, given the ambitions we are pursuing, it is extremely critical that the board and the administration are in strategic alignment. The sessions today are intended to be productive in terms of trustees' understanding of the relationship of the board to the university, but also in terms of how the university actually works.

## **University Finance 101 + Legislative Update**

Provost Debbie Storrs, Vice Chancellor Bob Shea, and Director of State and External Relations Andrew Cagle followed with an update on enrollment, budget, and legislative priorities.

Storrs and Shea noted that academics drive budgetary decisions with corresponding responsibilities on the part of academics, including enrollment management, program development, and curriculum reform and innovation. The best run universities in that regard have a Chancellor/Provost/CFO on the same page. Shea's role as a fiduciary for the university is to steward resources so as to enable the Chancellor's, Provost's, and Board's vision for the university. To get there, our revenues must exceed our expenses; when that happens, we reinvest in UNCG. For example, we are taking \$10M this year to do long overdue R&R work on Taylor Theatre, and if the General Assembly passes the budget, we will receive \$104M for long overdue deferred maintenance projects.

Beyond that, there will be challenges. COVID has accelerated changes that were going to happen in higher education in academic year 2025-2026; those changes are happening and are fueled by both demographic change (total number of students) and market change (individual institution's share of total students). Key drivers of demographic changes include population changes, high school graduation rates, and college-going behaviors. Key drivers of market change are other competitors, programs of distinction, being first to market, experience, affordability, ROI, and sophistication of marketing and recruitment.

Market share has almost twice the impact on enrollment as demographics. Twenty-seven percent of enrollment change is caused by demographic shifts, whereas 63% is caused by changes in market share as reflected by institutional average measured from 2008 to 2018.

UNCG's enrollment status for fiscal year 2021-2022 shows a 3.5% drop in continuing student registration, 2.5% drop in transfer student registration, and first year freshmen rates are flat. These numbers mirror national trends; elite school enrollments are up, but everyone else, including UNCG, are down. North Carolina uses a biennium budget, so enrollment decline impacts are felt in the current year and in the succeeding year; as such, state appropriations for FY 2022-2023 are also down.

Those appropriations are based on completed student credit hours, which is enrollment-driven; declines in student credit hours mirror declines in enrollment. Other enrollment-driven revenue sources are tuition and fees, student financial aid, and auxiliary sales and services. Beyond that, UNCG receives additional revenues from grants and contracts; endowment, investment, and annual fundraising, and federal/state stimulus dollars. The vast majority – about 74% - of UNCG's state operating budget goes to academic affairs, underscoring the importance of that mission. Those funds are allocated to colleges and schools; as such, there are no centralized strategic funds or deferred maintenance funds.

We cannot control demographic realities or legislative decisions regarding tuition increases, but we can control strategic and programmatic decision-making playing to our areas of strength, efforts to improve retention, adjustments to curriculum and structure based on data and trends, workload decisions, class sizes, and growth via investments in new programs and initiatives.

Against that backdrop, we are planning for a 4 to 6 percent budget reduction. We'll pause all searches, evaluate course load and efficiency, trim to what's truly essential, and work towards Chancellor Gilliam's goal to have centralized budget dollars to invest in strategic priorities.

### **Principles of Trustee Leadership**

Oakley welcomed Preston Yarborough from Center for Creative Leadership to guide a discussion around trustee leadership and how the board works together individually and collectively as advocates and ambassadors for UNCG. Yarborough is a UNCG alum and is a Senior Faculty member with Center for Creative Leadership's Societal Advancement Higher Education group.

Trustees discussed their fiduciary responsibilities to and on behalf of UNCG, the broader importance and impact of their roles with respect to the university and community, and the public nature aspects of that work.

### **Transition to Closed Session**

Oakley announced the addition of agenda item BOT-1, a donor naming proposal to be discussed in closed session and moved to enter closed session pursuant to Section 143-318.11(a)(2) of the North Carolina Open Meetings Law in order to prevent the premature disclosure of an honorary degree, scholarship, prize, or similar award. Trustee Mae Douglas seconded the motion. On roll call vote, the motion carried unanimously.

### **General Account of Closed Session Discussion**

**Members Present:** Betsy Oakley, Chair; Anita Bachmann, Margaret Benjamin, Mae Douglas, Mona Edwards, Ernest Grant, George Hoyle (via zoom), Elizabeth Phillips, Tim Rice, AliReza Hamdoon

**Others Present:** Jerry Blakemore, General Counsel; Beth Fischer, Vice Chancellor for University Advancement; Waiyi Tse, Chief of Staff; Kelly Harris, Assistant Secretary to the Board of Trustees

#### **BOT-1 Donor Naming Proposal**

In closed session, Vice Chancellor Beth Fischer presented a donor naming proposal for space in the Nursing and Instructional Building.

### **Open Session**

Oakley resumed the meeting in open session and requested a motion to approve the donor naming proposal presented in agenda item BOT-1. Vice Chair Mona Edwards made the motion, which was seconded by Trustee Tim Rice. The motion carried unanimously.

### **Practicing Embedding EDI in Practice and Policy**

Vice Chair Edwards introduced speaker Jada Monica Drew, CEO of Social Designs Consulting, a leadership and diversity firm here in Greensboro. As a trainer, coach, and consultant, Jada's focus is on results, impact, innovation, and community. She is a True Colors International and Intercultural Development Inventory certified trainer and has been a speaker for the United Nations Department of Public Information Non-Government Organizations conference. She has been featured in Made in Greensboro and is active in the community as a member of the Chamber board and the United Way Impact Team.

Drew led the Board through an interactive discussion around sharpening their equity, diversity, and inclusion lens, raising awareness of the terms of EDI, discussing UNCG's EDI efforts, as well as learning tools for practicing healthy dialogue and for connecting EDI to the work of the board. Drew discussed UNCG's action framework for inclusive excellence and led the board through an exercise aimed at understanding differing perspectives and examining and enhancing organizational culture.

### **Team Building – Trust & Communication**

Building on that session, Yarborough led the board through a discussion around team building, building trust, and effective communication. The board identified principles and behaviors to serve as rules of engagement, discussed methods of accountability to those agreements, and discussed those principles and behaviors that guide how they communicate and engage within a public context.

Upon conclusion, Oakley thanked the trustees for participating, noting that they have always functioned well together in a respectful and collegial manner, and that experiences such as the retreat enhance and enrich that dynamic, all for the good of the university.

The meeting was adjourned at 4:30 pm.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kelly Harris".

Kelly Harris  
Assistant Secretary to the Board of Trustees