MINUTES
The University of North Carolina at Greensboro
Board of Trustees Retreat

September 9, 2009

MEMBERS PRESENT: Stephen Hassenfelt (Chair), Kate Barrett, Jean Davis, Carolyn Ferree, Linda Hiatt, Randall Kaplan, Richard Moore, William Pratt, Jessica Russo, Susan Safran

MEMBERS ABSENT: Earlene Hardie Cox, Gwynn Swinson

OTHER STAFF MEMBERS/GUESTS/PRESENTERS: Linda Brady, Lucien Capone, James Clotfelter, Carol Disque, Steve Honeycutt, Bruce Michaels, Sharlene O’Neil, David Perrin, Cindy Reed, Steve Rhew, Patricia Stewart, Reade Taylor, Jana Wagenseller, Rod Wyatt

The Board of Trustees retreat began at 10:00 a.m. Chair Hassenfelt welcomed everyone, and in accordance with the UNC Board of Governors, he then read the following statement:

“As chair of the Board of Trustees, it is my responsibility to remind all members of the board of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees’ meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.”

No conflicts were noted.

Roll call was then read by Sharlene O’Neil, assistant secretary.

Chair Hassenfelt asked Chancellor Brady to provide an overview of the agenda for the day.

- Chancellor Brady thanked board members for their continued engagement throughout some difficult issues and a challenging budget situation. She provided an overview of the agenda, including: 1) a budget summary by Reade Taylor; 2) a history of and the process for reviewing student fees at UNCG by Carol Disque and Reade Taylor; 3) an update of the Strategic Plan, including the School of Pharmacy, by Dave Perrin, and recreation needs, by Carol Disque; 4) an update on the Master Plan by Reade Taylor; 5) a bus tour to provide a sense of various sites identified in the Master Plan update; 6) a summary of the Strategic Housing Plan; and 7) an update on the News & Observer report of “administrative bloat” on the UNC campuses.

BUDGET SUMMARY:

- Reade Taylor, Vice Chancellor for Business Affairs, led board members through a powerpoint presentation entitled “State Budget Update 2009-10.”
• He explained that UNCG’s State Budget is comprised of “requirements” (the dollars we spend), “receipts” (non-appropriated sources of money), and “appropriation” (tax dollars). Requirements equal receipts plus appropriation.

• 2009-10 Changes from 2008-09: Enrollment is up 2.0% (14,912 FTE); Budget requirements is down 2.6% ($230 MM); Budgeted receipts up 3.0% ($69 MM); and Budgeted appropriations down 4.7% ($161 MM).

• Regarding budget cuts, UNCG was charged with developing a “10% plan” (10% of appropriations) resulting from cuts, allotment holdback and mandatory redirection to the classroom.

• UNCG has developed many cut scenarios in addition to the 10% scenario: 3%, 5%, 7%, 15%, 11.1%.

• The current budget cut plan eliminates 150 positions (114 vacant, 36 filled).

• Likely impacts of budget cuts include larger class sizes; ability to cultivate donors and realize gifts significantly impeded, services to campus reduced; research support reduced; continuing education for professional staff significantly reduced; and more.

• The 2010-11 budget already includes another cut of $2.5 million. UNCG will try to reduce that budget this year.

**STUDENT FEES:**

• Carol Disque, Vice Chancellor for Student Affairs, spoke to the board about the process and usage of student fees at UNCG. She explained that state appropriation and tuition are used to fund the academic and general administrative areas of the university. General fees, or “taxes” on students, fund programs, services, and activities that state appropriation and tuition do not cover. In addition, the university has user fees, including fees for living in a residence hall and using dining and parking services, etc. The university system has a process for fee rate setting on an annual basis. Additionally, Chancellor Brady appoints a Student Fee Advisory Committee consisting of 16 members, including nine students, three faculty members, one faculty member who also heads up the Advisory Council on Intercollegiate Athletics (ACIA) on campus, the Vice Chancellor for Business Affairs, Vice Chancellor for Student Affairs, and Director of Financial Aid. UNCG senior administrators discuss student fees and then make a recommendation to the committee. The committee then makes a recommendation to the Chancellor in late October or early November.

• Vice Chancellor Disque pointed out some special pressures on fees in 2010 and the next several years, including athletics, activities, educational and technology, health, and facilities. Chancellor Brady mentioned that part of UNCG’s goal over time is to continue to build the non-student fee portion of our investment in athletics. She added that it is critically important that we continue not to invest any state appropriated funds in athletics.

• Richard Moore commented that it would be helpful for the board to have a strategic student fee plan over five years similar to the strategic housing plan. Board members agreed. At the suggestion of Chair Hassenfelt, it was decided that the Business Affairs Committee will be in charge of determining plans for developing a fee strategic plan by the end of the academic year.
STRATEGIC PLAN UPDATE:

Summary of Goals for 2009:

- David Perrin, Provost and Vice Chancellor for Academic Affairs, reminded board members that the final report of the Strategic Plan is posted on the UNC Tomorrow website. He added that this summer the Deans Council and Executive Staff held a retreat where they identified 12 of the 29 goals for initial focus this year. The deans have focused on annual activities that will be necessary to move the university forward on the 12 goals. Each of the vice chancellors has submitted a plan for contributing to and advancing the work on the 12 goals. Implementation teams will be created to focus on each of the goals, and deans are creating academic unit plans for how they will contribute. It was noted that half of the 12 initial goals fall under the strategic goal of “Access to Education and Student Success.” The remaining six goals fall under “Health and Wellness across the Life Cycle,” “Education and Leadership,” “Economic, Cultural, and Community Engagement,” and “Internationalization.” Each implementation team will prepare a comprehensive periodic progress report providing rationale, costs, etc.

- Randall Kaplan suggested that perhaps there needs to be an overarching goal of making UNCG an “institution of first choice,” along with a set of measurements indicating our progress and a comparison with other institutions. Chancellor Brady commented that we are currently working to identify a set of 10-12 dashboard indicators that reflect all areas, independent of individual goals.

Access: Retention and Graduation Rates:

- Provost Perrin commented about retention and graduation rates, one of the 12 initial goals for this year. We are currently in the process of accessing our status and running retention and graduation numbers. A comprehensive report will be presented to the board at the November meeting.

- The Provost also told members that we are moving forward with plans for a “UNCG in Three” program that will provide an option to qualified students to complete their undergraduate degree in three years. A working group has been appointed to operationalize the program. Plans are to publicly announce the program late this year or early next year.

- Perrin mentioned another initiative in the works called the “UNCG Guarantee,” possibly modeled after the Carolina Covenant or the Wolfpack Promise. Plans include allocating $4 million of the $6 million anonymous gift to support this program. A working group has been appointed to this initiative, and our hope is to announce the new program by the end of the semester.

School of Pharmacy:

- Provost Perrin told board members that UNCG is proposing a research-based pharmacy school. He commented that North Carolina has been identified along with Wisconsin as a state with the greatest shortage of pharmacists. A School of Pharmacy at UNCG would enhance the academic and research programming, enhance the research profile, and enhance economic development in the Triad. UNCG already has strong collaborations with Moses Cone and Wake Forest University School of Medicine, as well as other healthcare agencies and civic organizations in the Triad. When fully operational, the School of Pharmacy’s total
revenue will be approximately $8 million. Provost Perrin told board members that if UNCG should get permission to plan this fall, it is conceivable that we could submit a request to establish this summer.

Recreation Needs:
- Carol Disque, Vice Chancellor for Student Affairs, introduced Bruce Michaels, Assistant Vice Chancellor for Student Affairs, who spoke to board members about recreation needs at UNCG. He indicated that recreation centers have become the new student centers on many college campuses. The campus recreation program is funded by student fees and employs about 200 students on an annual basis. The facility at the corner of Aycock Street and Walker Avenue opened in 1992. Michaels noted that while it has had a profound impact on UNCG, it is severely overcrowded. Facility needs were assessed by the campus recreation staff in 2006-07 compared with peer institutions, and in 2007 Brailsford & Dunlavey, a facilities planning and program management group, was retained to perform an assessment. It was determined that UNCG provides approximately half of the square feet per student compared with the accepted planning standards for recreation space. Brailsford & Dunlavey determined in their study that UNCG needs an additional 154,000 gross square feet of recreation space, as well as 18 to 21 acres for the outdoor field complex. It is estimated a 154,000 gross square foot building would cost approximately $63 million. It is proposed that construction would begin in August, 2011, and the building would open in August, 2013.

MASTER PLAN UPDATE:
- Reade Taylor introduced Elizabeth Sargeant, a campus planner with Sasaki Associates, who presented to the board an update on the Master Plan. The target was for an additional 1,942 beds, and the total number of beds included in the eight building plan is 1,980 beds, thus the target has been exceeded. There has also been much discussion about the need to augment student learning space within the traditional residence halls. Regarding parking, Ms. Sargeant commented that there are currently about 7,000 parking spaces on the campus. New construction would impact roughly 950 of those spaces.

Closed Session:
- Susan Safran moved that the board go into Closed Session to discuss matters relating to the location or expansion of industries or other businesses in the area served by UNCG. She asked that members of the Capital Facilities Foundation, as well as Fred Patrick and Howard Doyle, remain. Randall Kaplan seconded, and the board went into closed session.

Elizabeth Sargeant presented to the board a map of proposed areas for development included in the Master Plan, as well as a concept plan for buildings, parking, and common areas.

BUS TOUR:
- Mike Byers, Assistant Vice Chancellor for Business Affairs, guided board members through a tour of areas proposed for purchase and development as outlined in the Master Plan.

STRATEGIC HOUSING PLAN:

Highlights of Plan Approved August 17, 2009:
• Carol Disque provided a recap of highlights of the Strategic Housing Plan, including where we have been, where we stand, why housing matters, where we go from here, and how we get there. She commented that there are a number of forces driving us related to the plan, including enrollment growth, retention and graduation goals, and the need for access. Constraints regarding the plan include the size of the campus, the capacity of the current inventory, the configuration, and the condition of present housing. By 2020, the goal is to house at least 80% of incoming freshman, as well as retain students in the residence halls after the freshman year.

Financial Plan and Phasing:
• Reade Taylor presented the Housing Facility Financial Plan. He pointed out that the total estimated cost for completion of the Strategic Housing Plan is $450 million. Trustees will be asked to approve the plan in phases. At the full board meeting tomorrow the board will be asked to approve Phase I (FY 2012) which includes opening Tower Village II (additional 381 beds), adding 800 beds in the new area, and taking the quad offline. In 2013 the quad would reopen. Upon the board’s approval to proceed, financing will be obtained.

REVIEW MIDDLE MANAGEMENT AT UNCG:
• Chancellor Brady updated board members on the issues regarding “administrative bloat” on UNC campuses, and UNCG in particular, as reported in the News & Observer. She shared a copy of information that UNCG provided to General Administration yesterday in conjunction with the 10% budget cut plan. Another document was shared that included data reflecting all ratios of staff to students. Chancellor Brady explained the rationale for middle management cut decisions. Each university’s plan will be reviewed by the Board of Governors next week.

The Board of Trustees retreat concluded at 4:30 p.m.

Sharlene R. O’Neil
Assistant Secretary to the Board of Trustees