

December 5, 2024
University of North Carolina School of the Arts
Winston-Salem, North Carolina

BOARD MEMBERS:

Graydon Pleasants (chair), Jeffery Bullock, Eric Flow, Jerri Irby, Kyle Petty, John Wigodsky, Peter Juran (ex officio)

COMMITTEE STAFF:

Wendy Emerson (VC for Finance & Administration), Melanie Nuckols (AVC for Finance), Heidi Mallory (Director of Budget), Steve Martin (AVC for Facilities), David Harrison (VC for Institutional Integrity & General Counsel), Krista Hopkins, Amanda Balwah, Dave LaVack (Staff Council Representative), Jared Redick (Faculty Council Representative)

AGENDA

1. Call to Order and Confirm Quorum.....Chair Pleasants
2. Approval of Minutes from the September 2024 Meeting Chair Pleasants
3. 2025-26 Tuition and Fees..Wendy Emerson
4. 2025-2026 All-Funds BudgetWendy Emerson
5. State Budget Update.....Wendy Emerson
6. Capital Projects UpdateSteve Martin

CLOSED SESSION

7. Recommendation of Designer Selection
for DeMille Theater HVAC Repair Project.....Wendy Emerson

OPEN SESSION

8. Other Business.....Chair Pleasants
9. AdjournChair Pleasants

DRAFT OPEN MINUTES

September 26, 2024
University of North Carolina School of the Arts
Winston-Salem, North Carolina

COMMITTEE PRESENT

Graydon Pleasants (*chair*), Jeffery Bullock, Jeri Irby (*via zoom*), Kyle Petty, John Wigodsky, Peter Juran (*ex officio*)

COMMITTEE STAFF PRESENT

Wendy Emerson, Melanie Nuckols, Heidi Mallory, David Harrison, Steve Martin, Krista Hopkins, Amanda Balwah

OTHERS PRESENT

Brian Cole, Patrick Sims, Jim DeCristo, Kory Kelly, Jeff George, Lissy Garrison, Rachel Williams, Valerie Thelan, Patrice Goldmon, Jarrett Bailey, Sarah Rimawi, Travis Andrews

CONVENE MEETING AND CONFIRM QUORUM

Chair Graydon Pleasants called the meeting to order and confirmed a quorum was present at 8:33 am.

APPROVAL OF MINUTES

Chair Graydon Pleasants requested a motion to approve the minutes from the March 2024 meeting as presented.

MOTION: John Wigodsky made the first motion to approve the November 2023 minutes with a second from Jeffery Bullock. There were none opposed.

TUITION AND FEES PROCESS

Wendy Emerson, Vice Chancellor for Finance and Administration discussed the annual Tuition and Fees guidance and process for proposing adjustments to FY25-26 Tuition and Fees. Recommendations for any proposed changes will be presented to the UNCSEA BOT Finance Committee and the UNCSEA Board of Trustees at the December 2024 meeting for approval and submission to the UNC System Office and the Board of Governors.

FY25 BUDGET UPDATE

Vice Chancellor Emerson provided an update on the FY25 state budget. The North Carolina General Assembly's 2024 short session allows adjustments to the FY 2023-25 biennium budget. If no agreement is reached between the House and Senate on budget adjustments, the original budget remains, excluding performance funding for FY25.

UNC System universities face challenges as FY24 performance funding was nonrecurring, preventing sustained investments in salaries and long-term strategies. Both budget proposals continue this trend, excluding \$13 million from FY24 that should have been recurring, leading to significant funding reductions.

If an agreement is reached, \$13 million in performance funding could be allocated, pending the UNC Board of Governors' approval of a distribution method. Advocating for recurring funding remains vital to ensure financial stability and strategic planning for institutions.

2025 LONG BUDGET SESSION PRIORITIES

Ms. Emerson discussed the UNC System Office guidance and process for proposing Long Session Priorities. The UNC System's 2025 legislative agenda focuses on three key priorities amid anticipated budget constraints:

1. **Enrollment and Performance Funding:** Securing recurring funds tied to enrollment growth and outcomes.
2. **Building Reserves:** Ensuring adequate funding for campus infrastructure operations.
3. **Faculty and Staff Compensation:** Addressing labor market and inflation pressures with competitive pay.

Universities are encouraged to submit **nonrecurring budget requests** focused on one-time investments that enhance on-time degree completion, improve the return on investment of degree programs, and address critical enterprise risks. Recurring funding requests must demonstrate critical need.

This approach ensures targeted, strategic investments that support institutional and statewide priorities while recognizing fiscal limits.

CAPITAL PROJECTS UPDATE

Steve Martin, Associate Vice Chancellor for Facilities Management, reported on the Stevens Center Renovation Project and discussed the many Repair and Renovation projects for UNCSA.

ADJOURN

MOTION: Peter Juran made the first motion to adjourn at 9:13 am. John Wigodsky followed with a second. The meeting stands adjourned.

Submitted by: Krista Hopkins, Executive Assistant to the Vice Chancellor for Finance and Administration



AGENDA ITEM

2025-2026 Tuition and Fees.....Wendy Emerson

Summary:

The System Office has set clear guidelines for the institutions to follow in alignment with President Hans and the Board of Governors’ commitment to accessibility and affordability. This commitment requires universities to manage operating costs while maintaining a high quality of education. With these goals in mind, the System Office provided the following guidance for FY2025-2026 tuition and fee increase proposals.

Tuition:

Increases are permitted for resident and nonresident graduate students, nonresident undergraduate students, and nonresident high school students.

Fees:

The Board of Governors will consider increases to mandatory fees, which at UNCSA include Health Services, Student Activities, Educational & Technology, and Campus Security fees. Increases are subject to the 3% statutory cap and must be intended to defray the impacts of inflationary costs. The BOG will not consider fee increases intended to support any expansion of services unless the expansion is supported by offsetting the increase with a commensurate decrease to another fee.

The Board of Governors will also consider requests for special fee increases due to inflationary pressures, which at UNCSA include University-wide Production fees and Art School fees (Dance, Design & Production, Drama, Filmmaking, and Music).

Application Fees shall remain at established rates.

Miscellaneous fee oversight remains with campus-level Board of Trustees, which at UNCSA includes Transportation, Parking, Transcript, Returned Check, Orientation, One Card Replacement, University Access, Graduation, Housing, and Dining fees.

The University’s Tuition and Fee committee recommends no tuition increases for the 2025-2026 academic year. However, the committee does recommend increases for the following fees: Educational & Technology, School of Drama, High School & College Orientation, Graduation, University Access*, and College Housing for the 2025-2026 academic year.

Action: This item requires a vote by the committee, and a vote by the full Board of Trustees.

Campus Initiated Tuition & Fee Increases

Meeting of the Board of Trustees
Finance Committee
December 05, 2024

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Purpose of Tuition & Fees

- Tuition supports the general provision of education on campus. Tuition revenues can be used for faculty and certain staff salaries, academic support, student services, libraries, and other critical needs
- Fees support specific activities/services and funds generated by fees are restricted to that purpose. Fees differ from tuition in important ways:
 - Fees are identical for resident and nonresident students
 - The direct operational expenses of fee-supported activities are funded entirely from fee revenues without any direct state appropriations

Student Fees Requiring BOT & BOG Approval



Application Fees



Special Fees

University-wide Production
School-specific (Dance, D&P,
Drama, Film, Music)



Mandatory Fees

Health Services
Student Activities
Educational and Technology
Campus Security

Miscellaneous Fees Requiring BOT Approval Only

Transportation

Parking
(Student &
Employee)

Transcript

Returned
Check

One Card
Replacement

University
Access

Orientation

Graduation

Housing

Dining

FY25-26 UNC System Office Guidance – Tuition

- Undergraduate & High School Tuition
 - Increases not allowed for resident students
 - Increases allowed for nonresident
 - Should be market driven
 - Should not negatively impact enrollment
 - May not be used to fund increases to financial aid
- Graduate Tuition
 - Increases allowed
 - Tuition rates should be set with an emphasis on maintaining and increasing the excellence of the institution's programs, as well as ensuring access
 - Should not negatively impact enrollment
 - May not be used to fund increases to financial aid

FY25-26 UNC System Office Guidance - Fees

- **Mandatory Fees**
 - Will consider proposals for: Critical increases up to 3% cap, only for purposes of maintaining core activities supported by fee
 - Otherwise, must be offset by a commensurate decrease to another fee
- **Special Fees**
 - Will consider proposals for: Increases to existing fees, critical to cover inflationary cost increases only
- **Application Fees**
 - Shall remain at established rates

Miscellaneous Fees – not submitted to System Office, BOT oversight

Tuition and Fees Timeline



September 2024 – System Office
CFO issues FY25-26 Tuition and Fees
Guidance



September – November 2024 -
Institutions conduct annual tuition
and fee proposal and evaluation
process with student involvement



December 6, 2024 – Tuition and fee
packages due to UNC System Office
with Board of Trustee endorsement



January 2025 – Review of proposals
by UNCSCO CFO and team



February 2025 – Present to BOG for
vote

UNCSA FY25-26 Tuition and Fees Committee

Brian Cole, Chancellor/Co-Chair

Jack Sargeant, Student Body President/Co-Chair

Rachel Owens, SGA

Joanna Holden, High School Student Representative

Eden Kinsey, Graduate Student Representative

Quin Gordon, Faculty Representative (Drama)

Jeffrey George, Faculty Representative (High School)

Saxton Rose, Dean Representative (Music)

Laurel Donley, Vice Provost & Dean of Students

Jane Kamiab, Director of Financial Aid

Linda Huerta Bowman, Director of Student Accounts

Heidi Mallory, Director of Budget

Wendy Emerson, Vice Chancellor for Finance & Administration

Patrick Sims, Executive Vice Chancellor & Provost

Fee Increase Proposals – Mandatory Fees

Fee	Current Fee	Requested Increase/Decrease	Percentage of Change	Purpose	Student Impact if Denied
Educational & Technology	\$771	\$23	2.98%	Inflationary cost increases to cybersecurity measures, replacement of network switches, WiFi security, and legislative salary & benefit increases.	Diminished access to vital resources, increased cybersecurity risks and vulnerabilities, reduced support services, which could hinder students' academic success.
Educational & Technology	\$771	(\$75)	(9.73)%	Realign University Access portion of Ed & Tech fee to Miscellaneous Fee, due to departmental restructuring.	N/A

Fee Increase Proposals – Special Fees

Fee	Current Fee	Requested Increase/Decrease	Percentage of Change	Purpose	Student Impact if Denied
School of Drama	\$240	\$68	28.33%	Inflationary cost increases to production costs including labor costumes, lighting, sound, props, wigs, and makeup. Also support rising costs of securing performance rights, hiring musicians for musicals, and guest artist fees.	Lack of resources to support productions crucial to third- and fourth-year students' education. Could also lead to disparities in quality of roles available to individual students, which would hinder students' ability to graduate with necessary level of experience within industry.

Fee Increase Proposals – Miscellaneous Fees

Fee	Current Fee	Requested Increase/Decrease	Percentage of Change
High School Orientation	\$77	\$23	29.87%
College Orientation – New Students	\$82	\$68	82.93%
College Orientation – Returning	\$16	(\$16)	(100%)

Purpose: Inflationary Cost increases associated with rental of golf carts, tents, and canopies, purchase costs associated with campus wayfinding signage, supplies and materials, and contracted security services during move-in and orientation events for students and families. ****Note**** - **Eliminating fee for returning students**

Student Impact if Denied: Reduced onboarding and orientation services for high school & college students and their families.

Fee Increase Proposals – Miscellaneous Fees

Fee	Current Fee	Requested Increase/ Decrease	Percentage of Change	Purpose	Student Impact if Denied
Artist Village – Double Occupancy	\$8,400	\$588	7%	Market rate adjustments, inflationary cost increases associated with building maintenance & utilities, and legislative salary & benefit increases.	Reduced residential programming and imposed deferred maintenance.
Artist Village – Single Occupancy	\$9,660	\$676	7%		
Artist Village – Super Single Occupancy	\$16,800	\$1,176	7%		
Center Stage – Double Occupancy	\$8,906	\$623	7%		
Center Stage – Quad Occupancy	\$7,074	\$495	7%		

Examples of Total Fee Increases by Samples of Student Body

Student Body	Current Applicable Fees	Requested Applicable Increases	New Applicable Fees	Percentage of Change
High School – Graduating – Drama Student	\$1,163	\$139	\$1,302	11.95%
College – New Drama Student – AV Double	\$9,493	\$672	\$10,165	7.08%
College – Returning Drama Student – AV Double	\$9,933	\$698	\$10,631	7.03%
College – Returning Drama Student – Graduating – CS Double	\$10,008	\$723	\$10,731	7.22%

Campus Initiated Tuition & Fee Increases

Questions?

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AGENDA ITEM

FY2025-2026 All-Funds Budget.....Wendy Emerson

Summary:

The annual all-funds budget process provides a comprehensive operating budget for each University of North Carolina System constituent institution, reflecting both General Fund and Institutional Trust fund operating revenues and expenses.

Policy Guidance for Development of FY 2026 All Funds Budget

- **Strategic resource alignment:** Financial plans should reflect the strategic priorities set by the UNC System, Board of Governors, as well as those that help individual institutions reach mission-specific goals. Budget narratives should clearly explain how the allocation of resources will drive meaningful improvement on key metrics, including on-time graduation and degree efficiency, average credit hours earned, student debt among bachelor’s degree completers, and education and related expenses per degree.
- **Student affordability:** The UNC System has a responsibility to continually look for ways to generate greater value with its limited resources in order to keep student costs low. Attention should be paid to expenses that are directly driving aspects of student debt and cost of attendance, including housing, dining, and the use and prioritization of financial aid.
- **Financial sustainability:** Achieving the UNC System’s mission is predicated on the financial stability and sustainability of its institutions. It is imperative that structural budget issues – instances where recurring revenues are inadequate to support recurring expenditures – are identified and remedied through thoughtful planning. Institutions should consider whether there are opportunities to eliminate duplicative, underperforming, or low priority programs; to streamline and consolidate programs, offices, and services; and to reduce layers of management and administration.

UNCOSA’s FY2025-2026 All-Funds Budget will be presented for a vote at the May 2026 Board of Trustees meeting.

Action: This item is for information only.



MEETING OF THE BOARD OF TRUSTEES
Finance Committee
December 05, 2024

AGENDA ITEM

State Budget Update.....Wendy Emerson

Summary:

During the North Carolina General Assembly’s current 2024 short session, adjustments may be made to the budget established last year for the FY 2023-25 biennium, specifically impacting the 2024-25 fiscal year. The UNC System Office continued to advocate for system-wide legislative priorities, focused on performance funding and building reserves. These items were included in the bill that passed the House and Senate and headed for the Governor’s desk on November 19, 2024.

Looking ahead, The UNC System legislative agenda for the 2025-27 long session primarily focuses on three core priorities:

- Recurring funding for enrollment and performance changes,
- Fully funding building reserves, and
- Faculty and staff compensation that is responsive to labor market and inflationary pressures.

While these core priorities are central, universities were also asked to submit institution-specific operating budget requests. Given limited flexibility for recurring expenses, the UNC System Office advised institutions to focus requests on nonrecurring, unless a critical need justified an exception, targeted investments. These investments should support on-time degree completion, enhance the return on investment of degree programs, and address critical institutional risks.

UNCSA submitted three budget requests for the long session to the UNC System Office:

- High School Program and Future Expansion
- On-Time Degree Completion – Summer School
- Student Health and Wellness

Action: This item is for information only.



MEETING OF THE BOARD OF TRUSTEES

Finance Committee

December 5, 2024

AGENDA ITEM

Capital Projects Update.....Steve Martin

Summary:

Review UNCSA Capital Projects.

Action: This item is for informational purposes only.

UNIVERSITY OF NORTH CAROLINA
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CAPITAL PROJECTS UPDATE

December 5, 2024

Facilities Management
W. Steve Martin, RA
Associate Vice Chancellor - Facilities

Stevens Center – Comprehensive Renovation Phase 1 - \$29,800,000

Progress Photos





Marshall St

ONE WAY

ART TAKES WORK

BLUM CONSTRUCTION
LITTLE
steinberg hart



**Stevens Center –
Comprehensive
Renovation
Phase 1 -
\$29,800,000**



Progress Photos

**Stevens Center –
Comprehensive
Renovation
Phase 1 -
\$29,800,000**

Progress Photos

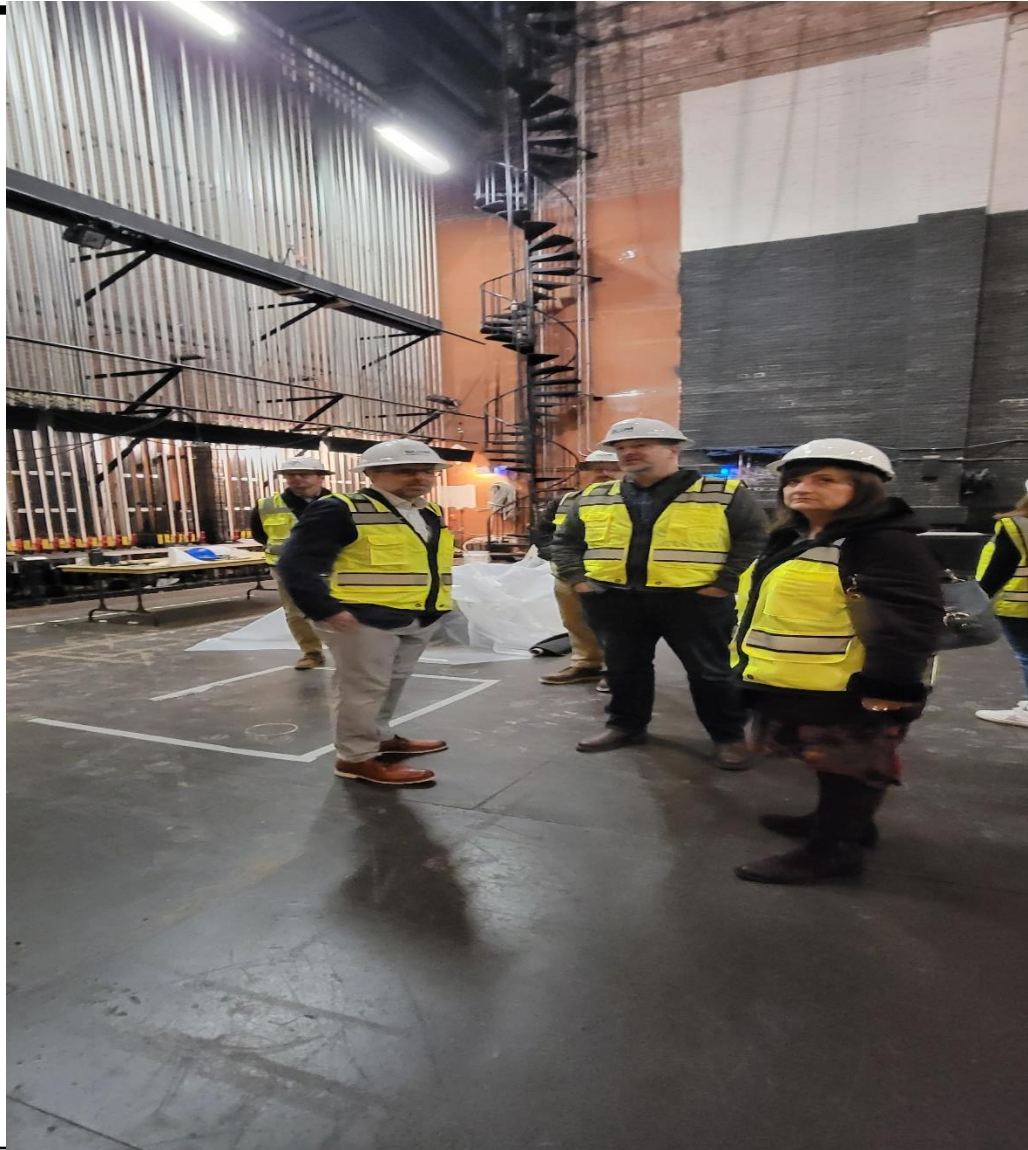


**Stevens Center –
Comprehensive
Renovation
Phase 1 -
\$29,800,000**

Progress Photos



Stevens Center – Comprehensive Renovation Phase 1 - \$29,800,000



Progress Photos

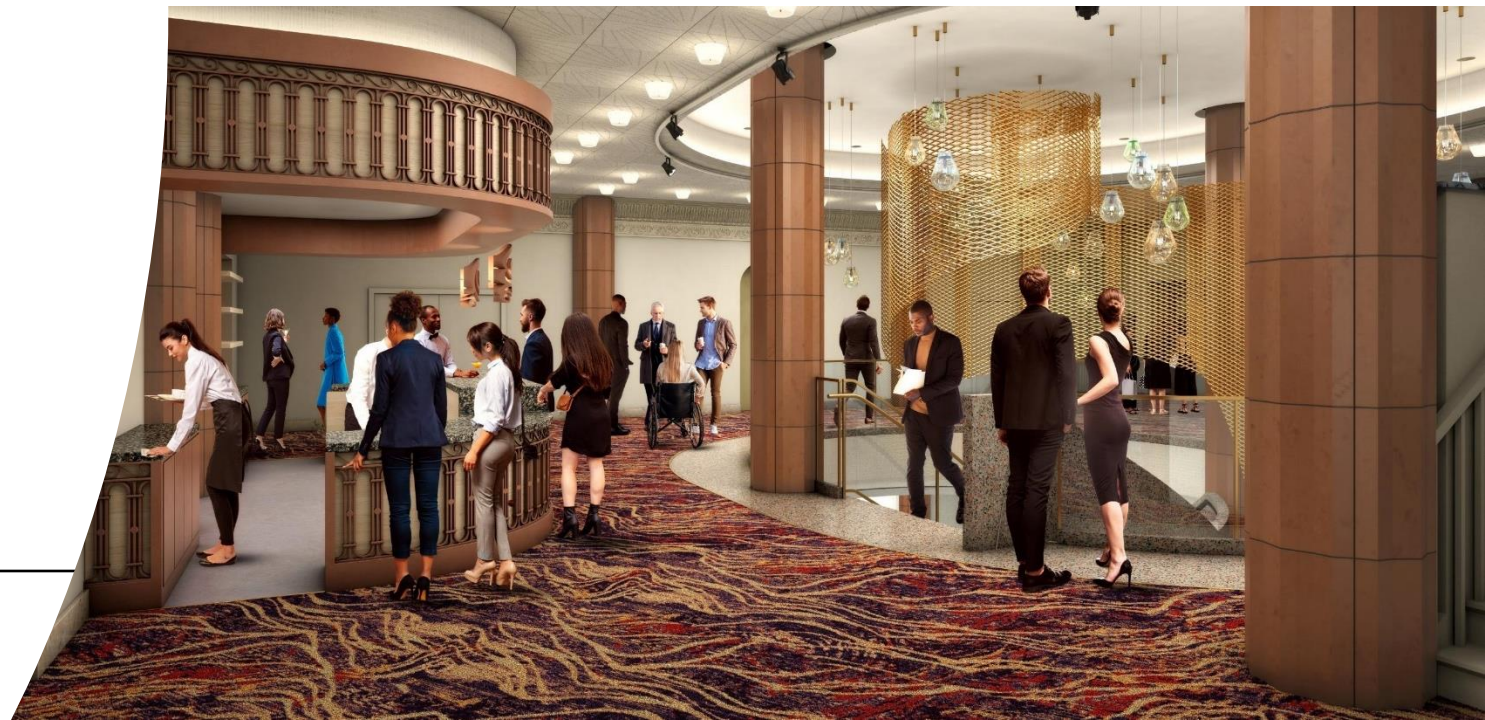
**Stevens Center –
Comprehensive
Renovation
Phase 1 -
\$29,800,000**

Progress Photos



Stevens Center – Comprehensive Renovation Phase 1 - \$29,800,000

- NTP – 03.12.24
 - Work in Place - 33%
 - Days Elapsed – 151 Of 644
 - Exterior scaffolding –100%
 - Basement Demo. - complete
 - 1st & 2nd Floor Demo – complete
 - On Schedule
 - In Budget
-



Stevens Center – Comprehensive Renovation Phase 2 - \$51,000,000

- Advanced Planning – complete under SCO review
- Schematic Design Phase - in progress



2021-2022 Minor Repair & Renovations: \$2,000,000

- Film School Bldgs 1 & 2 – Repair/Replace windows \$160,793
- Gray Building – New Main Electrical Service \$256,000
- Workplace – Renovate Drama Studios \$448,000
- Workplace – Renovate Frama Admin. Offices \$323,000
- Film Archives Building – A/C and Controls \$485,000
- Film School Building 3 – Replace Theater Dimmers \$232,000
- Film School – Paint rooftop units \$41,207
- Campuswide – ADA Improvements \$54,000



2022-2023 Minor Repair & Renovations: \$2,000,000

• Gray Building – Replace Boilers	\$121,266
• Hanes Commons Building – Upgrade air distribution & controls	\$256,000
• D&P/Workplace/Film Building 3 Life Safety	\$134,000
• Admin./D&P/Workplace West – Install Egress Lighting	\$115,000
• Facilities Management Building – Install shop exhaust	\$95,000
• Performance Place/Film 2 – Install AC in projection booths	\$87,000
• Gray Building/One Card Office – HVAC modifications	\$101,000
• Film – Sound Stage Six – Paint rooftop units	\$81,000
• Facilities Management Building – resurface vehicle staging	\$75,000
• D&P – Renovate Admin and Faculty offices	\$162,000
• D&P – Mechanical Systems recommissioning	\$134,000
• Campuswide – ADA Improvements	\$39,000
• 300 Waughtown Building – Exterior waterproofing/repairs	\$73,000
• Hanes Commons Building – Replace motor control center	\$158,512
• Hanes Commons Building – Partial interior renovation	\$75,000
• Res. Halls A-F – repair floor slabs and stairs	\$118,000
• UNCSA – Existing Houses (Chapel/Sunnyside) - repairs	\$34,000



2023-2024 Minor Repair & Renovations: \$2,000,000

- Film Archives Building – HVAC upgrade \$400,000
- DeMille Theater – HVAC repairs/replacement \$500,000
- Workplace – BAS Upgrade and new switch gear \$300,000
- Welcome Center/School of Music/Performance Place/Dunagan Sculpture Studio/DeMille Theatre – Fire Alarm Upgrades \$475,000
- Watson Hall /Film Archives/S&M Connector – BAS Upgrade \$175,000
- Welcome Center –Chiller replacement & BAS Upgrade \$150,000



2023-2024 Major Repair & Renovations: \$8,000,000

- Campus Entrance streambank restoration \$2,000,000
- Kenan Drive repaving and utility upgrades \$2,000,000
- Design & Production – New AC in Shops \$4,000,000





Questions?





AGENDA ITEM

Recommendation of Designer Selection for DeMille Theater HVAC Repair Project.....Wendy Emerson

Summary:

The University of North Carolina School of the Arts (“UNCSA”) seeks to retain professional designers for the 2023-2024 Minor R&R DeMille Theater HVAC Repair project. The total project allocation is \$500,000.

UNCSA, in accordance with UNC System procurement guidelines, solicited qualifications from designers to provide professional design services. The process was led by a Selection Committee (the “Committee”) made up of the following UNCSA staff members:

- Christopher Bowman, Director of Mechanical Maintenance
- Darrell Phibbs, Structural Supervisor
- Alexis Bauman, Project Manager

Interviews were held September 23, 2024. Upon careful consideration utilizing UNC System Office designer selection criteria, the Committee makes a recommendation for the DeMille Theater HVAC Repair project.

Action: This item requires a vote by the Committee and a vote by the full Board of Trustees