MEMBERS PRESENT: Chair David Sprinkle, Vanessa Carroll, Mae Douglas, Brad Hayes, Betsy Oakley, Ward Russell, Linda Sloan

MEMBER ABSENT WITH NOTICE: Elizabeth C. Phillips

OTHERS PRESENT: Chancellor Frank Gilliam, Jr.; Waiyi Tse, Chief of Staff; Karen McCormick, Executive Assistant to the Vice Chancellor of Finance and Administration; Kelly Harris, Assistant Secretary to the Board of Trustees; Bob Shea, Liaison; Vice Chancellor for Finance and Administration

PROCEEDINGS:

Chair David Sprinkle called the meeting to order at 8:03 am.

The roll call was read, and a quorum was confirmed.

Sprinkle reminded committee members of the Conflict of Interest (COI) statement from the State Government Ethics Act and their duty to avoid COI and appearances of COI, if any should be identified. None were identified.

On roll call vote, the minutes of the December 1, 2020 committee meeting were unanimously approved with no additions or corrections.

Budget and Stimulus Update

Vice Chancellor Bob Shea presented a Budget and Stimulus Update. UNCG will receive $104M if the General Assembly approves the UNC System Office budget. UNCG is slated for 10.48% of the planned total distribution. Our overall deferred maintenance burden is in excess of $500M; $30M of that is for roof repair and replacement. The $104M in stimulus funding is good news, but only gets us so far.

With reference to the current Fiscal Year 20-21 Budget, state funds are stable and budget to actual is on target. The State budget is in a surplus position with a very strong consensus revenue forecast. Without the stimulus money, our fiscal picture would not be as positive.
For fiscal year 21-22, we stand to take a $3.2M cut in state appropriations due to the enrollment decline. The COVID impact of fall enrollment on auxiliaries (housing, dining, parking, etc.) is to be determined.

There is good news. Tuition & Fee revenue is flat, based on the mix between regular term, resident and non-resident enrollment (which is down) and distance learning enrollment (which is up for both resident and non-resident). So, no further cuts are required this budget year unless the state surprises us with a management flex cut. We expect to have a budget in about 90 – 120 days. The Board of Governors is looking at how to appropriate based on the distinction between classes that are taken online versus classes taken online as part of an online program.

US Congress passed HEERF 3 last week. We have received the following:

- State aid - $3,936,396M (100% spent)
- HEERF 1 - $19,481,158M (100% spent)
- HEERF 2 - $31,393,898M
- Proposed HEERF 3 - $ 53,734,668M
- TOTAL: $108,546,120M

There is a series of laws and regulations from the federal government on how funds can be spent. Most HEERF 1 and state aid went to students for direct aid; the remainder went to COVID-related expenses. With HEERF 2 and 3, at least 50% of the total allotment must go to student grants. The remainder will be spent on institutional needs, and we’re currently in the process of determining that now.

Shea touched on UNCG’s Budget and Financial Statements, noting that UNCG is unique in N.C. in terms of transparency; our fiscal profile (budget and spending) and audits are all openly accessible online.

He closed with a summary of 2021-2023. We have discussed our deferred maintenance burden of about $ 500M. The budget submission currently before the General Assembly has a total of $959M to address deferred maintenance burdens. The $104M (10.9%) in funding UNCG will receive if that budget passes is proposed to be spent as follows: $81M for the Jackson Library renovation project with the remainder to other deferred maintenance issues across campus.

**Information Items**

- **FAC-1** 2021-2022 Annual Service Agreement Contracts
- **FAC-2** Facilities Design and Construction Update
- **FAC-3** University Investment Fund (UIF) Board Update (December 2020)
- **FAC-4** Quarterly Enrollment and Tuition Dashboard

Four information items were included in the Committee’s pre-meeting materials. It was noted that the University Investment Fund Quarterly Report as of December 31, 2020 reflected total assets of $346.6M, net of all expenses with the exception of private equity marks, which will appear the following quarter. Cambridge Associates has performed very well, and we have seen strong returns the last several years.
**Action Items**

The UNC System Construction Task Force recently delegated authority to the campus Boards of Trustees to approve advanced planning of capital projects and defer taking them to the Board of Governors until the project scope, schedule, and budgets are better established. This delegation applies to two current proposed projects at UNCG: Taylor Theatre and The Arts Place at Tate and Gate. The Committee heard information from Associate Vice Chancellor Sameer Kapileswhari about the projects.

**FAC-5  Capital Request for Advance Planning – Taylor Theatre Infrastructure Renovation**

The Taylor Theatre Infrastructure Renovation Project will update the building mechanical, electrical, plumbing, fire alarm and sprinkler systems. The interior space will focus on ADA access and ADA restrooms renovations. Alternates are anticipated to address concerns with the aging tension grid and supporting structure, performance rigging and associated machinery and replacing the fire curtain. Funding for the project will come from carry forward dollars, and the project is expected to take 18 months – 2 years; major portions of the Theatre will remain open as the project progresses.

As recommended by the Committee, Sprinkle moved that the Board approve Advance Planning in the amount of $350,000 on a total project estimate of $5,011,760 for the Taylor Theatre Infrastructure Renovation. Chair Oakley seconded the motion. On roll call vote, the motion carried unanimously.

**FAC-6  Capital Request for Advance Planning – Arts Place at Tate and Gate**

The scope of this project is for a new 20,000 GSF multi-purpose cultural arts venue located at 842 West Gate City Boulevard. The goal is to foster an active partnership between UNC Greensboro with the surrounding local and regional arts community. The project will include demolition of the existing building, a flexible performance space, gallery, instructional and practice rooms, office and administrative space, a retail component, as well as underground parking to support the needs of the venue. This location also provides an important and prominent gateway entrance to campus.

The Committee had a chance to see exciting preliminary renderings of this project, which will be funded using institutional trust funds. Moving forward, renderings will be routinely provided for these project requests.

As recommended by the Committee, Sprinkle invite a motion to approve Advance Planning in the amount of $600,000 on a total project estimate of $10,330,306 for the Arts Place at Tate & Gate. Trustee Linda Sloan made the motion, which was seconded by Trustee Mae Douglas.
On roll call vote, the motion carried unanimously.

There being no further business, the meeting was adjourned at 9:12 am.

Respectfully submitted,

Kelly Harris
Assistant Secretary to the Board of Trustees