



DELAWARE STATE UNIVERSITY

Board of Trustees Retreat

July 15-16, 2020

Theme: “It’s Only the Beginning”

Virtual / In-Person & Hybrid Administration Building / Barros Room

Minutes

The Board of Trustees (“BoT”) Retreat was convened virtually by Dr. Devona Williams, Board Chair at 8:00 a.m. on July 15 via WebEx. The retreat attendance lists are attached.

July 15

Welcome & Opening Remarks

Dr. Devona William, Chair

Dr. Williams provided a brief overview of the 2-day retreat agenda. The purpose of the retreat was to unite as a board and establish a clear vision and priorities for the next year. The retreat objectives: 1) build as a collaborative team, 2) overview the governance role of the board, 3) shared understanding of critical issues, future direction, and priorities and 4) provide an action plan with accountabilities for implementation. The board culture is defined by values of **Diversity, Integrity, Scholarship, Community and Outreach.**

What’s on Your Mind?

John Allen, VC Chair

Trustee Allen facilitated a discussion on “What’s on your mind?” as it relates to transparency on the board. Members provided commentary on how boards create a culture wherein individuals feel safe to share opinions and challenge issues. Overall, most members stated that the current board operates transparently, is a cohesive team, and they feel comfortable sharing opinions and challenging issues.

Other Discussion Topics:

- *Real Estate.* DSU’s real estate assets reside under the Foundation Board (FB). The FB has put together an ad hoc real estate committee to ensure that the institution is making prudent moves and will work closely with Mr. Cauley.
- *Private Fundraising/Gifts.* DSU has budgeted \$3M toward private fundraising. The reserve has grown from \$1MM to \$5MM. The endowment has grown from \$25MM (FY20) to \$40MM (FY21).
- *What steps is DSU taking to achieve a more customer-oriented culture?* Customer service hinges on culture and how we treat key stakeholders and one another. A university culture assessment was completed. A committee has been formed to address customer service concerns. Drs. Hawkins, Pickrum and Ms. Pia Stokes are members of the committee, and Trustee Whatley is the board liaison. All customer service touch points, except for classrooms and labs, have been placed under Mr. Boyle’s division. Under the new Strategic Plan, there’s a transformation committee that will focus on four pillars of success over the next five years.

The customer service area will fall under the pillar of enhancing the operational experience. The goal is to create a culture that cares about the customer and how we care about each other. Metrics will be in place to track concerns and address issues. Dr. Allen stated that a document will be presented at the September board meeting regarding customer service. McKinsey is also assisting the university in customer culture. Mr. Boyle stated that he plans to hire a director whose only job will be to enhance the customer service experience.

- *Sussex County Student Recruitment.* Mr. Boyle reported that there will be more focus and thoughtful engagement in Sussex. The goal is to have an Inspire liaison at each school. Board members have agreed to assist in the recruitment of students. Mr. Boyle will email the Inspire PowerPoint presentation to the entire board. Board members requested a toolkit of information to assist them in recruiting students.

Strategic Planning Update

(See Portal for PowerPoint Presentation)

Trustee Margie Lopez-Waite

Facilitated by Dr. Ramona Hill and Dr. Stacy Downing

After brief introductions to the BoT by Trustee Waite and Drs. Allen, Drs. Downing and Hill facilitated a conversation with the BoT regarding the FY 22-FY 26 Strategic Plan. The Strategic Plan will be anchored in Dr. Allen's 4-pillars:

1. *Building the Whole Student.*
 - Goal 1 – Student Success: Sustain a robust talent pipeline for first-year, transfer, online and nontraditional students.
 - Goal 2 – Academic Excellence: Faculty deliver evidence-based teaching and learning experiences that prepare students to achieve their personal and professional goals.
2. *Enhancing Operational Effectiveness.*
 - Goal – Commitment to evidence of efficiency, effectiveness, and continuous improvement.
3. *Improving the Physical Plant.*
 - Goal – Preserve our heritage while keeping pace with the needs of contemporary society.
4. *Securing a Healthy Financial Future.*
 - Goal – Increase university revenues and implement cost savings strategies.

Board members reviewed the key performance indicators (KPI's) associated with the above-mentioned goals. and provided constructive feedback *(See Portal for details)*.

Action Items:

[Motion to approve the FY 22 – FY 26 Strategic Plan framework as presented, by Dr. Mishoe; 2nd by Mr. Griffiths/Ms. Hobbs; motion carried]

FY 22 Master Plan

(See Portal for PowerPoint Presentation)

Cleon Cauley, Esq., COO

Facilitated by Malcolm Davis, Gautam Sundaram and Kent Amos of Perkins & Will (PW)

PW presented an overview of the Master Plan. The targeted completion deadline for the Master Plan is early October. PW provided a summary of key takeaways received from university stakeholders which include dispersed programs, research, quality of academic spaces, campus space utilization, growth in online programming, student residential buildings, student life, athletics, and recreation.

- *Analysis.* Nationally, high school graduation rates are projected to increase each year for the next five year. Between 2025-2037, there will be a national decline of almost 11% (400,000) of high school graduates. Delaware is anticipated to decline by 70 high school graduates by 2037, which is a 1% decrease from 2019. Out of 5,027 students enrolled at DSU in Fall 2020, 46% are out of state, 46% are in-state, 8% are international and abroad. PW advised that the institution needs to focus on synergy efforts across DSU campuses and the greater community. Although students have been provided more virtual classrooms, the in-person collaboration spaces are what students are seeking. This will help DSU

drive ahead of its peers. The Master Plan will focus on how to deliver academic programs in physical and online spaces that will not hinder institutional growth.

- Stakeholder Engagement. Stakeholder key themes were rapid growth of online programming, a need for more options for group events and student activity spaces, a desire to bring units together that are currently scattered in multiple locations, and a need for more space.
- Space Assessment. The DSU campus needs more research, lab, and study spaces. Most instructional spaces are underused in terms of hours per week. When in use, most rooms are appropriately filled in terms of enrollment versus seat capacity.
- Student Residential Life. There are 8 residence halls on the main campus with 2,815 total beds. There are 7 residence halls on the downtown campus with 967 total beds. There's a tremendous amount of deferred maintenance in the residence halls. More common, dining, and social spaces are needed.
- Athletics & Recreation. Existing challenges include 1) Strained facility utilization between Recreation, Campus Events, ECHS and Athletics, 2) Player development: current space is for 250-280 student-athletes but DSU has 420+ 3) Facilities: 11 teams without locker rooms and 4) Inefficiencies: offices span across six buildings, significant storage deficiencies, and teams lack support space at venues. Opportunities include 1) DSU Downtown campus, 2) Improve efficiencies, 3) Revenue-generation, community engagement and recreation opportunities, and 4) New campus gateways.

By-Laws Discussion

(See Portal for PowerPoint Presentation)

Trustee Norman Griffiths

Ms. LaKresha Moultrie, General Counsel & Chief Risk Officer

Ms. Moultrie provided the BoT with a brief overview and a supplementary document that lists all the sections that have been amended with the original language and explanation for those changes (*See Portal for details*). Trustee Griffiths mentioned that substantive changes include the reinstatement of 1st and 2nd vice chair titles and non-board members can become committee members. He further explained the difference between the Charter (Title 14, Chapter 65 of the Delaware Code) and Bylaws (the implementation of the charter). Additional bylaw changes include:

- consistency in terminology throughout (ex: references to Title 14, board members/trustees; Admin. Council doesn't include only vice presidents)
- updated committee references and name changes (ex. Executive was changed to the Executive Leadership Committee; Student Success was changed to the Academic and Student Success Committee);
- Article 2 Sec. 5: Trustee emeritus.
- Article 5, Sec. 2y: Acquisitions, divestitures, and donations
- Section 1: Authority delegated to the president
- Subsection C: Authority to settle claims; the president can settle claims of "\$50k or less". The Operations Committee will review claims above \$50k
- FOIA/Legal compliance: "the meetings will always be in compliance with FOIA..."
- Article 8, Sec. 8b: minutes are made publicly available
- Internal Audit (IA), revised to mirror current practices: IA reports to president appointed designee, under OGC; if a conflict arises the office of IA will report directly to the Audit Committee; a quarterly report will be given to the Audit Committee

Board members were provided with a copy of the updated Board Matrix and Committee List. The Executive Leadership committee was limited to six members. Gov. Markell plans to resign his board role due to his new appointment as an ambassador under the Biden administration.

Training: Attorney Client Privilege (ACP)

(See Portal for PowerPoint Presentation)

Ms. LaKresha Moultrie, General Counsel & Chief Risk Officer

Ms. Moultrie provided ACP training to the BoT. She expounded on “What is Privilege?” and the “Most Common Privileges”. ACP protects communication between privileged persons (attorney and client), made in confidence, for the purpose of obtaining or providing legal advice for the client. Not all communications are privileged. Business activity is not privileged, but legal advice is privileged. Privilege can be waived through disclosure by 1) forwarding a privileged communication; 2) sharing the substance of legal advice; or 3) including privileged materials in a data room. Ms. Moultrie tested the BoT understanding of ACP by providing three scenarios in which they passed.

[Motion to enter Execution Session by Mr. Stafford; 2nd by Mr. Griffiths; Motion carried]

*******Executive Session*******

*******Exit Executive Session*******

[Motion to exit Execution Session by Dr. Mishoe; 2nd by Ms. Whatley; Motion carried]

Action Items:

[Motion to accept the property donation, pending a positive inspection report as presented in Executive Session, by Ms. Whatley; 2nd by Dr. Harrington; motion carried]

[Motion to approve the matters pertaining to Dr. Allen as presented in Executive Session, by Dr. Harrington; 2nd by Dr. Mishoe; motion carried]

[Motion to adjourn by Mr. Stafford; 2nd by Ms. Whatley; motion carried]

Adjournment 1:42 p.m.

July 16

The BoT and Administrative Council (“AC”) session was convened in hybrid format by Chair Williams on July 16 at 10:35 a.m. In-person attendees met at DSU’s main campus, Administration Bldg., 4th Fl. Boardroom. The attendance list is attached.

Wesley Campus Tour (optional)

The BoT began Retreat Day 2 with an optional tour of the DSU Downtown Campus and the new Executive Residence. Trustees Williams, Allen, Harrington, Hobbs, Lopez-Waite, and Castle were in attendance. Some Administrative Council members also attended the tour.

A View from Tony

Annual Goals FY 22

(See Portal for PowerPoint Presentation)

Dr. Tony Allen, President

Dr. Allen reported the following:

- *DSU, An Apple Distinguished School*. DSU is the first HBCU to become an Apple Distinguished School.
- *Annual Goals FY 22 – 4 Pillars & Related Goals/KPI’s*:
 - *Building the Whole Student*. Integrating the Wesley Student (75% retention, 80% graduation year one); Enhancing Student Performance (Completed AAUP CBA); Delaware Inspire (25% increase in Inspire Scholars); Career Pathways Programming (annual 400 employee hires post-graduation); and Student Experience (80% satisfaction)
 - *Enhancing Operational Excellence*. Complete and timely audits; Fully integrated compliance and review program; University Transformation Team (10% increase in efficiency savings, 10% increase in revenue recaptures); Customer Experience Protocol (a working dashboard that measures response time, service quality, problem resolution and overall customer experience)
 - *Improving the Physical Plant*. Leveraging USDA and State-sponsored matches for capital projects; Infrastructure Funding; Environmental Planning and Execution (identification and reduction in our carbon footprint by 10%)
 - *Securing a Healthy Financial Future*. University Reserve Build (\$10MM); University Endowment Build (\$75MM); Multi-year balanced budget projections (rolling three years)

Note: Each of the above 4 pillars aligns with the board committee charters.

- *A Successful Acquisition Year 1*: Returning University and former Wesley students feel equipped to start and finish the academic year; University faculty, staff and administration are bought into the process, and reaffirm their commitment to the acquisition; External stakeholders are aware of and celebrate our success, and are encourage to contribute; Finish FY 22 with a balanced fiscal budget, achieved by synergies captured from the acquisition.
- *Expected Outcomes*: A stabilized Wesley Transition with identified savings and revenue capture pressing toward \$25MM by FY 25. A student body with significantly higher persistence and graduation rates across all categories. A University-wide commitment to operational excellence driven by a more inclusive group of burgeoning and senior leaders. A noted improvement in our physical infrastructure with critical advances in classrooms and co-curricular venues, specifically athletics, recreation, wellness, and health facilities. A deeper capacity for growth through a diversified portfolio mix that emphasizes our endowment and University reserves.

Path to Sustainable Funding

(See Portal for PowerPoint Presentation)

Ms. Ryan Golden of McKinsey Co.

Ms. Golden, associate partner at McKinsey, reported the following:

- Establish the University as a Leader Among HBCU and Non-HBCU Peers. How can DSU stand out from other institutions? The University must consider graduation rates, student ROI, social mobility rank, enrollment, historical growth and online programs.
- (4) Bold Aspirations for the University to Achieve by FY 26. 7,500+ total students; a broader research agenda; financially sustainable; and an ability to fund innovation through its operations.
- Sustainable Fiscal Balance would be a goal of the transformation effort. Between FY 22 and FY 26, revenues are forecasted to move from \$125MM to \$152MM; expenses \$135MM to \$148-150MM; one-time funds will decrease to nearly zero.
- To achieve Fiscal Balance and transform, the University would develop plans against financial targets across select opportunity areas. Bottom-up planning is structured around two areas: 1) Value work-streams which drive the revenue to the university through enrollment, online programs, CHBS, retention, grants, private revenue/advancement, auxiliary revenues/real estate, and academic programs; and 2) Enabler work-streams which includes change management/transformation office, culture & organizational health, year 1 acquisition. By FY 26, the university will add \$21MM in recurring revenue.
- Identified Opportunity areas are in line with the FY 22 – FY 26 Strategic Plan Pillars. 1) Building the Whole Student – enrollment, retention, online programs, CHBS and Academic programs; 2) Enhancing Operational Effectiveness – culture and organizational health and change management; 3) Improving the Physical Plant – auxiliary revenue/real estate; and 4) Securing a Healthy Financial Future – academic program review, grants, private revenue, year 1 acquisition
- The Transformation journey will begin with Planning in 2021 and Implementation Through 2026. The University is currently in the setup for growth planning phase (BUP). BUP kickoff will begin on July 26 and will last 10 weeks.
- The Transformation will be galvanized by 80-100 colleagues across the University who are ready to lead and execute. This includes 1 chief transformation officer, 70-90 imitative owners, 10-12 workstream leads, 6-8 workstream sponsors, and 1-2 transformation finance leads.
- A stage-gate process enables initiatives across all workstreams to have detailed plans by the end of the planning process by early October 2021. Initiatives are categorized through funnels L1 through L4.
- A series of leadership capability building, and training sessions will be embedded to foster mindset change and sustain the transformation. This area includes 3 actions: top leadership alignment, ability to execute training and ongoing coaching. McKinsey is bringing their best subject matter experts to assist with coaching.

Sustainable Funding

Endowment Investment policy discussion

Mr. Cleon Cauley, COO

Dr. Vita Pickrum, VP of Inst'l Advancement

Mr. Cauley and Dr. Pickrum facilitated an informal discussion regarding financial sustainability and ways to strategically grow revenue for the University. The discussion focused on three components: legal (structure), operation (business model) and the Foundation Board (FB, endowment growth). The Foundation has a memorandum of understanding with the university; therefore, the Foundation can accept gifts, donations, grants, stock, real estate on behalf of the university. Participants provided the following suggestions: create a policy structure that aligns with the growth of the university (ex: Arizona St. Univ.); develop a clear strategy around alumni giving; increase alumni engagement and reclaim lost alum (ex: newsletters – communicate in their mode); create an investment committee under the Foundation; change the culture and mindset of every employee so that they treat students as future alum by providing them with positive experiences during matriculation; develop a strategy on how to get the greatest return on endowment investments, cash on hand, and the reserve. Any additional commentary should be directed to Mr. Cauley. He will work on a timeline for development of a policy.

Questions Raised by Trustee Selby were addressed by administrators. Specifically, athletics salaries are competitive with the market. Mailers and postcards regarding athletic events have been mailed to alumni. A new

band director has been hired. There were 199 new hires in Jan. '20 – present; 36 are DSU grads. Wesley grads have also been hired. Facilities reportedly will have residence spaces ready for student move-in. Lastly, there will be a special event in the Fall honoring former President, Dr. DeLauder.

Wrap Up

Dr. Devona Williams

- Summary:
 - Master Plan – In Progress
 - Capital One Donation – Approved
 - Bylaw amendments – reviewed and will be approved at the September board meeting
 - Strategic Plan Framework – Approved
 - Committee list – update Student Success Committee name change
 - Campus & Executive Residence Tour – Completed
 - A view from Tony/Annual FY 22 Goals
 - Transformation Plan by McKinsey
 - Conversation on Sustainable Funding
- What should be our Focus:
 - Culture and Customer service
 - Graduation and retention
 - Manage real estate
 - Transformation
 - Investments and how we manage our resources
- Next Steps:
 - December 2-3 Retreat

No Public Comments

Adjourn for Lunch in Barros Room

[Motion to adjourn by Ms. Hobbs; 2nd by Ms. Whatley; motion carried]

The meeting was adjourned at 12:45 p.m.

“VIRTUAL ONLY” ATTENDANCE

July 15, 2021

<u>Board of Trustees</u>	<u>Administration</u>
Dr. Devona Williams, Chair	Dr. Tony Allen, President
John Ridgeway, Vice Chair	Dr. Irene Hawkins, CAO & VP of Human Resources
John Allen, Jr., Vice Chair	Cleon Cauley, COO
Margie Lopez Waite	Dr. Stacy Downing, CAO for DSU Downtown and VP for Strategic Initiatives
Lois Hobbs	Mr. Darrell McMillon, CIO
Dr. Debbie Harrington	LaKresha Moultrie, General Counsel, Chief Risk Officer
Leroy Tice, Esq.	Antonio Boyle, VP of Strategic Management
Norman Griffiths, Esq.	Ms. Jackie Griffith, Special Asst. to the President and VP of Government & Community Relations
Jocelyn Stewart	Mr. Herman Wood, AVP of Capital Planning & Facilities Management
Bernadette Dorsey Whatley	<u>Other Staff & Guest Attendees</u>
Harold Stafford	Mr. Curtis Winslow, Instructional Technology Systems Integration Coordinator
Dr. Wilma Mishoe	Ms. Kenisha Ringgold, Asst. General Counsel
Gov. Michael Castle	Dr. Ramona Hill
Esthelda Selby Parker	Ms. Alecia Gadson, Interim Athletic Director
	Perkins & Will – Malcolm Davis, Gautam Sundaram

“HYBRID” ATTENDANCE

July 16, 2021

<u>Board of Trustees</u>	<u>Administration</u>
Dr. Devona Williams, Chair	Dr. Tony Allen, President
John Allen, Jr., Vice Chair	Dr. Irene Hawkins, CAO & VP of Human Resources
Gov. Michael Castle	Cleon Cauley, COO
Margie Lopez Waite	Dr. Stacy Downing, CAO for DSU Downtown and VP for Strategic Initiatives
Lois Hobbs	Mr. Darrell McMillon, CIO
Dr. Debbie Harrington	LaKresha Moultrie, General Counsel, Chief Risk Officer
Leroy Tice, Esq.	Antonio Boyle, VP of Strategic Management
Norman Griffiths, Esq. – video	Ms. Jackie Griffith, Special Asst. to the President and VP of Government & Community Relations
Jocelyn Stewart – video	Mr. Herman Wood, AVP of Capital Planning & Facilities Management
	Dr. Sandra DeLauder, Provost

	Dr. Vita Pickrum, VP of Institutional Advancement
Bernadette Dorsey Whatley	<u>Other Staff & Guest Attendees</u>
Harold Stafford	Mr. Curtis Winslow, Instructional Technology Systems Integration Coordinator
Dr. Wilma Mishoe	Ms. Kenisha Ringgold, Asst. General Counsel
Esthelda Selby Parker	Mr. Chris Garland, DSU IT
	Ms. Alecia Gadson, Interim Athletic Director
	Ms. Ryan Golden, McKinsey – in-person
	Mr. Fiyinfolu Oladiran, McKinsey - video
	Mr. Ogechi Onyeka, McKinsey - video
	Mr. Charag Krishnan, McKinsey – video
	Mr. Ian Jefferson, McKinsey - video