



DELAWARE STATE UNIVERSITY

Board of Trustees Retreat July 18-19, 2019

Minutes

The Board of Trustees (“BoT”) Retreat was convened by Dr. Devona Williams, Board Chair at 2:30 p.m. on July 18 at Delaware State University (“DSU”), Bank of America College of Business boardroom, Third Floor, in Dover, Delaware. The retreat attendance is listed on the attachment.

July 18

Welcome & Opening

Dr. Devona Williams

New Board Portal Presentation

Kent Adams, AGB OnBoard

- Mr. Adams provided the BoT with an overview of the AGB OnBoard portal. He highlighted several areas: agendas, calendaring/rsvp’s, committee groups, uploading and reviewing documents, navigation capabilities, advance approval and voting features, archiving data, creating and sending comments prior to meetings, syncing devices, etc. Presently, there are 100-150 institutions who use OnBoard (ex: The College of New Jersey, Brown College, Georgia State Univ., NCAA, and Advisory / Foundation / Governing Boards). The cost to DSU would be \$12.8k/year. The current board portal charges DSU \$25k/year. Mr. Adams and Ms. Stoner will roll out a test version to the BoT.

[Motion to authorize whatever new portal makes sense for the BoT by Gov. Markell; 2nd by Mr. Allen; motion carried]

Overview and Agenda Setting

Dr. Devona Williams

- *Mission/Vision.* The BoT reviewed DSU’s Vision (owned by the BoT) and Mission (owned by the President) statements.
- *Board Culture.* The BoT briefly discussed healthy vs. unhealthy board indicators. A healthy board is marked by distributed influence and collective wisdom, open-minded listeners, constructive dissent, transparency, confidentiality, diligence, respect and trust, clear expectations and mutual accountability. The BoT agreed that there should be more follow up on open items from previous meetings; and board materials need to be sent timely, so that trustees can review the information. Previous BoT Survey results will be sent to Ms. Selby.
- *Duties of Trustees.* The BoT provided their views on what they think the duties of trustees should be: 1) Fiduciary – financial stewardship 2) Loyalty – acting in the best interests of DSU 3) Care – being competent in decision making and 4) Obedience – mission focus and building public trust (Note: The BoT agreed to change “Obedience” to “Mission Focused”).

- *The Big Questions:*
 - 1) *Do we have the right people on the board? Do we have the right kind of relationships?*
 - The BoT agreed that we should consider including younger people and/or alumni on the BoT, perform assessments of recent graduates, increase communication in Sussex County and surrounding areas, add wealthy people to the BoT, mentor students, and establish an Advisory Council to target specific needs.
 - Dr. Williams informed the BoT that a campaign event will be planned in Sussex County and Michelle Freeman (Freeman Stage), expressed interest in participating. The planning committee for this event will include: Ms. Hobbs, Mr. Allen, Mr. Alan Levin and Ms. Peggy Hertrich).
 - Dr. Mishoe added that she is forming nurturing relationships with students before they graduate and encouraged the BoT to do the same.
 - 2) *Are we talking about the right things?*
 - The BoT recommended that the board should discuss topics regarding: strategy, operations, discounting/tuition costs, business modeling, the extent of board involvement (administration, finance, personnel issues), priorities and focus on the biggest needs, meeting preparedness, data driven decision making, processes for right setting operational deficiencies.
 - Dr. Allen emphasized that the University is undervalued in comparison to other HBCU's in the region as a low-cost provider. So, there are opportunities to look at the University's pricing model and make adjustments.
 - Dr. Mishoe stated that institutional effectiveness must become the norm, and the collection of data must become habitual.
 - Dr. Allen mentioned that finance is not captured in PRIDE 2020.
 - 3) *What is the protocol for communicating to the board, board leadership and committee chairs? How would the board like to receive information?*
 - **Action Item:** The BoT agreed that a communication protocol needs to be established. A working group was established to develop protocols for communication with the board – members include Dr. Harrington, Mr. Tice and Dr. Williams.

Board Governance Overview

Dr. Devona Williams

Action Items:

- Approval of Trustees Allen for a second term
[Motion to approve by Gov. Castle; 2nd by Ms. Selby; motion carried]
- Swearing in Trustee Allen as 2nd Vice-Chair by Dr. Williams

Accomplishments / Year in Review

Board of Trustees

Progress against December 2018 Action Plan

Dr. Wilma Mishoe, President and
Dr. Tony Allen, EVP / Provost

- Drs. Mishoe and Allen provided an overview of the progress against the December 2018 Action Plan as follows:
 - *Institutional Effectiveness.* A detailed overview of the MSCHE's expectations with respect to board involvement has been provided to the BoT during Student Success committee and BoT meetings (in progress). Dr. Delauder will provide an update to the

BoT on July 19 regarding the Self-Study Steering Committee (in progress). The Strategic Plan has not been started but an update on the strategic process and timelines will be provided on July 19.

- *Budget and Finance.* As to the reorganization of the division of finance, this area remains ongoing as there have been additional departures. David Kent Consultants has been onsite to provide help in the finance department. The detailed budget, forecast and balance sheet is in progress. Financial reports will be reviewed by each department head and Administrative Council regularly. Each division will be responsible for any variances in the budget (3%) and make corrective actions when necessary. The internal P-card audit has been completed. New P-card procedures are now in place. Accounts payable has improved but work is still in progress. A full audit review occurred in January 2019. Mr. Allen advised that the Operations and Audit committees should share co-responsibility and oversight in the area of budget and finance going forward.
- *Facilities and Maintenance.* This area is in transition. Mr. Bartlett announced his resignation, and his last day was on July 9. The below 3-pronged strategy is currently underway until the full-time executive position is filled:
 - #1 - Strategic Management Consultant. Mr. Alan Brangman has been retained by the University as a consultant. Mr. Brangman was former vice president and treasurer at University of Delaware, architect for Howard University and facilities executive at Georgetown University.
 - #2 - Retained Mr. Bartlett's services part-time in 30-day increments. This was done largely to complete the P3 Residential Project which is due to open in August 2019.
 - #3 - Fill the Executive Position Vacancy. To date, Dr. Mishoe has met with 2 potential candidates. The posting is still listed externally.

The Housing Study was completed by Trustees Lopez Waite and Stafford. A housing update will be provided to the BoT on July 19.

Presidential Transition Plan

Dr. Wilma Mishoe, President and
Dr. Tony Allen, EVP / Provost

Picnic at the Farm

College of Agriculture of Science and Technology
DSU Outreach and Research Farm, 884 Leipsic Rd., Smyrna, DE 19977
Board of Trustees joined by the Administrative and Deans Council

July 19

The Board and Administrative Council session was convened by Chair Williams on July 19 at 8:30 am in the Rick Barros Room.

Strategic Planning Overview

Dr. Tony Allen

Dr. Allen led a discussion regarding the KPI's in the PRIDE 2020 booklet. The current graduation rate is 41%, but the goal for 2025 is 50%. The University has a 6-year graduation rate, 44%. In the HBCU community, the University is rank 12th overall out of 102 schools. The University is ranked 4th in public HBCU's. The BoT communicated that the PRIDE 2020/KPI's do not reflect financial strength, operations, facilities planning, measurement of ROI/value exchange (time/money spent and employment), career guidance, accessibility and matriculation, reaching athletic gender equity/Title I compliance, social mobility (changes and sustainability in income brackets), forward competitive thinking, measure broad economic impact, etc. The University is working on a partnership with the Kresge Foundation and the University of Southern New Hampshire to develop a program to target near completers (students who have at least 90 credits). The University has about 1000 students who are considered near completers.

- *The Big Ideas* submitted by Administrative Council include: a culture of accountability and service; intentional growth; a smart, contemporary campus (ex: aviation, farms); global citizenship/international connections (proven academic growth in 21 countries); research that makes an impact (currently at \$22M and ranked 7th amongst HBCU's); and excellence in all we do. The BoT added that the University should be a leader in civility, diversity and inclusion, and focus on internal culture.
- *The Big Questions* submitted by Administrative Council include:
 - How do we become a comprehensive doctoral-granting institution of 10k students while remaining a diverse, residential, service-oriented community?
 - BoT commented that the focused should be on how to manage growth.
 - How do we enhance on-campus living and learning while solving infrastructure challenges?
 - How do we encourage recruitment of top talent, while simultaneously improving the culture?
 - How do we establish a more robust revenue generation model, while adhering to our land grant mission?
 - How do we expand our international partnerships, while remaining true to our HBCU tradition?
 - BoT commented that there should be a goal around diversity.
- *Word Cloud (how the University should be viewed)*: excellence, equity, diversity, the "State" University, infrastructure, etc.
- *External Review*. An outside party will be hired to look at the University to provide an internal landscape, comparison amongst peers, review of documents, measurements and more. The external review process will begin in September for a period of 3 months.
 - **Action Item**: The external report will be delivered to the BoT at the Fall retreat.
- *Initial Areas of Interest* include: capacity, performance, innovation/sustainability and collaboration
- *Strategic Plan coordinated with Middle States*:

Middle States Accreditation	Strategic Planning Process
Spring/Summer 2019: Appoint Self-Study Committee	Summer 2019: Appoint Strategic Planning Committee
November 2019: Participation in Self-Study Institute	September-November 2019: External Review

Fall 2019: Develop draft Self-Study design May 2020: Middle States approves self-study design February 2022: Submission of Self-Study to MSCHE	November 2019: Participation in Self-Study Institute Fall 2019-Fall 2020: Develop Strategic Plan Fall 2020 Retreat: Approval of Strategic Plan
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Strategic Thinking

Dr. Devona Williams

- Review BIG questions (*see attached handout*)

The BoT and administrative council members were paired into various groups to brainstorm answers to various “big questions” and responses from charted discussion summarized in the charts below.

Strategic Planning
What are our greatest vulnerabilities?
<p>Top Responses: financial, organizational structure and integration, processes / controls, staff quality, true campus community</p> <ul style="list-style-type: none"> ❖ Fact based decisions, academic standards, management, clearer direction and what known for, organic rev./collect, government funding / oversight, leveraging Banner, resistance to change and keep up, reputation ties to finance, academic alignment, culture/customer service
Where are we most volatile?
<p>Top Responses: accountability, enterprise risk management, managing processes</p> <ul style="list-style-type: none"> ❖ organization – response for customers / accountability, better controls and environment for Enterprise Risk Management, right people / positions and leadership continuity, external funding / Federal programs/legislation, understanding expectations top talent / retention, leverage resources / breaking silos, alignment corporations and institutions with DSU majors, consistent team work; creating an environment where it is safe to speak up
What is most unpredictable in our environment?
<p>Top Responses: funding, change management, higher education value and how value is perceived over time</p> <ul style="list-style-type: none"> ❖ External funding, legislation, Federal Programs, perception of higher education (HE) value as more students go directly into workforce, change being constant (are we agile?), changes in HE trends, family dynamic/trauma, sustainability HBCUs, financial ability students, culture to save for HE, student plan for HE, opportunity for funding college, funding/resources to retain talent, student housing, student/ staff cultural understanding
How do we address the prosperity gap for our students?
<p>Top Responses: the ability to pivot, alignment core/content, career services, relevant curriculum and faculty, challenges students, be ambassadors, start young</p> <ul style="list-style-type: none"> • Mission/vision – different students, how do we compare? What does it take? • Graduates/dropouts – are they desired by corporations? How to measure? • Student perspective – need to pivot/transferrable skills, prepare for lifetime of career • Student debt burden/earning potential by profession, counseling • Ensuring providing correct services and metrics on graduation rates • Need intel from employers for right curriculum/right jobs, right social skills, ability for students to operate in diverse environments / pivot

- Having college readiness / dual enrollment / especially the Early College High School; programs for transition / social/org skills i.e. AVID
- Better alignment students / marketing
- Why we are here? - student success
- Pipelining deeper / earlier
- Equity – students challenging (KPIs)
- Gaps internships and externships
- Training and development; personal finances

Open Discussion on Student Readiness

Top Responses: career services, readiness, outreach, partnership, doe, pragmatic (before/during/after)

- Talk to students who have graduated, start younger preparing students (elementary),
- Whose responsibility is it? Address gaps, conversation/collaboration / secondary and HE institutions
- Change trajectory of students/partner with schools
- HR Theory – but need to move toward/more to practical experience-faculty don't always have this. Faculty competence pragmatic skills/knowledge
- Employers' expectations different than student education
- Need to change curriculum
- Student/career readiness
- Pilot alumni program – DSU
- How strong relationship does DSU have with Department of Education?
- Adjunct faculty share practical experience
- More outreach, esp. for Sussex County
- Defining our student/potential client define what this means, what is the true line? who they are? K-12 to 5yrs employment
- HE's solution? Develop predictable model for college success (math and common core)
- Partnerships that result in funding – DSU advisory boards
- Relevant internships and adapt to culture
- Educational alignment- what does this mean for DSU students?
- Business and government internships and nonprofit organizations and ties to credit for loan

What do we want to look like in 10 years?

Top Responses: competency-based education (update), provide vibrant adult continuing ed and employment opportunities for Delawareans

- Being nimble in curriculum so students have maximum credentials
- Screen saver – expansive
- Compare to who we are – HBCU, land grant but all categories that we are members of
- Not being defined by HBCU ranking but HBCU Pride
- Self-sustaining
- Not defining campus by buildings/walls
- Financially sustainable S&P rating
- Higher graduation rate
- Campus culture-not just numbers but connected/interacted/cultural competency
- Scale down vision/mission statement
- Ahead of curve as HE changes (catalyst and change agent)
- More students in TSO program
- Make the main thing the main thing

- Culture of excellence and accountability
- On par with UD 5-10 years (financially and perception); best value; what is UD not doing
- First choice Delawareans for college
- Housing meets needs
- Multiple income streams, less dependent of state resources
- Reconciled financial statements – no findings, operational excellence
- Companies lined up for students and achievement of vision
- Athletics – compete, football done well, gender equity and maybe different conference; vibrant/front porch/pride/community engagement
- Dover and Wilmington are Hornet Country

Creativity

Ask WHAT IF'S:

- ❖ What if we could answer questions for Alumni instantly?
A: More engagement, immediate feedback on projects, improvements
- ❖ What if we could build a new Convention Center in Dover?
A: Bring in cultural events, economic development, let Federal government build it, sport facility, can use 3rd party to manage, indoor/outdoor facilities, fund as a P3
- ❖ What if we had an adult learning center on campus? What if we partnered with Modern maturity Center to offer continuing education for seniors?
A: Increase number of alumni, increase revenue, widespread reputation
- ❖ What if we merged with Wesley College?
A: Expand diversity, could be liberal arts focused, close gaps in curriculum, increase campaign, change to athletics
- ❖ What if we had a \$150M or \$750M campaign?
A: Would help meet metrics, buyout Wesley, expand footprint and improve buildings, Convention Center, athletics, expand research capabilities, transformative needs, celebrate success, est. endowment fund and increase staff

Visit to Delaware Airpark Postponed

Administrative Updates

Administrative Council

- **Financials** Mr. Robert Schrof
- *FY2019 Financial Update.* CliftonLarsonAllen (“CLA”) commenced their preliminary fieldwork on July 15th to July 19th. The engagement letter has been signed. CLA has been provided with audit schedules. A draft trial balance was supplied to CLA on July 12th. Yearend closing procedures are currently being completed for accounts payable, accounts receivable and various expense accruals as well as revenue account review. Finance is operating fully in the Banner document management system. The HR module has also been implemented and provides position control.
- *FY2019 Preliminary Highlights (Unaudited).* The increase in net position of \$.8M was primarily driven by: 1) Revenue: increased by \$2.2M in governmental grants (\$2M and \$1.2M in tuition and fees year over year offset by decrease in athletics revenue (\$1.0M); 2) Operating Expenses: \$.9M decrease across all natural expense categories (salaries, benefits, contractual); 3) Non-operating revenue expenses remained flat year over year; and 4) Other revenue: increased by \$7.6M year over

- year due to significant investment by State in Minor Capital Funds and Economic Development funds to purchase the new fleet of planes to enhance the University's Aviation program.
- *Standard & Poor's (S&P) Rating Update.* There was an S&P call held on July 12th to review enrollment data, FY2018 Audit, FY2019 forecast and the FY2020 budget. The University's current rating is BBB+. The S&P analyst will present all information provided to S&P's ratings committee on July 25th. Several strategic initiatives were also discussed with S&P which included: 1) Revisit and redesign University Operating model: a.) Executed on tuition rate increases recommendations to at minimum align to inflationary rate increases and b.) Redesign discounting and awarding practices to decrease revenue eroding expenses; 2) Develop and harvest new sources of organic revenue growth; and 3) Continue to execute on expense management discipline and accountability plan to change spending behaviors with a focus on process optimization initiatives. Callowhill is the University's financial advisor.
 - *Cash Management Update.* As of June 30th, the University's actual cash balance was \$1.36M. The actual balance as of July 16th was \$1.72M. On July 16th the balance in the M&T reserve account was \$1,000,010. Dr. Mishoe informed the BoT that she tasked University leaders with establishing an additional \$6.5M in a reserve account to cover the gift of \$7.5M from the Foundation.
 - *FY2020 Revenue Sources and Expense Uses Update.* Total sources of revenue are expected to be \$123.3M. Total expenses are expected to be \$114M which will bring the net amount to \$8.7M. The capital budget is covered by the Bond Bill.

- **Enrollment & Housing**

Dr. Stacy Downing and Mr. Antonio Boyle

- *Fall Projections.* Mr. Boyle reported that as of July 16th 4145 students registered and 1758 have paid for Fall 2019. He reported that 1377 first-time freshman students are confirmed, 1324 registered, 950 paid a housing deposit and 773 received a housing assignment for Fall 2019. The goal is to have 1500 first-time freshman students for Fall 2019.
- *Housing Update.* Dr. Downing reported that the University had to solve for 249 first year students by placing 141 in the Commons (108 still need housing). There are approximately 100 returning students who need housing. Therefore, approximately 210 students need housing. Currently, the University is at capacity with 2498 occupied beds. The University has entered into two hotel partnerships: Holiday Inn (140 spaces; per semester terms) and Sleep Inn (70 spaces; 3 weeks with option of extending to the end of semester). The hotels will solve for the 210 additional beds needed.
- *Next Steps.* Mr. Cauley is working on an RFI to target developers to provide a solution regarding housing. A new housing survey will be conducted. The Foundation Board will create a Real Estate committee which could potentially work with the Housing subcommittee. The next Housing meeting will be held on August 12th.

[Motion to approve \$1 million contract with 2 hotels to accommodate for additional student housing by Ms. Lopez Waite; 2nd by Gov. Markell; motion carried]

- **Campaign**

Dr. Vita Pickrum

- *Campaign Progression.* The original campaign goal of \$30M was raised to \$50M. Dr. Williams recently increased the goal to \$100M. The priorities are centered around student success, academic innovation, scholarship, athletics and annual giving.
- *Campaign SWOT.* Image and branding are categorized as both a weakness and opportunity for marketing and public relations. Although alumni support has been weak, it has reached 12% in 2019. The goal for 2020 is 50%. Having community partners creates opportunities that benefit students, alumni and the University.

- *Campaign Stakeholder's Engagement.* Stakeholders include: alumni, faculty and staff, students, the Campaign for the University, National Foundations and corporations, community, and BoT. The faculty/staff participated in the 2019 campaign – 240 out of 921 donated for a total contribution of \$64K. The BoT has established 100% giving, and 7 trustees have established endowments. Mr. Ridgeway has donated \$35K, Gov. Markell \$20K and Mr. Allen \$20K. For community engagement, the University has participated with DANA and the chicken poultry event.
- *Giving at a Glance.* The alumni participation rate is 12%. There are 307 department and program related accounts, 220 scholarship accounts, 101 endowment accounts, 23 grant related accounts. There is a total of 644 gift accounts managed by DSU's Foundation. There are naming opportunities (ex: endowments, named scholarships and facilities).
- **Accreditation** Dr. Sandra Delauder
 - *Self-Study Chairs:*
 - Lynda Murray Jackson, Ph.D., Asst. VP, Institutional Effectiveness
 - Dr. Jackson previously served as an Assoc. Dean for the College of Business for student services; major writer of the business reaffirmation process; accountant; Middle States liaisons.
 - Antonio Boyle, VP of Strategic Enrollment
 - Sandra DeLauder, Ph.D., Vice Provost
 - *Role of the Board:*
 - Standard VII: Governance, Leadership, and Administration – “The institution is governed and administered in a manner that allows it to realize its stated mission and goals in a way that effectively benefits the institution its students, and the other constituencies it serves. Even when supported by or affiliated with governmental, corporate religious, educational system, or other unaccredited organizations, the institution has education as its primary purposed, and it operates as an academic institution with appropriate autonomy.” (*see MSCHE Standards handout, last page – Criteria, para. 2*).
 - **Action Item:** Dr. Mishoe stated that Admin. Council will add the Middle States reaffirmation and Self-Study progress on its weekly agenda.

Announcements

- Early College High School Fundraiser Dance, October 25 at 7:00 p.m.
- Winter Board Retreat, December 5-6, 2019 (@ Wilmington Campus)

No Executive Session

Wrap-up / Next Steps

Dr. Devona Williams

Dr. Williams announced that Mr. Allen was sworn-in on July 18 as the 2nd vice chair.

- *Focus and Priorities:* Finance, Facilities/Housing, Female Equity, Structure and Process, Middle States, Culture, Student Success
- *What are the big actions items?*
 - Financial Reporting
 - RFI For Student Housing
 - Accountability for Priorities
 - External Review / Strategic Plan 2020 Closeout
 - Alumni Relations

- Close Open Items
- Completion Against Current SP 2020 Targets

Action Item: The Administrative Team will prepare a new Action Plan and present it to the BoT.

The meeting was adjourned at 2:28 p.m.

ATTENDANCE

July 18, 2019

Board of Trustees

Dr. Devona Williams, Chair

John Ridgeway, Vice Chair

John Allen, Jr., Vice Chair

Gov. Michael Castle

Margie Lopez Waite

Lois Hobbs

Esthelda Parker Selby

Dr. Debbie Harrington

Leroy Tice, Esq.

Jocelyn Stewart (*via telephone*)

Gov. Jack Markell

Harold Stafford

Administration

Dr. Wilma Mishoe, President

Dr. Tony Allen, Provost & Executive VP

Cleon Cauley, General Counsel

Curtis Winslow, Instructional Technology Systems
Integration Coordinator

Kent Adams, AGB OnBoard

ATTENDANCE

July 19, 2019

Board of Trustees

Dr. Devona Williams, Chair

John Ridgeway, Vice Chair

John Allen, Jr., Vice Chair

Margie Lopez Waite

Lois Hobbs

Dr. Debbie Harrington

Leroy Tice, Esq.

Norman Griffiths, Esq.

Jocelyn Stewart

Bernadette Dorsey Whatley

Gov. Jack Markell

Harold Stafford

Gov. Michael Castle

Esthelda Parker Selby

Administration

Dr. Wilma Mishoe, President

Dr. Tony Allen, Provost & Executive VP

Irene Hawkins, VP of Human Resources

Antonio Boyle, VP of Strategic Management

Robert Schrof, VP of Finance

Dr. Stacy Downing, VP of Student Affairs

Dr. Vita Pickrum, VP of Institutional Advancement

Dr. Sandra Delauder, Vice Provost

Cleon Cauley, General Counsel

Dr. Scott Gines, Director of Athletics

Jackie Griffith, Director of Government and
Community Relations

Darrell McMillon, Chief Information Officer

Curtis Winslow, Instructional Technology Systems
Integration Coordinator