

**.UNIVERSITY OF UTAH ASIA CAMPUS
NPO BOARD OF DIRECTORS MEETING**

August 10, 2018
260 Central Campus Drive, Room 3025
Salt Lake City, UT 84095

BOARD MEMBERS PRESENT

Barbara Snyder
Chris Ireland
Phil Clinger
Martha Bradley

John Nixon
Andrew Weyrich
Sae Young Kim

BOARD MEMBERS EXCUSED

Michael Hardman
Robert Payne
Alice Whitacre
Dan Reed

OFFICERS PRESENT

Todd Kent
Randall McCrillis
Cathy Anderson

U LEADERSHIP AND FACULTY PRESENT

Frances Friedrich
Robert Muir
Mary Parker
Kent Ono

CALL TO ORDER

Information: 1.01 – Call to Order

The meeting of the UAC NPO Board of Directors was called to order at 8:40 a.m. in the Global Engagement conference room, Gardner Commons building. Co-chair, Chris Ireland welcomed the board and leadership for being in attendance. He gave a special welcome to Dr. Sae Young Kim, University of Utah Korean Alumni Association President, acknowledgements of Chair, Michael Hardman's absence, and announced Sr. Vice President for Academic Affairs, Dan Reed as the replacement for President Ruth Watkins on the board.

Action: 1.02 – Approval of minutes

Chris Ireland called for an approval of the UAC NPO Board of Directors 2017 minutes.

Motion to approve minutes 1.02 by Barb Snyder, second by Martha Bradley: Final Resolution: Motion Approved. Aye: Phil Clinger, John Nixon, Andrew Weyrich, Sae Young Kim, Martha Bradley, Barbara Snyder, and Chris Ireland.

CHAIR REPORT

Information: 2.01 – UAC in Perspective

Chris Ireland gave a review of the Asia Campus' vision as an extended campus, the city of Songdo's growth, and the Korean Alumni heritage. He stressed the point that Asia Campus students are University of Utah students receiving

University of Utah diplomas, and faculty are hired by the main campus, and all report to the president of the university. The UAC is a platform for students to attend a world-class institution without leaving their country for a full four years.

Co-Chair Chris Ireland noted the written report in the agenda materials.

- The UAC is a pipeline for international enrollment and a potential avenue for main campus students to have an international experience without leaving the University of Utah.
- Chris reiterated the importance the city of Songdo as a hub for international education and technology.
- The U was already in Korea per alumni lineage lines from Henry Eyring and Ree Tai Kyue in Chemistry and Pharmaceuticals that created a pipeline of Korean students studying at the U. One example of the strong heritage is the relationship with Dr. Kim Sung Wang, student of Tai Kyue and Eyring, who has given Pharmacy 3 million dollars. The UAC continues to network with Korean alumni by hosting dinners and staff engagement. As of today, alumni have donated about \$160,000 in scholarships.
- The UAC semester enrollment has grown from 13 students to over 60 this fall. Growth is due to the outstanding faculty and new degree programs, marketing and recruitment efforts, and a signature Utah experience that rivals what students receive here in Salt Lake City. Students at the UAC can see we are the American university at the Incheon Global Campus.
- A new home for the UAC opened up September 1, 2016.
- The UAC started with four degrees: Social work, Communication, Psychology, Masters of Public Health. The campus leadership made a difficult decision to close Social Work but at the same time expanded by offering Film and Media Arts, Urban Ecology, and Biomedical Informatics in 2017. Film and Media has been fully subscribed. NWCCU has approved Civil and Environmental Engineering and will begin spring of 2019.
- UAC revenue stream began with a majority from Korean government subsidy and now is by far from tuition, which shows growth. We had four years of 1.3 million of subsidy and in 2019 it will be the first year without the subsidy and will be the hardest year. The campus is not fully sustainable but will reach that point quickly. Todd Kent will discuss further subsidy requests.
- Discussed the struggle to get main campus students to study in Korea due to FAFSA not eligible for tuition in Korea, but the approval came in October 2017 and students are allowed to use FAFSA. Anticipate an influx from our campus especially for MPH.
- First commencement was March 16, 2018 in Korea.

CAO REPORT

Information – 3:01 CAO Report

UAC Chief Administrative Officer, Todd Kent, noted his report in the agenda materials.

- Discussed how the UAC is one of many branch campuses around the world. Currently, most branch campuses come from European institutions and mostly small technical schools. It is reported that most branch campuses are in Asia.
- Discussed successful development of international strategy both internally and externally by focusing on six areas:
 1. Faculty Quality- The need to offer University of Utah education through faculty. Hiring faculty is the most difficult thing for branch campus as the need grows and turnover rate.
 2. Promotion of the UofU brand- discussed the U has room for improvement to expand our brand as we are a top ranked university.
 3. Korean Partnerships- He would like to work partnerships with Korean government partners, parents and students, high schools, and industries over the next year as the UAC wants to apply for another subsidy as the other campuses have.
 4. Student recruitment- It is more than just recruiting students, it's having something for them to go to. The UAC had about 240 enrolled students by Spring 2018. The campus needs to find a way to

capture international students, and capturing the Korean students who are going to the U.S. for education. He discussed how parents care about if students can get a job after graduation. The UAC needs a career center to assist the high unemployment rate for young adults in Korea due to a slowdown in economic growth.

5. Campus integration- He discussed that the UAC needs to be fully integrated into the same systems as the main campus especially for: hiring, training, and evaluation as three quarter of the student's classes are in Korea. It is important that the UAC mirrors SLC especially given the time difference. The campus has to make sure staff is self-sustaining and can do the same processing as SLC employees. For example, advisors in SLC or in Korea should have the same access to help students.
6. Financial Growth- In fall of 2016, the UAC sent the first students to SLC. UAC students have generated roughly 1.6 million in tuition to the SLC campus. This shows the impact of tuition revenue to the SLC campus. Noted that the average student is paying 90% of tuition.

STUDENT AFFAIRS REPORT

Information – 4:01 Snapshot of Student Affairs

UAC Dean of Students, Randy McCrillis, noted his report in the agenda materials.

- Discussed enrollment is at about 60 students are enrolled this fall instead of the 44 in the report. This fall is the biggest international class, many from the U.S. and Southeast Asia.
- The UAC hosts "Experience the UAC Day" where faculty present to potential students so they get to see what it is like as a UAC student. Students who were on the fence about attending have decided to attend due to the impact of the event. Other new recruitment initiatives include KCON where there are about 85,000 attendees in Los Angeles. The UAC is the only university sponsorship for 10,000 dollars. The UofU brand is everywhere at that convention next to sponsors like Toyota. The UAC has seen an increase due to this event.
- Last year a mental health counselor was hired and has been utilized significantly and the need has increased.
- Student conduct issues are on the rise consistent with increased enrollment. The UAC reports using Clear reporting.
- The Student leadership and Involvement Center: offers experiences inside and outside of the classroom.
- The UAC hosted a "Day of Service" where over 100 students and faculty participated.
- There were 32 students who graduated early at the first UAC commencement ceremony in Korea in March of 2018.
- The UAC has also improved the transition process for students moving to SLC, linked the UAC with the U's emergency procedures, and has created a UAC planner.
- In fall 2016, the UAC changed the scholarship policy to a 90% rule and will flex at 85% with an average tuition per student at \$8,867 as of spring 2018.
- The UAC added an early spring semester in January 2018 and added a summer term in 2017. The campus wants to look at adding summer camps and boot camps to increase revenue opportunities.
- New initiatives for the UAC include writing placement exams, free tutoring, English language lab, Urban Ecology winter camp, Busan film festival trip, and the use of federal financial aid.
- Moving forward the UAC will work with main campus to add the payment feature in PeopleSoft Tuition system, mandate insurance for international students, and examine the TOEIC English exam as a possible alternative to the TOEFL English exam.

UAC STUDENTS ON MAIN CAMPUS

Information – 5:01 Students on Main Campus

VP for Student Affairs, Barbara Snyder, noted AVP Kari Ellingson's report in her absence in the agenda materials.

- There has been 97 UAC students who have transitioned to the SLC campus and 32 graduates.
- Kari Ellingson would like to see the students spend more time with American students while in SLC.
- They are very good students with an average GPA of 3.5 this past Spring 2018.
- Kari has done a great job of on and off campus experiences. We want them to have a fully Americanized experience while they are here.
- Ongoing issues include high credit hours, health and wellness, internship requirements (working on offering off campus options), interaction with non-Koreans, and post-graduation plans/OPT.

FINANCIAL OPERATIONS

Information – 6:01 Financial Review

Director for Treasury Services, Rob Muir, noted his report in the agenda materials.

- Rob Muir discussed the financial status. Preliminary results show positive net income for second straight year in a row. Currently just starting audit in Korea performed by Korean accounting firm (Korean gap, similar to the U.S.). There was an 18% growth from last year. The UAC had some donations that were not budgeted for. There were higher costs due to a 13% increase in salary expenses due to expansion.
- Group discussed the need to review main campus UAC costs.
- On the ground expenses are higher than budgeted due to increase in students, some space and vehicle rental, and furnishings. Overall there was a \$614,000 income loss.
- The UAC is averaging close to \$9,000 per student in tuition. The UAC has learned it is important to pay a tuition in Korean culture as a discount makes it feel like a lesser value in education. The UAC is three times more than Korean university tuition, but they don't offer as much tuition discounts.
- The last two years the UAC has seen a positive income after a couple years of loss. Originally, the first two years we did project a loss, by year four we did project a gain. Projected a loss in 2017 and a gain in 2019. Not too far off from original projections. The amount we reimburse the main campus is going down dramatically. From 1.4 million to under \$900,000. Always a timing difference as they pay tuition in March and September. Yearend will always have the timing difference of up to \$400,000.
- Projecting a \$872,000 loss between 18' and 19'. Budget called for 43 students, but Fall will have 60 students, so we are in a good position.
- Primed for a good year in 2020. Subsidies will be half of the current of 1.2 million. By 2022, we should think to have all our debt paid off.
- Rob discussed some challenges and opportunities. The UAC transitioned to a new third party accounting system similar to ADP, which cut costs of about \$50,000 dollars a year. Louise Kim, UAC Financial Manager, is a U.S. CPA and has the tool set to take on the accounting on her own to save money. Internal controls at the UAC have been reviewed by main campus.

LEGAL MATTERS

Information – 7:01 Legal Review

Rob Muir and Chris Ireland gave a legal review for Robert Payne in his absence.

- As a follow-up from last year, there was a proposal to take over the campus by Incheon National and Inha University, but a new mayor is in place and this discussion has ended and MOTIE made note this would be in violation of Korean Law.
- A current analysis regarding U.S. FICA for U.S. employees in Korea is underway. These employees fall under Korean tax law. Researching if the UAC has a U.S. requirement for those employees under U.S. law. There is a tax sharing totalization agreement between Korea and the U.S., so employees cannot be double taxed. We will need to provide a W-2 to these employees, but most likely dollars in box 1 to report an income but no FICA or Medicare requirements. Engaged outside counsel and called institutions in similar situations. Originally, Radius consultant firm should have brought up this issue, but we are hoping to have answers soon.

ADJOURN

Co-Chair Chris Ireland ended the meeting with an open dialogue. Board member and Board of Trustees member, Phil Clinger announced his departure from the board. Chris adjourned the meeting at 1:15pm. The next scheduled meeting will be determined at a later time.