

**Minutes of The Armand Hammer United World College  
of the American West (UWC-USA)  
Board of Trustees Meeting,  
June 12th and 13th, 2020**

A meeting of the Board of Trustees of the Armand Hammer United World College of the American West ('UWC-USA') was held via internet teleconference hosted by Zoom, with two sessions, the first beginning at 2:00pm Mountain Time on June 12th and the second beginning at 8:00am Mountain Time on June 13th, 2020.

Trustees present and constituting a quorum were:

Peter Alderman (AC '91)  
Geeta Anand  
Bill Banowsky  
Marc Blum  
Klaus Desmet ('88)  
Steve Dichter, Chair  
Manolo Espinosa ('87)  
Ben Jones (AC '91)  
Marybeth Kravets  
Justin Lee ('95)  
Marisa Leon ('87)  
Victoria Mora, President  
Jonas Nilsson ('90)  
Jonathan Schneider  
Thomas Schwingeler  
Subitha Subramaniam ('88)  
Tyler Tingley  
Melanie Weston ('86)

Also present by invitation were the following members of the UWC-USA administration and guests of the Trustees

Allan Affeldt  
Todd Austin  
John Carpenter  
Yvonne Gallegos  
Taylor Gantt  
Tom Hassan  
Mark Hodde ('89)  
Alexis Mamaux  
John Morris ('85)

Naomi Swinton ('89)

Attachments:

1. Covid Task Force Recommended Plan for Reopening the Campus in August 2020
2. Presentation: Meeting of the Board of Trustees
3. June 20 Board Meeting: Appendices

Steve Dichter presided as Chair.

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On Friday, June 12th, the first session began at 2:00pm, Mountain Time.

Steve Dichter welcomed John Morris as a new member of the Finance Committee and then turned to President Mora for a presentation of the Senior Leadership Team ('SLT') on the Covid Task Force Recommended Plan for Reopening the Campus in August 2020 (the 'Covid Report') and discussion of UWC-USA's Covid response and reopening strategy.

President Mora commenced with an introduction of Taylor Gantt, newly-appointed Chief Financial and Operations Officer.

President Mora began the Covid Report with a discussion of enrollment, noting that while the school was aiming for 220 students, it was expecting a minimum of 125 students to be present on campus by September 1, 2020. President Mora cited ongoing Covid-related travel restrictions, visa difficulties, US consulate closures and student concerns as factors in reducing on-campus attendance - and creating a high degree of uncertainty around any projection. John Carpenter continued the discussion of enrollment, including the possibility of increasing the number of offers in anticipation of reduced yield.

President Mora presented the health provisions of the Covid Report, including the measures to be taken to prevent Covid infection on campus among arriving students, and plans to continue to protect students, faculty and staff with initial quarantine, testing and reduced contact with the outside community. President Mora specifically mentioned the close communication between UWC-USA and the New Mexico Department of Health, among other bodies, in developing the health plan to guide the reopening and operations of UWC-USA in August 2020.

The education program was also subject to modification in response to Covid, with all classes to be live-streamed and recorded, for the benefit of students unable to attend on-campus or subject to quarantine, and all in-town activities to be suspended. Further changes to the IB curriculum were subject to guidance from the IBO.

Finally, President Mora presented the revised budgets, including a range of scenarios depending on the number of students attending on-campus, with a baseline assumption of

\$11.8 million operating budget for 2020-2021. The FY 20/21 budget includes both cost reductions as well as incremental costs due to responding to COVID. Steve Dichter noted a possible deficit of \$2 to \$3 million for 2020-2021, with future deficits uncertain.

The first session adjourned at approximately 4:00 p.m., Mountain Time.

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The second session commenced at approximately 8:00 a.m., Mountain Time, on June 13th.

Chairman Steve Dichter opened the meeting with a call for approval of the proposed Agenda and Minutes of the Armand Hammer United World College of the American West (UWC-USA) Board of Trustees Meeting, January 31, 2020 and February 1, 2020, **Jon Schneider moved to approve the Agenda and Minutes, Tyler Tingley seconded the motion and the motion was approved without objection.**

Chairman Steve Dichter then led a discussion of the Covid Report and prior session, noting (i) Covid remained the leading challenge for the 2020-2021 academic year, (ii) longer-term strategic thinking remained relevant, both completing 'Strengthen the Foundation' and proceeding with 'Innovate for Impact', and (iii) the challenges facing UWC-USA in the Covid epidemic can strengthen the foundation of the school. Quoting Dwight Eisenhower, Chairman Steve Dichter observed 'plans are useless, but planning is indispensable.' The Covid Report should be carefully reviewed post factum to determine its successes and shortcomings.

President's Report: President Mora then delivered the President's report. President Mora highlighted the strong SLT, now fully in place with the recent hire of Taylor Gantt as CFOO, and she noted the positive feedback from the staff and faculty. While there have been significant successes in managing the Covid crisis to date, significant financial challenges remain, along with anxiety among all constituents.

Education Committee: Marybeth Kravets and Marisa Leon delivered the report of the Education Committee, first addressing the reporting sequence agreed at the prior February 1, 2020 Trustees' Meeting, which scheduled college admissions for the current, spring Trustees' Meeting. They noted that an increased number of graduating students intended to attend less-selective higher education institutions within the Davis Scholars program. Subsequent discussion noted the continuing goal of improved IB scores, but recognition of the difficulties of directly addressing this issue during the Covid pandemic. Specifically, 2020 IB scores remained uncertain under the modified IB assessment regime. Discussion also compared the relative success of live and synchronous distance learning, with some evidence that asynchronous learning was successful, provided teachers remained accessible and available for prompt response to questions and feedback.

Finance Committee: President Mora stated that the baseline budget for 2020-2021 was \$11.8 million, below the previous year. Steve Dichter expressed appreciation for the work done on

cost reductions and observed that the significant uncertainties created by the Covid epidemic prevented approval of a final budget. **Steve Dichter then moved that the budget be approved on a provisional basis, to be reviewed at an August Trustees' meeting. Marisa Leon seconded the motion and it was approved without objection.** There was additional discussion regarding the proper fiscal year allocation for the Paycheck Protection Program loan and forgiveness program and it was agreed that this would be reviewed prior to the next Trustees' meeting. Finally, the Trustees' reviewed projected multi-year budgets over four different future enrollment and revenue projections.

Investment Report: Thomas Schwingeler delivered the investment report. Thomas Schwingeler explained the allocation strategy as emphasizing diversity and low turnover, without tactical asset allocation. The investments have been held in low-fee public equity and fixed-income products, with no investments in actively-managed or alternative funds. The strategy avoids the cost of an external adviser and is recognized as a high-risk strategy in the short-term, but in the longer term benefits from a higher risk premium. Total value stood at approximately \$109 million, reflecting some improvement from the March 2020 drop caused by the Covid epidemic, with 70% of investments in equities and 30% in fixed income. Ben Jones commented on 5% annual draw rate, noting that this may be high relative to other institutions and required continued consideration.

Advancement Committee: Marc Blum discussed the very successful annual fundraising, specifically noting the benefits of increased alumni involvement, among the Trustees and at UWC-USA. Mark Hodde summarized the success of the 2019-2020 fiscal year fundraising efforts, with \$2.045 million raised in cash, above the \$2 million threshold necessary to release the Davis challenge grant. 100% of the Trustees participated, and a large number of donors were first-time participants, suggesting strong possibilities for future efforts.

Facilities: Justin Lee delivered the report of the Facilities Committee. UWC-USA has completed the application and documentation for the acquisition of an additional 26 acre-feet of water, and the application was now posted for public notice by the New Mexico Office of State engineers, with the notice period to conclude July 10, 2020. Pending no objections, the acquisition could then close. The transfer of responsibility for the Hot Springs to Friends of the Hot Springs was scheduled to be completed by the end of June 2020. Justin Lee then discussed the challenges of providing adequate spacing for appropriate social distancing among the students in response to the Covid epidemic. The school was examining the possibility of utilizing space in the auditorium, gym and above the dining hall for additional classrooms to reduce student density. Finally, Justin Lee noted that the budget situation and staffing shortfall interfered with timely maintenance, and suggested consideration of reducing planned maintenance in favor of building replacement in the future.

Strategic Planning: Ben Jones delivered an update on strategic planning: the 'Innovate for Impact' campaign was temporarily suspended to address the Covid epidemic, but 'Strengthening the Foundation' remained ongoing. The Strategic Planning Committee was considering renewing the initial brainstorm exercise for 'Innovate for Impact' in the fall.

United World College International Office: Jon Schneider delivered an update on developments with the International Office, noting increasing cohesiveness among the individual schools, especially in coordinating responses to the Covid epidemic, including the re-allocation of students among United World Colleges.

Executive Session: The Trustees entered executive session, with all attendees other than the Trustees and President Mora departing from the teleconference. The Governance Committee reported the results of the Trustee self-assessment, observing improvements in most categories compared to a similar survey in the prior year. Tyler Tingley and Bill Banowski announced their retirement as Trustees. **Steve Dichter then introduced the following resolution, moved by Marybeth Kravets, seconded by Jon Schneider and approved without objection:**

**Resolved:**

- 1. Tom Hassan to be invited to become a Trustee, with a term to commence at the October 2020 Trustees' meeting,**
- 2. Kuo-Chuan Kung's term as a Trustee and head of the Finance Committee to be extended by one year,**
- 3. Thomas Schwingeler's term as a Trustee and head of the Investment Committee to be extended by one year,**
- 4. Melanie Weston's term as a Trustee to be extended by three years, and**
- 5. Peter Alderman to be appointed as Secretary to the Board of Trustees.**

Discussion continued around the board composition, including gender and geographic diversity and increasing alumni involvement. Melanie Weston is reviewing the alumni database with the goal of identifying three to four new Trustees per year.

Steve Dichter thanked Tyler Tingley and Bill Banowsky for their service as Trustees, emphasizing Tyler Tingley's wisdom and experience, good humor, and long-term recognition in the field of residential education and Bill Banowski's passion for the mission of the UWC-USA, entrepreneurial spirit in film and media and unique connection to Santa Fe.

President Mora exited the teleconference, and executive session continued until approximately 11am, Mountain Time, at which point the meeting was adjourned.

Peter Alderman  
Secretary of the Meeting