

**Minutes of The Armand Hammer United World College  
Of the American West (UWC-USA)  
Board of Trustees Meeting,  
February 10 and 11, 2023**

A meeting of the Board of Trustees of the Armand Hammer United World College of the American West ('UWC-USA') was held at UWC-USA in Montezuma, New Mexico with two sessions, the first beginning at 1:30 pm Mountain Time on February 10th and the second beginning at 9:15 am Mountain Time on February 11, 2023.

Attachments:

1. Agenda: Meeting of the Board of Trustees
2. Board Meeting: Appendices

Aly Kassam Remtulla presided as Chair.

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On Friday, February 10th, the first session began at 1:30 pm, Mountain Time

Trustees present and constituting a quorum were:

Allan Affeldt  
Peter Alderman (AC '91)  
Marc Blum\*  
Klaus Desmet ('88)  
Eivind Djupedal\*  
Dominic Garcia  
Thomas Hassan\*  
Christian Janssen ('88)\*  
Ben Jones (AC '91)  
Aditya Joshi ('91)\*  
Aly Kassam-Remtulla, Chair ('94)  
Preeti Khandelwal (AC '84)\*  
Marisa Leon ('87)  
Victoria Mora, President  
John Morris ('85)\*

Belinda Nicholson ('88)\*  
Jonathan Schneider  
Subitha Subramanian ('88)  
Michael Taylor ('91)

Marybeth Kravets and Melanie Weston ('86) expressed their regrets.

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

Todd Austin, Interim Associate Head of School  
David Ertel, Committee Member, Audit and Risk  
Sebastian de Halleux ('96)\*, Co-Chair, Campaign Committee and Former Trustee  
Mark Hodde ('89), Chief Advancement Officer  
Kimi Jackson ('92), Chief Finance and Operations Officer  
Piotr Holysz

\* attended via Zoom

Aly Kassam-Remtulla opened the meeting and welcomed the attendees. To start he asked everyone to share something new that they have been up to since the last meeting in October. Aly Kassam-Remtulla reviewed the new "Pre-read" format to be used going forward when sharing meeting materials with the Board so members know what they need to focus on prior to each meeting.

*Board Actions:*

*Board unanimously approved Minutes from October 2022 Board Meeting*

*Board unanimously approved the resolution to make Steve Dichter a Distinguished Trustee.*

Victoria Mora read Article 4 Section 2B from the ByLaws that describes Distinguished Trustees for the Board prior to the vote. The Board will announce the unanimous approval of Steve Dichter as Distinguished Trustee at the evening events at the Castle.

Victoria Mora reminded the Board that there is a list of other Distinguished Trustees on the website.

Action: Submitha Subramanian with the Governance Committee will look for other potential Distinguished Trustees nominees.

President's Report: President Mora delivered the President's report. President Mora began by mentioning what she feels is the most important takeaway, which is that we have regained a state of normalcy for the student experience, and it feels good despite the fact that there is still work to be done in the areas of service and arts and culture. Working at a strategic level with the new smaller SLT and everyone on campus UWC-USA has added depth to programming. The addition of the Interim Associate Head of School role is proving invaluable. After a thorough process, involving the entire campus community, President Mora has selected Andrew Mahlstedt to be the Associate Head of School. Andrew is currently working at UWC International and has seven years experience working at other UWCs that are leaner. He has now met with the Board Chair and Education Committee of the Board. President Mora mentioned that our biggest challenges include a sustainable financial model, as the school is still dealing with the aftermath of the fires and associated insurance claims; turnover in the business office; there is still work to be done on our strategic plan despite making good progress; and lastly there are real challenges associated with the region that include 30% staff turnover annually among other things. The changes in the market have been dramatic and a shift in priorities may be needed considering our projected deficit.

#### Discussion:

Subitha Subramaniam commented that it is good to hear it's a normalish year and Victoria Mora responded that the school will be dealing with the aftermath of the pandemic for years to come in various ways. This is the new normal.

Aly Kassam-Remtulla asked about new strategies UWC-USA might be thinking of adapting in regards to workforce flexibility in this new normal to which Victoria Mora responded that some of our employees are already working remotely, from New Mexico and from other states. But for many of our employees, working at UWC-USA requires relocation to New Mexico and there are challenges for a 24/7 operation to fold in remote/flexible work schedules. UWC-USA is a good employer and offers good benefits and we want to avoid having to piece positions together again (ex. the librarian/dishwasher) because that would be going backwards. The fact is that many of our employees are commuting in from places further out, 45 minutes away or more, and there is a small labor market to choose from.

Subitha Subramaniam suggested UWC-USA might be able to identify some functions that could be remote at various levels.

Aly Kassam-Remtulla commented that Stanford University is having similar challenges because folks cannot afford to live in the Bay Area.

Ben Jones commented that some things might possibly be automated, but this might require the school to pay more.

Aly Kassam-Remtulla questioned if it might be an option for students to do some of the work such as dishwashing for example at lower wages, but there would be the question of work

authorization for those on visas and whether some students would even have the bandwidth to work with the rigor of the IB curriculum.

President Mora noted that our students already “pitch in” through various campus ExEds. She also mentioned that the water crisis is yet another issue. The pretreatment technology has helped, but the city is racing to get infrastructure in on the river to protect the reservoir. There is a lot of nervousness over the water situation and many legal and human challenges regarding land and land use. This will be discussed with the Board later.

Audit and Risk: The Audit and Risk Committee Co-Chair Piotr Holysz with Victoria Mora presented the committee report, which was a high level presentation since a deep dive on the subject was planned for Saturday’s agenda. We are behind on two audits, FYE 2021 and FYE 2022. Significant progress has been made on the FYE 2021 and we anticipate it will be complete in late February. The groundwork for the FYE 2022 audit is complete so we can move forward as soon as we have the final number from FYE 2021. We expect to start the FYE 2023 audit on time with the same auditor, although we will go out to bid for the FYE 2024 audit.

Victoria Mora reviewed the Risk slides reporting that the fallout from the fire is still with UWC. Trauma continues and financial issues persist despite having recovered \$1.5 million in claims some \$300K is still outstanding. Impacts on operations continue with limited service providers and deferred maintenance schedules. We are also worried about our insurability following the fires, but the broker thinks we will be insurable though at 25-27% higher rates. Already after the small Petersen fire the year previous to the Hermits Peak Calf Canyon Fire, finding someone to insure us was difficult; we had to move from one insurer to 7, which means we are pursuing claims with 7 different insurers..

Action: Since we may have even fewer options it was suggested that we look at other brokers, including potentially offshore, to see what they say. We might also explore the idea of self-insurance.

Campaign: Sebastien de Halleux, Campaign Co-Chair presented the Capital Campaign Update. The ask is *\$250,000 per year for two years in extraordinary expenditure to support the campaign* to raise \$50M. UWC-USA needs to invest money to make money. Sebastien de Halleux reviewed the campaign teams’ bios because as the saying goes ‘it will take a village’. In addition to Patricia Bandeira Vieira, the team has grown by one member, Abby Falik, a recognized expert on social innovation, leadership, and the future of education, who was introduced by Shelby Davis. Abby Falik has been named one of America’s Top 25 Philanthropy Speakers by The Business of Giving. Sebastien de Halleux reviewed the masterplan that involves investing to transform life on campus into a blueprint for possibility that includes creating a new basecamp by consolidating residential life through a Castle renovation (\$25M), consolidating academic life with a new Academic Quad (\$26M), and investing in sustainable and renewable energy infrastructure, and is enabled by

investments made in teachers and programs guiding students from across the world's divides including 20 endowed \$1M scholarships (\$20M), 6 endowed \$1.5M faculty chairs (\$9M), and other smaller projects totalling an additional \$18M. This represents \$100M+ target in investment opportunities versus our needs target in the silent phase of \$50M. As far as campaign structure and progress the critical part is the \$9M new anchor donors because existing donors have signaled their agreement to match it. The aim is to guide donors to highest priorities while planting seeds for the next campaign, which is the campaign's legacy. The means to succeed involve articulating high level messaging so now we are in the process of selecting external partners to put together detailed donor-focused messaging so we can organize materials to support our objective and put long term tools and infrastructure in place. As for the campaign timeline, we are in the exploration phase (the green box on the presentation slide) that involves building a strong team, developing a donor pipeline, and crafting a solid story. Lastly, Sebastien de Halleux reviewed the campaign assessment - Exploration phase, which involves conversion and amplification, and outlined strengths (what is working well), weaknesses (what is working less well), opportunities (beyond our current objectives), and threats (to the success of our campaign). This is a moment of reflection. We have developed a lot of tools so far, but we need to take the next steps to building our toolkit: 1) we need campaign tools, structure and bandwidth in the form of a strategic partner like FBC (\$168K), 2) we need to create video assets (\$30-\$50K), 3) we need print and web donor collaterals (\$10-\$20K), 4) we need institutional capacity (budget TBD), and 5) we need galas and event with key donors (budget TBD). This is a sales function to get capital efforts on an ongoing basis.

Aly Kassam-Remtulla thanked Sebastien de Halleux and the campaign team for volunteering.

#### Discussion:

Allan Affeldt and Sebastien de Halleux to touch base after the meeting regarding qualified opportunity zone questions and debt financing.

Several board members supported the idea of reusing the video collateral created and to internalizing as much of the creative process as possible.

The campaign team reviewed the library of historical content Mark Hodde provided them and they determined that most of the material was too inward looking so it isn't useful in creating something for a non-UWC audience. To create emotional connections we have to show the UWC vision.

All were energized by the enthusiasm and commitment of Sebastien de Halleux's presentation.

#### Board Actions:

*Board approved \$500,000 in extraordinary expenditure to support the capital campaign.*

- o First \$250,000 tranche to be released immediately*

- o Second \$250,000 tranche to be released June 1, 2024 following due diligence on KPIs developed by the Advancement Committee*

[The Board adjourned for a brief 10-minute break from 3:47 to 3:57 Mountain Time.]

Education: Belinda Nicholson presented the Education Committee report with Todd Austin. Belinda Nicholson started and presented the first two parts of the report. The reporting cycles of the committee to the Board are Fall (Academics), Winter (Residential), and Spring (Experiential). The committee has a new member, Catarina Song Chen. Catarina Song Chen lives in Brazil and has experience in fundraising and master planning. The goals of the committee are to 1) create dashboards for the three key areas: Academic, Residential and Experiential using key indicators that are systematic, repeatable and measurable and 2) to align dashboard formats over the next one to two years depending on the indicator and to annually populate them with data. We have made progress toward our goals. The Academic dashboard was presented at the October 2022 board meeting and we will present the first round of data in October 2023. The Residential Life dashboard is still under development and key indicators have been identified. We will assess if any modifications are needed to these key indicators. We are preparing to do our first belonging and inclusion study, which will include implementing a two-part AIM survey from NAIS this spring and a school self-assessment with focused groups. Residential Life will be a feature update at the February Board meeting.

**Discussion:**

Victoria Mora commented that RCs have improved student life experience and outcomes, and personal devices/social media have an impact. Belinda Nicholson responded students are demanding greater voice and input in this area at the institution. This is what it means to graduate from a mission driven school.

Todd Austin presented the remainder of the Education Committee report beginning with the new educational program design for 2023-2024. The rationale for the program is to further cultivate an institution-wide focus on peace and sustainability. Todd Austin outlined the current concept map for reorganization of program and mission alignment to show how we can integrate IBDP with student life, which equals residential life. In the first diagram in section III the white blocks represent teaching and learning and the shaded/gray blocks represent where experiential education is happening. There are four signature programs: Arts and Culture, Constructive Engagement; Sustainability, and Wilderness, but we have struggled to achieve greater coherence because people have been doing too many things. A “reimagined” Bartos Institute will be positioned to fulfill its internal and external functions supporting mission based work supported by operations. It will require a return to a dedicated staff position, Director of “Reimagined” Bartos Institute, to lead Bartos in addition to a new Dean of Teaching and Learning position that is

focused on driving excellence in teaching and learning across IB subjects and the IB core, as well as a new Dean of Students position that is focused on growth/development and discipline.

Discussion:

Ben Jones commented sustainability isn't super articulated.

Subitha Subramaniam is struggling with the graphic of the "Reimagined" Bartos Center as it seems to be a complication – another layer of something – an add-on.

Klaus Desmet asked if we are adding positions or also deleting some?

Todd Austin responded that within the context of a school based syllabus we are working with IB to create pilots, which is a place we will start exploring sustainability. We haven't made an investment in a full Barcos Institute, it is doing things but on the periphery. Bartos has a separate endowment that produces approximately \$60K annually and this structure is proposing a commitment for a new director position and the two Dean positions will result from reorganization. There are potentially some positions that could fall away to fulfill the director position.

Finance: The Finance Committee report was presented by John Morris and Kimi Jackson. John Morris started by providing some context. A year ago UWC-USA embarked on a cost saving program that was successful despite tremendous stresses including the fires, pandemic, and water issues. This fiscal awareness of senior staff and the board was timely as we could not have foreseen the prevailing inflation, but absent a successful Capital Campaign, it is likely that UWC-USA will be facing budget deficits in the near term. These unusual circumstances require deficit financing protocols that will require Board approval. The projected deficit for FY2023 is approximately \$407K, which equates to a run-rate deficit of \$657K and a projected deficit based on the preliminary budget for FY24 of \$1.43M, absent the amount just approved for the Capital Campaign.

Kimi Jackson added that we have recouped \$1.1M in insurance claims, but \$500K are still pending for fire relocation costs. Also while increases are budgeted across most categories, the main increases were food cost, energy cost, and health & wellness cost inflation; bringing existing faculty to market wage rates, overhaul of IT infrastructure, and investment in Advancement. Therefore, UWC-USA needs to formalize a protocol for funding significant deficits that may be persistent.

John Morris then spoke about the budget modeling portion of the presentation. The Finance Committee, the CFO, and Victoria Mora are working on refurbishing UWC's budget construction and forecasting tools that will allow us to get a better, more realistic view into our five-year fiscal window. A more accurate budget model will allow better understanding of the nature and magnitude of future deficits (T2-T5). This will require a deeper dive to discuss deficit funding

options including temporary increases in endowment draw, internal loans from the endowment, external mortgages, and utilization of private and, or, public debt markets.

At the last full Board meeting the Board requested that the Finance Committee review special projects that were presented – field project, Castle consolidation, and water infrastructure – and recommend financing options. The Finance Committee will look at these when the budget model is complete so the presentation on these special projects will be delayed until the next Board meeting as a lot will depend on forecasted deficits and any additional projects.

John Morris outlined the two resolutions for addressing this year’s and next year’s proposed deficits. He said “resolutions are not solutions, they are actions”. Solutions will come as we model T2-T5. The Finance Committee will come back to the Board. A mid-year look is vital. We are in better shape now than we would have been if we didn’t embark on a cost saving program in T1, as painful as it was. The 2023 resolution needs to be modified given the Board’s vote on funding the Capital Campaign (an additional \$250K) so the extraordinary draw from the endowment increases to \$660K from \$410K

**Discussion:**

The budget deficit is a conservative estimate, it could rise upwards of 1.7M.

The Capital Campaign is intended to help with the structural deficit, not just buildings, \$20M is needed to get the deficit down.

**Board Actions:**

*Board approved the Resolution to Fund Projected Deficit for FYE 2023 by majority vote (Michael Taylor was a nay) by means of an extraordinary draw from the endowment of \$660,000 to close the projected deficit for operating budget for FYE 2023 (this includes the extraordinary expenditure to support the campaign).*

*However, some trustees would like to make a motion that we take a loan from the endowment at 6% interest. Shall we make a motion to do this by email?*

***Resolution to Fund Projected Deficit for FYE 2023***

*Whereas the Administration of UWC-USA project a cash deficit of \$660 thousand for financial year 2023.*

*Whereas this projection may be affected by ongoing macro economic inflation.*

*Whereas the Board of Trustees acknowledges that this deficit requires Extraordinary Fiscal Measures.*

*Be it resolved that the Board of Trustees approves and Extraordinary Draw from the Endowment I/A/O \$660 thousand.*

*Be it further resolved that the UWC-USA Investment Committee is hereby instructed to create the necessary additional liquidity to satisfy the Extraordinary Draw, and to effect a transfer to the school's operating account, the timing of which will be decided in concert with the Associate Head for Finance and Operations and the President. This resolution was duly voted on and approved by the Board of Trustees on this day 10th of February 2023.*

*Aly Kassam-Remtulla  
Chairman*

*Board approved the preliminary operating budget for FYE 2024.*

*The Board did NOT approve the Resolution to Fund Projected Deficit for FYE2024. Instead, the Chair will appoint an ad hoc committee to review UWC-USA's business model and do the following:*

- *Review the five-year operating budget for UWC-USA currently being developed by the Finance Committee and the Associate Head for Finance and Operations.*
- *Propose one or more pathways to a sustainable and balanced budget by FY 2027 (or sooner) that will consider annual increases to our tuition, increases in the number of students and the mix of partial and full-pay students, and other revenue-generating options. The committee's proposal should consider opportunities to reduce expenses, if possible, and should limit endowment draws/loans.*
- *Propose an updated operating budget for FYE 2024 for board approval in June 2023.*
- *The Chair proposes that committee members include: Aditya Joshi (chair), Klaus Desmet, Piotr Holysz, Marybeth Kravets or Belinda Nicholson, John Morris, Victoria Mora, Kimi Jackson, and Todd Austin.*

The Finance Committee presentation ran over time so the Investment Committee report was moved to Saturday's agenda.

[The meeting concluded at approximately 5:40 pm Mountain Time.]

At the conclusion of the meeting, the Trustees attended a student performance and dinner to honor Steve Dichter in the Castle Round Room, 1st Floor followed by a reception at the President's home for Board and SLT.

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On Saturday, February 11th, the second session began at 8:45 am Mountain Time.

Trustees present and constituting a quorum were:

Allan Affeldt  
Peter Alderman (AC '91)  
Marc Blum\*  
Klaus Desmet ('88)  
Eivind Djupedal\*  
Dominic Garcia\*  
Thomas Hassan\*  
Christian Janssen ('88)\*  
Ben Jones (AC '91)  
Aditya Joshi ('91)\*  
Aly Kassam-Remtulla, Chair ('94)  
Preeti Khandelwal (AC '84)\*  
Marisa Leon ('87)  
Victoria Mora, President  
John Morris ('85)\*  
Belinda Nicholson ('88)\*  
Jonathan Schneider  
Subitha Subramanian ('88)  
Michael Taylor ('91)  
Melanie Weston\*

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

Todd Austin, Interim Associate Head of School  
John Carpenter, Director of Admissions  
David Ertel, Committee Member, Audit and Risk  
Eugene Garcia, Director of Security  
Sebastian de Halleux ('96)\*, Co-Chair, Campaign Committee and Former Trustee  
Mark Hodde ('89), Chief Advancement Officer  
Kimi Jackson ('92), Chief Finance and Operations Officer  
Naomi Swinton, Dean of Students  
Piotr Holysz

\* attended via Zoom

International Endowment: Aly Kassam-Remtulla introduced a preliminary proposal from the UWC International Office to participate in a pooled endowment vehicle combining the

endowments of each UWC into a single fund. This fund could use increased scale to leverage investment opportunities and maximize collective returns. Christian Janssen noted that the proposal did not fully explain the investment return track record of the proposed manager or the details of the pool structure and terms. There was general discussion, largely supportive of the concept of a single global endowment to attract additional philanthropy and support the broader UWC movement. Concerns were also raised regarding impact on fundraising in the United States for UWC-USA. Aly Kassam-Remtulla asked that the Trustees consider and choose among four responses: support the proposal as presented, contribute a small amount, consider future participation and decline. After further discussion, the Trustees agreed to delegate the development of an appropriate response to the UWC International Office to Victoria Mora, Christian Janssen and Aly Kassam-Remtulla that reflected the consensus of the Trustees to consider future participation.

Executive Session I: The Trustees, including Victoria Mora, held an executive session beginning at approximately 9:30 am, Mountain Time.

Admissions “Deep Dive”: John Carpenter introduced an in-depth analysis and discussion of the UWC-USA admissions process beginning at approximately 11:00 am Mountain Time. The presentation was joined by Beatrice Stern, Pierre van Houte, Anne Isimbi, Jose Cardona, and Ana Sofia Cepeda Diaz, all current students at UWC-USA and members of the Student Admissions Advisory Council. Dory Streett, Co-Chair of the United States Selection Committee also joined. John Carpenter began with an overview, explaining that the admissions process was mission driven, in which financial needs could be considered but were not determinative. UWC-USA shared a common admissions cycle with other UWCs and the UWC International Office, and John Carpenter would coordinate directly with admissions officers at these other schools.

John Carpenter described the four pathways to admissions: national committees, the Global Selection Program (GSP), direct admits and head of school discretion (up to 5% of total), along with the six common criteria for admissions. Diving into greater depth, John Carpenter summarized the National Committee nomination process, with individual UWCs providing offers to specific National Committees, indicating financial availability for each offer, and then considering the applicants nominated by each National Committee for a final determination. The GSP process follows similar criteria, but operates outside the National Committee system, and applicants are nominated through a selection process conducted by the UWC International Office; the GSP is intended for applicants who may be unable to access a specific National Committee or do not need financial assistance. The direct entry program is for UWCs that offer education prior to the UWC level and allows students to continue directly into the UWC without additional applications; this program is inapplicable to UWC-USA. Finally, each UWC head of school is able to select up to 5% of the students at their discretion in a program intended for applicants of special interest, such as faculty children, advancement interests or fee-paying students.

John Carpenter then explained the differences between UWC-USA and the other UWCs. Most notably, UWC-USA had more flexibility than many other UWCs in student selection because of its significant scholarship support, resulting in a preference for UWC-USA among many National Committees. Similarly, US students have the benefit of the Davis Scholar Program, though UWC-USA is also able to admit fee-paying students in addition to Davis Scholars.

United States applicants apply through the United States National Committee, which together with UWC-USA has been working hard to increase inquiries and completed applications. In the recent year, there were 1300 inquiries for approximately 60 places. UWC-USA's annual goal is 65 students selected by National Committees, 20 students selected by GSP and 25 places for United States Davis Scholars.

Dory Streett, co-chair of the United States National Committee, proceeded to describe the United States selection process. The Committee consisted of 18 members, half UWC alumni and half persons with admissions backgrounds. In addition to student selection, the United States National Committee also serves as a sounding board for families, manages discipline situations, and promotes applicants to UWC. The time commitment for United States National Committee members is significant, with approximately 40 hours spent reading applications, 12 hours interviewing applicants, eight hours of deliberations and five days spent on campus at UWC-USA. Dory Streett noted that the United States National Committee might not have capacity to manage an expanded applicant pool.

The Student Admissions Advisory Council members then explained their role in promoting UWCs through social media and interaction with applicants and their families. Council members participated on zoom calls, responded to email inquiries and interacted with applicants at the 'Finalist Weekend' on campus. They also assisted the Admissions Department in preparing marketing materials. Pierre van Houte walked through the specifics of the GSP admissions process and Ana Sofia Cepeda Diaz described the Davis Scholar selection methodology.

Todd Austin followed the Student Admissions Advisory Council presentation with an explication of the tensions inherent in the admissions process. Todd Austin discussed an interest in increasing fee-paying students while also augmenting the numbers of under-represented students of need. Similar tensions arise between strong academic backgrounds and socio-economic diversity. He continued to discuss the financial shortfalls of the Davis Scholar program, only providing \$25,000 per student, and leaving the school to often provide funds to cover such shortfall, and the need to fund Davis Scholars attending other UWCs.

The Trustees joined in a brief general discussion, raising questions about the ultimate goal of the school in terms of scholarship support and sustainability, size of the student body and levers to balance financial needs with these goals.

[The meeting adjourned for lunch at approximately 12:20 pm Mountain Time]

[The meeting reconvened at approximately 2:00 pm Mountain Time]

Risk “Deep Dive”: Dean of Students, Director of Security joining. Victoria Mora and Todd Austin presented the Risk Deep Dive PowerPoint presentation.

Victoria Mora explained UWC and UWC-USA inherently lean towards risk taking rather than risk aversion and the school’s approach to risk management has followed culture. Historically the school has been more informal and reactive in managing risk. However, following events of the past year, Covid and the wildfires, we know we have to do more in terms of risk management and adopt a new approach as we strengthen our foundation. Victoria Mora outlined the roles and responsibilities of the Board and the School in risk management. The Board’s responsibility is oversight of the School’s risk management program, approach, and execution including assessing risk tolerance. The School’s leadership is responsible for managing and mitigating risk, not eliminating it, and for establishing a risk management program that is understood by all at the school and to establish regular, clear means of communication with the Board.

Piotr Hoylsz explained Enterprise Risk Management (ERM). ERM is an institutional approach to identifying, prioritizing, and mitigating against key (enterprise) risks to the school’s ability to fulfill its educational mission and achieve its strategic objectives. Enterprise risks fall into four areas: financial risks, operational risks, compliance risks, and reputational risks. To determine enterprise risk we must compare the likelihood rating of an event taking place with the severity or impact rating as outlined in the matrix. This process is somewhat subjective, but it helps to start prioritizing categories. To start we will focus on Category I risks that are moderate to high probability and moderate to high impact. Once these Category I risks have been identified then we can begin planning and implementing mitigating strategies. Once the mitigation strategies are complete then the final step will be to make sure we are actively monitoring to ensure additional steps are not needed.

Victoria Mora informed the Board that the SLT adopted the current ERM model in 2021 and began to identify risks under each SLT division. An on-site Risk Management Team was convened in 2022 and began to use our ERM rubric. The RM Team includes the Associate Head for Finance & Operations, Director of Security, Human Resources Director, Controller, Communications Director, and Dean of Students. It is co-chaired by the Director of Security and Dean of Students and reports to the SLT. The RM Team meets every two weeks and reports to the SLT monthly. The RM Team has conducted an all employees meeting and a student council is being started. To date, the RM Team has focused primarily on operational risk and has worked on a general assessment,

identifying and categorizing key enterprise risks, and determining where we are with mitigation. Financial and reputational risk will be brought online in summer 2023.

Eugene Garcia and Naomi Swinton outlined operational Category I risks, which is our primary focus, related to facilities, program delivery, documentation and communication, health, and external threats that include fire/illness/pandemic, water supply and infrastructure, student services, healthcare cost/employee turnover/IT infrastructure, and percentage of staff commuting from outside Las Vegas.

Eugene then touched upon operational Category II (moderate likelihood/moderate impact) and Category III (low likelihood/low impact) risks.

Vote to approve key features of board oversight of risk management at UWC-USA, UWC-USA's Risk Management Program and approach, and remit of Audit and Risk Committee of the Board

Board Actions:

*Board unanimously approved the following in terms of risk management.*

*In addition, they asked the Audit and Risk Committee to take up the issue of the college's insurability.*

*Risk Oversight:*

*A. The Board already approved the new Audit and Risk Committee*

*B. Proposed Audit and Risk Committee Remit*

- 1. Develop a risk tolerance framework, to be approved by the full board, and review framework every three years or as circumstances require*
- 2. Educate itself three times a year on identified enterprise risks at UWC-USA SLT*
- 3. Advise SLT on its enterprise risk program execution*
- 4. Prepare an annual report for the board on enterprise risk management at UWC-USA*
- 5. Advise on any immediate risks brought forward by the president and the board chair, framing those risks for the board as needed*

*C. Proposed Risk Oversight Process for Full Board (to discuss and approve)*

- 1. Approve a risk tolerance framework, developed by the Audit and Risk Committee, to be used by the board in assessing risk management at UWC-USA.*
- 2. Receive and discuss annual report from Audit and Risk Committee on enterprise risk at UWC-USA and direct president accordingly*
- 3. Advise on any immediate, real-time enterprise risks brought forward by the Audit and Risk Committee*

Matter Arising, Any Other Business: There was no further business.

Executive Session II: The Trustees, including Victoria Mora, held a brief executive session.

The second session adjourned at approximately 5:30 pm, Mountain Time.

Board agreed that it would not invest resources in the UWC International Endowment at this time.

- o There was broad concern about joining a new venture without proven success being run by a manager without prior experience in endowment management.
- o At the same time, the board did not preclude the possibility of investing some UWC-USA assets in the International Endowment in the future, if the venture proved to be successful in attracting significant investors and/or providing strong rates of return.

Executive Session III: The Trustees, without Victoria Mora, held a brief executive session.

The third session adjourned at approximately 6:15 pm, Mountain Time.

[The meeting adjourned at approximately 6:15 pm Mountain Time.]

At the conclusion of the meeting, the Trustees attended a Yule Ball Dinner in the dining hall followed by an informal gathering at the President's home.