

## Executive Council Committee on Historically Black Colleges and Universities

July 10, 2024

### Minutes of the Teleconference

**HBCU COMMITTEE MEMBERS:** Canon Martini Shaw, Bishop Ruth Woodliff-Stanley, Ms. Martha Alexander, Fr. Dick Burnett, Canon Jamie Callaway, Dr. Joel Cunningham, Mr. Scott Evenbeck, Canon Anita George, Canon Michele Hagans, Dr. Eugene Lowe, and Bishop Sam Rodman.

**Guests:** Dr. Marcus Burgess, Mr. Benjamin Johnson, Mr. John Larkin and Ms. Debra Jones.

**STAFF AND CONSULTANTS:** Mr. Kurt Barnes and Ms. Nancy Caparulo.

**Absent staff and consultants:** Canon Ron Byrd, Fr. Lang Lowery and Ms. Julia Alling.

Cn. Shaw called the meeting to order, with a quorum present, at 9:46 AM EDT. Bishop Ruth offered a prayer.

The June 11 Minutes were moved (Bp. Sam), seconded (Cn. Hagans) and approved as presented.

#### SAU Update

Bp. Sam noted the Board hasn't met since the last HBCU meeting. The vote to remove Brian Bulware as chairman failed. The vote on a usurious loan passed but the loan is not finalized yet. A letter to the public was sent by Mr. Bulware without the Board's knowledge.

The following discussion covered various aspects of the current legal action against the Board and the request from Deborah Clark Jones and the alumni who are suing. The attorney representing the board made a motion to dismiss the suit because no one [suing] has standing, which is necessary to proceed. Bp. Sam reviewed the Church's recommendations to him around this particular issue. He is working with two like-minded board members to reengage with a group of interested parties, recommended by former legal counsel to SAU who'd resigned in frustration, to determine a strategy going forward.

The next HBCU Committee meeting was set for Wednesday, August 7 at 9:00 AM.

Mr. Barnes had no Treasurer's report as such but said the proposed budget passed at GC includes funding for both schools; funds for SAU will be held for the time being.

#### Voorhees Update

Bp. Ruth reported on the securing of a Videographer to do the documentaries about the university's 100<sup>th</sup> anniversary. Their board retreat starts tomorrow (July 11).

Dr. Burgess joined the meeting at 10:07 and Cn. Shaw introduced him to those present. Cn. Callaway talked about the reason for the committee and the history of its inception. It's aim is to maintain and deepen relationships with the Episcopal colleges and sustain their Episcopal identity.

Dr. Burgess talked about his trip to Atlanta on June 27 for arbitration with SACS. SAU is still accredited but may lose it owing to the lack of three audits and lack of board oversight on fiscal matters. No new information was allowed after the end of December 2023 [there was a detailed discussion about this deadline]. He stressed that all the issues with SACS are financial in nature. They expect to hear A decision

by end of July at which time litigation will be initiated so a court can decide the fate. They have incurred \$280K in legal fees thus far.

Further, he said the ninth miss would be coming up on Friday (July 12). A bridge loan of \$7 million has been negotiated to meet \$3 million in back payroll, audit costs, student refunds and campus insurance. The loan is at 24% and the collateral is main campus of SAU. The Department of Labor is pressing them. Their IRS debt is \$11 million. The administration is fighting to open the school on August 19<sup>th</sup>. There was discussion around conditions on campus owing to the nine missed payrolls.

Dr. Burgess talked about students paying tuition in full, payment plans, etc. and ongoing issues around collections. SAU cannot hold transcripts any longer if tuition was paid for with Title IV funds. He talked also about salary increases vs. paying overtime at the \$58K threshold. He was particularly proud of 160 graduates with a mean gpa of 3.1, representing 52% of students. Academics are strong.

The ensuing conversation dealt with the GC budget and both colleges being represented therein. Voorhees had a presence at GC through its diocese, but SAU had no presence. In March SAU expected a visit from Trinity Wall Street that never happened and there was no communication around there being no visit. Mr. Evenbeck addressed as did Cn. Callaway. Fr. Burnett has been invited to the meeting of college presidents and chaplains at Bard in March 2025, giving him an opportunity to engage the group. UBE had talked about the situation, too.

Mr. Benjamin Johnson joined the meeting at 10:51 AM. He is an SAU alum of 1983. Mr. John Larkin joined shortly thereafter, an alumnus of 1966. Got the email about Save SAU. Mr. Larkin, a member of the SAU Coalition, described the membership and their work. They seek TEC endorsement to allow Bp. Sam to join their lawsuit. This was discussed in detail

Ms. Debra Clark Jones joined the meeting a bit after 11:00. She is the former VP of institutional advancement at SAU (2018-2021), now at Duke Health and interested in the success of SAU. She described herself as the whistleblower in April 2020. She noted her mother's 35 years having taught at SAU.

The timing of intended action was presented, that of convening a board meeting next week to have a proposal in place prior to 7/19. Difficulties around the proposed loan were again discussed.

Time for a contingency meeting was set for Monday, July 22 10:00 AM.

More conversation followed about the loan, its usurious nature, and the thinking behind it. It was Moved (Dr. Lowe) that Mr. Barnes write a note to President Burgess concerning the loan and making clear the level of involvement The Episcopal Church assumes at this time. Seconded (Ms. Alexander). After additional discussion the motion carried.

It was then moved (Dr. Lowe) and seconded (Cn. Hagans) to adjourn at 11:31 AM.

Respectfully submitted,  
Nancy Caparulo  
Staff support to the committee