The Vermont Labor Relations Board (VLRB) election held in December serves as a reminder that a sizeable number of staff employees are dissatisfied with some aspect of their experience at UVM and believe that they would be better served by union representation.

Moving forward Staff Council and the administration need to ask how we are responding to the concerns and frustrations of staff. Why is it that some staff feel they are not respected or supported in their jobs or by the University? Why is it that some staff feel they have no voice and are not heard?

At the January 6, 2015 Staff Council meeting, elected representatives and committee members reflected to identify and document: 1) What are the issues or concerns that Staff feel would be better served through union representation? and 2) What can Staff Council and the UVM Administration do to better serve staff and address these issues and concerns?

Staff Council is a vital governance organization that has a seat at the table where we are active in influencing initiatives and change at UVM. Our role, as we see it, is to reflect staff voice to the administration as issues or concerns arise and policies or initiatives are considered and formed. We have worked over the years to bring concerns and ideas to improve the staff employee experience to the attention of the administration and the Board of Trustees. We have advocated for improvements such as standardized performance appraisals, supervisory training, and incentives for extraordinary work. We have been encouraged by the progress that has been made by the administration to identify and implement a system to track performance appraisals and supporting supervisory training to prepare staff for these important roles.

But the slow pace of change in higher education can be part of its own undoing. We can do better, and we are confident that this reminder is a catalyst that motivates both Staff Council and the administration to take faster action so as to implement solutions to address staff issues and concerns.

In the next months, Staff Council will focus on improving and expanding our advocacy by exploring new ways to reach out and meet with staff to better understand what they think and feel on a number of issues and concerns so as to better communicate these to our senior leaders and begin work to address them. We will continue to serve as an essential and valued stakeholder and resource in University planning and critical decision making processes that affect staff members. We will work diligently to expand our role at the institution and effectively express staff sentiment. We will continue to support the mission, vision and strategy of UVM, and promote and protect the welfare of UVM staff by representing the interest of and issues impacting all staff members.
Staff Council President’s Comments to the Board of Trustees Committee of the Whole

Friday, February 6, 2015

Renee Berteau, Staff Council President

Good morning!

For the time you spend reading, listening and considering the Staff Council governance report, trustees, I would like to thank you.

In my written report to the Board, I told you about Staff Council’s intention to use the recent Vermont Labor Relations Board (VLRB) election among staff as a catalyst to have Staff Council focus on improving and expanding our advocacy.

We find great hope and encouragement over the support and interest expressed by the Administration for Staff Council to seek input from the staff in the Administrative, Clerical, Technical and Specialist staff positions at the University. Staff Council plans to host several small focus group sessions, where staff from this group are invited by random sampling to participate. During these sessions, we will facilitate dialogue about things that are going well and areas of concern for staff. We intend to use the input gathered to identify common themes, then conduct larger-scale brainstorming sessions to generate ideas to address staff concerns. We are encouraged by the interest and support of the Administration to do this work that could potentially lead to positive and meaningful improvements at UVM.

We hope to bring information we gain from this initiative to your attention in our report for the May Board of Trustees meeting. An aggressive deadline, but necessary to meet the needs of staff and in holding with the tenets of Our Common Ground, particularly, the tenet of Innovation. (Quote) “We want to be at the forefront of change and believe that the best way to lead is to learn from our successes and mistakes and continue to grow. We are forward-looking and break new ground in addressing important community and societal needs.”

Staff Council looks to the future of what could be as we work to find solutions for the betterment of staff and the UVM community.

Thank you.
Staff Council Reports  
Board of Trustees February 6, 2015  
Staff Representative Comments and Committee Summaries

The approved consent agenda from the Board of Trustees Meeting can be found here.

Audit Committee

During their February 5, 2015, the Audit Committee meeting discussed and reviewed several reports. Representatives from Grant Thornton presented the results of a report regarding the National Collegiate Athletic Association Agreed-Upon Procedures and the FY14 Office of Management and Budget (OMB) Circular A-133. In regards to OMB, the audit included one internal control over compliance related to the timeliness of the review of expenditure connected to the Global Commitment program and two significant deficiencies related to internal control over financial reporting – accounting for certain split interest agreements and timelines of recognition of certain activities. These were also included in the financial statement audit. The deficiencies were explained further and it is very unlikely that these will raise concerns in the future as it is common for organizations to have these types of deficiencies because of the low threshold for classifying these items.

Erica Heffner, Assistant Director of Compliance Services updated the committee on the Compliance program and work plan activity. She discussed the results of the fifth annual compliance awareness survey. There was a slight dip in awareness and in response, the Compliance Office has launched a compliance newsletter that received a positive response and is working to overhaul the Code of Business Conduct.

Chief Internal Auditor, Bill Harrison reported on the results of the Audit Committee survey conducted in November 2014. Overall the survey participants agreed that the Committee performed effectively, but to address some concerns additional outreach, orientation, and sharing of information will occur moving forward.

A brief review of the 2015 Audit committee work plans were discussed. The meeting then went into Executive session to discuss civil actions, contracts, and the evaluation of public officers or employees, premature general public knowledge of which would clearly place the University at a substantial disadvantage.

Respectfully Submitted,

Wendy Coy, Telecommunication and Network Services  
Staff Representative to the Audit Committee

Committee on Budget, Finance, and Investment (BFI)

The BFI committee met on February 6, 2015.

- **Reaffirmation of the Debt Policy and Ratio Annual Review:** The Committee will conduct the annual review of the University Debt Policy. University Controller Claire Burlingham will also update the Committee on the latest debt burden and viability ratio calculations, which are based on the FY 2014 financial statement. The Committee will be asked to reaffirm the Debt Policy with no changes. Action: Resolution reaffirming Debt Policy with no changes.
Discussion: Originally adopted in 2004, with some small changes over the intervening years, “viability rations” and “sunset clause” referenced. Currently not recommending changes. 4.84 percent debt-burden ratio, but viability ratio is 2/100% below stated policy; because of GASB 45 liability (commitment to retirees’ medical insurance: noted as growing liability, growing by $20m annually). Chair recommends amendment of $78m in STEM debt, notes that FY18 is when full impact of debt service comes into play - projected to be 5.35% (slightly above currently approved rate). Interest + scheduled amortization = projection. Question: Does this policy inhibit thinking vis a vis historically low interest rates (does it make sense to use low-interest debt as a financing mechanism)? VP Cate offers: UVM’s primary question is, “Do we have money in the budget to pay the debt burden?” Chair: based on conversations with consultants we have confidence that we can do this without resulting downgrade of rating. Compared with peer organizations, other public universities don’t tend to have this sort of debt, but in line with privates. $4.4m against a pretty balanced budget.

- Net Assets Annual Review: Report by VP Richard Cate

Discussion: Why are there so many accounts? Some legacies with obligation to be maintained, some are board-generated. Claire Burlingham explains different categories of assets. (See appendices.) Question regarding liquidity of certain classes: clarification that new construction carries 10% funding against depreciation. “We have a lot of money in the bank, but in a lot of cases it’s pointed towards a specific purpose. In some cases these are donor-determined uses, and in some it’s obligations that we have to pay specific commitments.” Other note/Q (CH, from R Cate comments): Approval of STEM funding increases future encumbrance upon currently unrestricted net assets. This is general fund, which is only one (relatively small) piece of total (mostly restricted) assets controlled by the University.

- Endorsement of the Creation of the President’s Strategic Initiatives Fund  The Committee will be asked to endorse the establishment of a fund to allow for the accumulation of resources from one-time sources that are not part of the University’s annual operating budget. The money will be used to fund strategic initiatives that enhance the quality and affordability of the University. **Action:** Resolution approving creation of the President’s Strategic Initiatives Fund.

Discussion: The concept of the creation of this fund is based on “anticipating one-time non-base dollars in new revenue that could not be used for normal expenditures.” (Says Pres. Sullivan.) Proposes Strategic Investment Fund for these to expend these monies upon previously identified priorities. For example: just received reimbursement from City of BTV for overpayment of utilities. Believes that current policy and processes will provide transparency and oversight. Question: How closely tied is this proposal to implementation of successful IBB? Difference in that these are one-time expenditures, and IBB is based on continuation of depts’ budgets. But may well aid development for individual departments with underfunded/bridge start-up packages for new hires, e.g. “One-time money can only be used once.” There is currently no vehicle for donors who want to give money to be used at the President’s discretion. NB: there are plenty of stories available about abuse of similar vehicles. Built-in transparency would mean that any abuses would become readily apparent.

- Report of the Investment Subcommittee

Discussion: More “fulsome” report provided by Cambridge Associates than is usual for normal board meetings. “Challenging year” in terms of commodities & NRE. Diversified equity portfolio to diversify exposure. Points to current valuations summary, and notes that few assets are classified as undervalued. “Benchmark off Cambridge peers, vs. Common Fund peers” and according to that “universe” are performing well. Currently evaluating how/how much to invest proceeds from liquidation of hedge fund. Like diversely-invested peers, UVM struggled
to see double-digit returns for CY14. In response to past BFI comments on hedge fund, “Don’t give up returns but reduce risk” is guiding principle. Reduce volatility as expressed by the standard deviation. UVM, unlike CAL-PURS, is getting good returns. Question: is current ratio of ~20% investment in hedge fund normal for UVM? Over 5 years, yes, but maybe high over 10 years.

- **Report of Socially Responsible Investment Advisory Committee**

  **Discussion:** Hearing fossil fuel divestment and divestment in Monsanto as priorities for students. Seeking to become more effective as an entity, and seeking to reach out to other campus entities. ISC sat to hear about what the students want to accomplish, and for them to understand our constraints. “The answer to every question can’t be divest, divest, divest.” We need to deal with the issue in as responsible a way as we can. We’re committed to being engaged on the topic.

- **Approval of Genesis Limited and Pinnacle Consortium of Higher Education Merger** Controller Burlingham will review the history of the University’s role as part of Genesis Limited, an insurance and reinsurance captive domiciled in Bermuda, and Pinnacle Consortium, a Vermont-based risk retention group. In addition the administration will seek approval to cast a shareholder’s vote at an upcoming shareholders meeting to approve the merger of the Genesis Limited and Pinnacle Consortium. **Action:** Resolution approving Genesis Limited and Pinnacle Consortium of Higher Education merger.

  **Discussion:** Framework for decision is to achieve operational savings vs. becoming a taxpayer: DRM tax analysis shows that there wouldn’t be a tax liability for any constituent members. Long resolution bottom-lined: authorizes UVM to cast its single vote as part of the Consortium to approve.

- **Approval of Setting Maximum Room, Meal Plan Rates and Other Fees, FY 2016:** In order for Residential Life to enter into contracts with students prior to the formal budget approval in May, the administration is requesting the Board set the maximum room and meal plan rates and other fees for Fiscal Year 2016. **Action:** Resolution setting Maximum FY 2016 Room and Meal Rates and Other Fees

  (No substantial discussion noted.)

- **Incentive-based Budget Implementation: Provost David Rosowsky, VP Richard Cate, and University Budget Director Alberto Citarella** provide an overview of the University’s progress in implementing Incentive-Based Budgeting, which has an effective date of July 1, 2015.

  **Discussion:** The concept of “change management” made people nervous. But it’s true “that there is some implicit change in this,” esp. in the cost centers. The balance is in between responsibility centers and cost centers evaluating and adjusting, with oversight of Pres. VP, Provost. CDE = hybrid cost center. Sharing F&A converts. Details re: fy17 budget process released summer 15. Question: Are there behavior changes as a result of the shadow year? Colleges and schools are approaching it differently. Most are proposing new programs. Increased cross-college partnership envisioning new degree and grad programs. Would not have been possible under old model. The only perceived unintended consequence was around CDE, similar to VP for Research office, and were addressed. Have been cautioned against “curricular creep” but is not likely to be a significant issue. Right now, each unit does have a positive net asset. For budgeting purposes, starting with “clean start” though expectation is that when colleges have surplus, goes to “fund 108.” Will protect core programs with a “sweep” [subvention] to allow us to decide year-by-year what needs to be taken for the common good. People are not going to be penalized for succeeding (i.e. if a school gets a $1m gift, their allocation is not reduced by $1m). What about goal
to reduce overall size of student body, esp. in light of increased certificate, etc. programs? Clarifies: will not reduce enrollment per se, but rather maintain faculty: student ratio. It’s about creating compelling academic programs that attract top-quality students. Take-away: budget tool that permits greater consultation about financial decision-making in the colleges. This is about decentralization, consultation and collaboration among our important constituents. Committee would like to see info at the unit level. It’ll take a little while for the data to catch up beyond current level that reflects allocation from central admin.

- **FY 2016 Budget:** Overview of the administration’s FY 2016 budget development process and review associated key assumptions. Director Citarella will present peer tuition and fees comparisons data.

  **Discussion:** Note on expenses: ⅔ towards academic programs, including Extension; of general fund 68% is to wages/benefits. Personnel cost: 80% for academic & academic support. Question: *Do we have a comparison to a peer benchmark?* (Will try - we find that institutions categorize things very differently.)

  Discussion around setting maximum rates for fees for room & board resolution: mostly around desire for comparative data.

- **Approval of Vermont Dual Enrollment Voucher Program Rates:** As per Vermont law, the University participates in the Vermont Dual Enrollment Voucher program, a statewide program for Vermont high school juniors and seniors to access two college courses with tuition reimbursed by Next Generation Funds. For students enrolling via the Dual Enrollment program, the administration is asking the Committee to establish a variable tuition rate equal to the value of the voucher presented by each student for each course to be reimbursed. The statutorily set rate has thus far been much less than our standard tuition rate. **Action:** Resolution approving Vermont Dual Enrollment Program Rates.

  **Discussion:** Desire is to create a more efficient system. Request to scope this out. ~300 HS students, ~1000 credit hours. What are the bookends around this? Limited and decreasing funding from the state. Pres. Sullivan asks what our subsidy is: a little under half, so that we’re subsidizing ~$200k annually. They don’t displace full-rate students. Perhaps it’s a loss-leader, a strategy for attracting VT students to UVM.

- **Authorizations Related to the STEM Initiative Project Final Expenditures** Provost David Rosowsky will provide an update on the status of the STEM (Science Technology Engineering and Mathematics) project in the Committee of the Whole. At least 25% of the total project cost ($104 million) will be funded from sources other than debt. The administration is seeking general authorization from the Board to issue $78 million in bonds. Based on the University’s FY 2014 financial statement, the issuance of this debt would result in a debt ratio of approximately 5.04% as contrasted with the Debt Policy limit of 5.75%. University Foundation President and CEO Richard Bundy will present a report on fund raising to date. The resolution will call for the administration to consult with the Board of Trustees Bond Work Group, prior to issuance regarding timing and rates. **Actions:** Resolution authorizing use of University funds for non-debt portion of STEM Project and Resolution authorizing General Obligation Bonds, Series 2015.

  **Discussion:** Expectation is that 25% of total project cost will be raised through fund raising. Rest will be through bond issuance. $26m will not be totally comprised of cash in land. Currently, bond rates are very low (this is favorable). Have concluded that it makes sense to use some unencumbered net assets as a bridge until fund raising is complete; potential exists for amount ultimately required to reduce if fund raising is more successful. Chair’s conclusion is that there’s a likelihood that that will occur, given the priority this project is for the university & the foundation.
Right now, looking at possible $2m to be withdrawn from the rainy day account if no more money is raised by the foundation. Chair also suggests that possible permanent investment in this STEM project may eventually be desirable, given strategic importance of investment. Also wants to meet with administration to agree upon floor for unrestricted net assets account.

VP Cate: scenario as laid out, with current resources and without additional fundraising: could authorize $9.8m from unencumbered net assets. Rich Bundy of Foundation is working hard on securing those gifts. “Pleasantly surprised” by reaction of donors to this project. Have vastly exceeded suggested capacity by feasibility study, including $1m commitment from Pizzagalli Fdn. “Pipeline is very strong” and donors are responsive to the opportunity.

Given the interest rate environment (low), feeling of bond work group is to attempt to issue in June. Q: what about (arbitrage) is there incremental capacity to fund deferred maintenance (except this isn’t currently cash-funded)? Could that reduce expenses? That analysis can be provided before May. Annual increase in cost of debt service is $4m, which will need to be funded.

- **Approval of Authorization of Expenditures for Completion of Design of the Billings Library Renovation Project** The Committee will be asked to authorize the administration to expend $500,000 to complete the Billings Library Renovation project design, including construction drawings. The funds for these expenditures will be drawn from gift funds. The project’s history and cost summary are included in the meeting materials. **Action:** Resolution authorizing Expenditures for Completion of Design of the Billings Library Renovation Project.

  **Discussion:** Some clarifying questions regarding expenditures and likely budgets

- **Approval of Authorization of Southwick Deferred Maintenance Project Expenditures** The Committee will be asked to authorize the administration to expend $2 million to complete the Southwick Deferred Maintenance Project and for such expenditures to be drawn from the Physical Plant general fund. The project’s history and cost summary are included in the meeting materials. **Action:** Resolution authorizing Southwick Deferred Maintenance Project Expenditures.

  **Discussion:** Southwick maintenance: essentially exterior work on building. Money through Physical Plant resources. Funded from state allocation plus deferred maintenance - cash deal. Requesting for ability to complete library design work, up to $700k in pre-construction work and all - and more - is cash in hand. Anticipates that two phases of work will total $8.5m, split about ½ - ⅔.

- **Approval of Authorization of Expenditures for Miller Research Complex Phase I** The revitalization project for the UVM Miller Research Complex, proposed and approved by the Board of Trustees in October 2013 for $1.8 million and an increase to $3.0 million in May 2014, requires additional funding to successfully complete the first phase of rebuilding the College of Agriculture and Life Sciences’ (CALS) facilities. The college is seeking an additional approval to increase the cost by $1.1 million for a new total of $4.1 million to add the research barn and fit-up components through the use of additional gift funds. The project costs are based on bids received through a recent procurement process. **Action:** Resolution authorizing Expenditures for Miller Research Complex, Phase I.

  **Discussion:** Miller Research project increase to $4M+ (increase from $1.8M - rooted in master plan concept without a lot of detail, then used architect to put together schematic with details of CREAM barn, research, milking parlor but then had all components and options included, which resulted in ~$3m bid, and this final amount allows for creation of top spaces, fully realized). Budget includes $600k from CALS research and endowment Have cash in hand except for $300k.
All resolutions approved by the Committee are included on today’s consent agenda for Board approval.

Respectfully submitted,
Cheryl Herrick, UVM Extension Center for Sustainable Agriculture
Staff Representative to the BFI Committee

Committee on Educational Policy and Institutional Resources (EPIR)

Chair Bill Botzow convened the Educational Policies and Institutional Resources (EPIR) subcommittee on Friday, February 6, 2015. Provost David Rosowsky presented the Provost’s report which highlighted several annual reports including; the Annual Vice President for Human Resources, Diversity and Multicultural Affairs Report, and the Annual Deferred Maintenance Report and the Capital Projects Progress Report. Dr. Heading-Grant presented the Diversity and Multicultural Affairs Report which included three major accomplishments in Human Resources. The unit has worked towards 1) Increasing client satisfaction by creating more automated responses in the hiring system, 2) Improving the aesthetics of the Human Resources space and 3) Increasing the offerings within the University Professional Development Plan. Dr. Heading Grant proposed a resolution to reaffirm the Equal Employment Opportunity/Affirmative Action and Equal Opportunity in Education Programs and Activities and Non-Harassment Policies. She also presented the annual Diversity Presentation which included the noteworthy HEED award which was given to UVM and is presented in the magazine, “Insight into Diversity.” March will host the professional development experience, the Blackboard Jungle.

VP for University Relations and Administration Tom Gustafson, Vice Provost for Student Affairs Annie Stevens and Bob Vaughan, Director of Capital Planning and Management shared the Annual Deferred Maintenance Report. They reported that the deferred maintenance has been challenging as the deficit grows. They report the deficit has grown to $341 million which represents 5% growth. Gustafson said the deconstruction of the Chittenden/Buckham/Wills residence Hall, the demolition of Cook Physical Science and the renovation of Votey Hall will help mitigate the deferred maintenance challenge. Provost Rosowsky reported that deferred maintenance is a problem all colleges face today.

Cathy Paris, Faculty Senate Curricular Affairs Committee Chair provided her report. The committee approved a new minor in Music Theater in the College of Arts and Sciences, a partnership between Music and Dance, and Theater. The post-masters certificate program in the College of Nursing and Health Sciences has been terminated as requested by the college. A new undergraduate major called the RN to BS Program, a partnership between the Department of Nursing and Continuing and Distance Education, gives working registered nurses the opportunity to complete a Bachelor of Science in Nursing in a mostly online format.

The committee also heard from Rubenstein professor Dean Wang on a proposal to add a third general education requirement to the university’s ongoing general education initiative: sustainability.

Provost Rosowsky elaborated on Academic Excellence Goals #1 and #2 which are to: 1) Increase the percentage of undergraduate students graduating in 4 years, 2) Improve undergraduate student retention years 1-4 (timeliness and persistence.) The target for UVM for the 4 year graduation rate is 70%. UVM needs to look at what we can control; the quality of the student experience and student engagement. Brian Reed, Associate Provost for Teaching and Learning, reported UVM needs to increase the number of high impact student experiences such as service learning, capstone experiences and studying abroad. Director of the Office of Institutional Research John Ryan presented data highlighting variables and characteristics of students entering UVM such as financial support, academic preparedness and the quality of the college experience in correlation with persistence and timeliness. During his presentation, a group of student
protesters interrupted the meeting to request the committee to engage in a dialogue regarding the university’s divestment from fossil fuels and other investments which they deem are not environmentally or social responsible.

Trustee Lisa Ventriss reported for the Career Services Committee. She reports activity in the Hub has increased, student job shadowing has started and peer mentors have been put in place. Between FY 2010 and FY 2015 there has been a rise from 73-398 incidents at the Career Hub. Lisa reported UVM needs more funding for internships and undergraduate research.

Provost Rosowsky discussed the ongoing analysis of the university’s marketing and communication plan. UVM has seven different units focusing on marketing/communications. He said it’s important to gather data on the perceptions of the UVM brand and to reflect on what are the UVM priorities. The university is in the process of hiring an external consultant to conduct a branding study.

Respectfully Submitted,
Amanda McIntire, Human Resource Services
Cathy Rahill, Athletics

Staff Representatives to the EPIR Committee