In addition to Staff Council’s regular advocacy work, as Staff Council President, I have set two overarching goals that I hope will bring new understanding and change to the UVM community over the next two years.

**Goal 1:** To help UVM staff better understand how they contribute to student success through their professional roles at the University and as individuals.

**Goal 2:** To build a more inclusive University community through personal and professional development for UVM staff around issues of social justice, diversity, and inclusion.

The purpose of this focus is to align our organization and the staff community with UVM’s strategic goals and help bring the entire community more in line with the values of respect, integrity, innovation, openness, justice, and responsibility as outlined in UVM’s *Our Common Ground*.

Staff Council conducted its second survey of the staff it represents during January 2014. The purpose of the survey was to gain a longitudinal perspective about how well Staff Council serves those it represents and glean information about what issues are most important to our constituents.

Respondents to the survey indicated that they continue to be concerned about their salary and benefit package at the University and rated these as most important to them. The full survey can be found at [http://www.uvm.edu/~stffcncl/pdf/survey_report_2014.pdf](http://www.uvm.edu/~stffcncl/pdf/survey_report_2014.pdf)

The survey was completed prior to discussions about potential changes to the cost share of health care benefits in spring 2014. Since that time, feelings of anger, fear, frustration, and confusion have continued to be expressed about salary and health benefits by staff around the University.

Staff realize they have access to high quality health care and dental coverage, valuable dependent tuition remission benefits, and good leave and vacation benefits, but for many it is just not adding up. This year, with the 2% increase in salary, and the 20% increase in employee cost of healthcare benefits for salaries over $32,000, the net amount for many employees is less than the 12 month inflation rate (ending July 2014) of 2%. Even for salaries at $32,000 and less, the full
increase just meets the inflation rate. Because this follows several years of minimal raises, or no raises, many staff are making the difficult choices to make do with less and anticipate having to continue to do the same next year and the year after that.

Increases for staff over the last several years have been applied “Across the Board.” There is no provision or process for merit pay for staff, no required staff performance appraisal system in place to support merit pay, and no required training or evaluation of supervisors of staff - whose own performance should be measured by how well their staff perform and are developed.

The need to recruit and retain outstanding staff is not sustainable unless something changes. With ongoing discussions about the Incentive-based Budget model, student success, and academic excellence, there needs to be an additional rigorous discussion on rewarding excellence and resolving the compensation issues impacting staff. The discussions should also include addressing feelings of “us vs. them” that some staff express when talking about their relationship with faculty and our senior leaders. Focus is needed so that we can arrive at a place and time where all staff are aware of how their responsibilities contribute to UVM’s success, are given the training and support to strive for excellence, are rewarded based on improvements achieved, and trust that the systems in place are fair and equitable for all employees.

I thank you for the opportunity to update you on Staff Council’s work, and convey the appreciation of the staff at UVM that you listen to our voice, hear what we have to say, and work to address the concerns we bring to your attention.
Staff Council President’s Comments to the Board of Trustees Committee of the Whole
October 17, 2014

Renee Berteau, Staff Council President

Good morning Chair McAneny, UVM Trustees, President Sullivan, Provost Rosowsky and fellow members of the UVM community. I am grateful to have this opportunity to address you for a few minutes to update you on the staff perspective here at UVM.

Staff are engaged members of UVM who work to make a difference for students, faculty, administrators and the community at large, and in my written report, I have let you know about our progress to support the strategic goals around student success as well as our regular advocacy work for staff.

We are finding ways educate staff on how to better support students by working with the Career Center, Student Government Association and ACCESS to name a few.

While this is important work, Staff Council’s purpose is also to be the voice of staff here at UVM.

The issue on staff minds right now focuses on salary and benefits.

I am not sure to what extent you are aware, but for FY15, non-represented staff received an across the board increase of 2%. Those making more than $32,000 also saw a 20% increase in the cost of health benefits. When we factor in parking fees that increase according to an individual’s salary, staff are seeing a net increase that ranges widely from .8% to 2% depending on their unique circumstances.

This troubles staff greatly and Staff Council has heard about it. Staff see this trend continuing and are concerned about their own financial situations moving forward.

Here are what a few staff have had to say and I quote:

“**We’ve** seen huge increases in the cost of health care, and I know that our coverage is great, but I can’t feed my children with health care.”

“**When I** calculate the raise that was announced, and the increase in my share of the premium, I see a net increase in my pay of .8%. Considering the inflation rate exceeds that, it’s kind of insulting.”

“**With the 2%** across the board increase that was received I was bumped to a new payband. The increase in insurance will not be taken out until January. I carry insurance for myself and children. After the increases in insurance have been deducted I am told that my paycheck will reflect an increase of .75 cents before taxes per pay period. I have been a UVM Employee for 17 years. Something is wrong with this picture.”
Staff know that we have access to high quality health care coverage, high quality dental care coverage, valuable dependent tuition remission benefits, and good leave and vacation benefits and we want to keep it that way. We are also aware that salaries at the University of Vermont are targeted to be at the midpoint of peer institution levels, and staff have been told that salary increases in the last 5 years have met or exceeded what peer institutions in the higher education industry have given.

However, UVM’s Strategic Action Plan includes the following goals:

- **Create and nurture an atmosphere of raising expectations and aspirations focused on quality and excellence**
- **Hire, retain, and reward top talent among faculty and staff to ensure a culture of excellence and progress**

Pursuing excellence at UVM is not well served by a compensation model of across-the-board increases that barely keeps up with inflation, aimed to be at the midpoint of peers. Because as an institution, if we’re going to achieve our goals, we shouldn’t be aiming for the midpoint.

This means that as an institution we seriously investigate ways to have reasonable salary increases - with merit based increases - tied to UVM’s strategic goals, that address compression issues without compromising the benefits we already have in place. This conversation should also include finding ways to impact the morale and culture at our institution so that staff feel they are valued; that they are critical to the success of our students and our mission.

We have been encouraged by our collaborative partnerships with senior leaders as well as the Human Resources, Diversity and Multicultural Affairs Division and the work they are doing to address this and other HR concerns we have been voicing for a number of years – in particular performance appraisals for all staff. But responding to these issues means more support and action from the Board of Trustees and all our senior leaders.

We ask for Board and senior leadership support to begin open collaborative discussions to address the long standing issues of rising healthcare costs coupled with employee salary increases that are making it difficult for members of our community to make ends meet.

We also ask that you seriously consider how non-represented staff compensation is tied to the achievement of our strategic goals in equitable ways for those with direct impact and those diligently supporting others in their roles at UVM.

And finally we ask that rather than achievement of a midpoint, we work to provide merit based increases, incentivize staff, and retain the best and brightest staff at UVM.

Thank you for your time, and I would welcome any questions.
Staff Council Reports
Board of Trustees October 17, 2014
Staff Representative Comments and Committee Summaries

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

Audit Committee

The Audit Committee met on September 15, 2014

The first report was given by Erica Heffner in place of Anna Drummond who is on leave at the moment. She reviewed what the Compliance Office activities have been. They have been working on OMB Uniform Guidance and Export Controls as well as the Violence Against Women Act. A presentation of the Violence Against Women Act will be made at the October board meeting. The Compliance Communicator, the Compliances Office’s newsletter, was also presented to the board. This newsletter will be going out quarterly to the University.

Richard Cate, Vice President for Finance & Treasurer, and Claire Esten of Grant Thornton gave the committee an update on an audit currently underway that is progressing nicely with nothing special to report. The committee also reviewed the audit done on the Presidential Housing expenses and the Presidential Travel expense reimbursements and there were no findings to report on either audit.

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 October 17, 2014.

- **Summer Session Tuition Rates**
  The Committee approved 2015 summer session tuition rates are $414 per credit hour for in-state students and $1,046 per credit hour for out-of-state students. These rates once again reflect a 30% discount of the spring semester tuition. Enrollment this past summer did increase, however, gross tuition was 4.6% below the goal. Based on the growth in enrollment and the fact that this was the first year of the 30%, the administration believes that the 30% should be continued.

  Discussion: Brought summer cost in line with other institutions. Students had indicated they were leaving UVM to get in-state tuition rates at home institutions (financial aid only available 2 semesters) Current fiscal year income close to, but didn’t hit revenue targets.

- **Global Gateway International Students Program Fees**
  The Committee approved a resolution on program fees for international students recruited by Study Group who will enter either the two-semester program commencing spring 2015 ($25,252), the three-semester program commencing spring 2015 ($25,252), or the two-semester program commencing summer 2015 ($25,802). The first cohort of students matriculated this past fall into the undergraduate program.
In discussion, clarified that Global gateway rates are “all-in” and include health insurance, etc., for this program for non-matriculated students, many of whom may be learning English and otherwise receiving supports to help them matriculate and succeed at UVM.

- **Graduate Tuition**  
The Committee approved a methodology for setting graduate tuition in a manner similar to that currently in place for distance education, in that different programs may have different rates within a range and they will be set by the President. In-state graduate tuition will be at the same level as undergraduate tuition. Out-of-state tuition will be set no lower than the in-state undergraduate rate and no higher than the out-of-state graduate rate. Rates will be based on demand for the program and assessment of the national market of individual programs. The elimination of the state legislative 40% rule for graduate programs provides more flexibility, and this change has no impact on in-state students.

Discussion: Why are we doing this? Undergrad rates are incredibly competitive, but the “40% rule” (legislatively mandated cap that set rates for in-state students at 40% of the out-of-state rate) on rates meant that grad rates were not competitive (because that ratio forced the university to set out-of-state rates higher). The legislature’s rescission of the rule gives latitude for setting grad rates: maximum will be the out-of-state undergrad rate, minimum of in-state rates, to be set at President’s discretion based on market, demand, etc. for specific programs. The goal is to bring in more graduate students. Under IBB, does this mean that we’re controlling income and telling schools they have to control expenses? No, because the Pres. won’t change rates without request of deans.

- **Report of the Investment Subcommittee**  
The University’s endowment was $448 million at the end of August 2014. The ISC shifted the portfolio slightly in August, moving $9 million out of equity investment which allowed a better performance in the recent period.

The quality and dedication of the ISC members, as well as Cambridge Associates, was officially recognized.

Discussion:  
Concerned about equity exposure. Math and opportunity led to conclusion that it wasn’t time to hedge the portfolio. Shifted portfolio - $9m from equities into bond funds; proved to be good move (though not proportionately significant as part of $448m total endowment). What is likely to be impact on liquidity issue in light of CA’s public hedge fund divestment? Not projected to be significant. SC is going to have detailed review in November 2014.

Are holdings public (i.e., is it possible to know what specific investments are being made with our money at any given time)? No. That information is available later through fund reporting ("on a trailing basis"). Speaks to importance of process in manager selection. Frequent movement between, to, from different managers. Member suggests would like to see more emerging markets in the portfolio; currently underrepresented. Looking at liquidity, downside risk capture, historical performance. Wants to see assurance that we’re not in Syria, in Sierra Leone, blood diamonds, etc. (Uncorrelated risk: “hedge” can be pejorative, but these funds “provide diversification of returns.”) Have allocated up to 10% into emerging private equity into China. Q: Esoteric practices like tail risk hedging offered? A: No.

Endowment policy: set at 4.5%. Currently provides $19m annually: paying for tuition for 700 students. 25 basis points pay for Cambridge, some staff/administrative tasks.

As endowment grows, fees associated with income from basis points grows. Not yet seeing those increases.

$70m bond refinanced, saving ~.5m annually.

The BFI Committee voted unanimously to approve the following resolutions for recommendation to the full Board:

1. Annual Approval of the Endowment Budget Policy
2. Annual Approval of the Endowment Administration Fee
• **Energy Efficiency Revolving Loan Fund**
  The Committee approved changes to the Energy Efficiency Revolving Loan Fund to eliminate the internal interest and loan loss provisions.

  Purpose of fund is to reduce the (energy) cost of operating the university. Sought to have a “loan loss” reserve in case allegedly to backstop losses. This cleans up having double the amount of money put aside.

• **BFI Committee Charge**
  Minor revisions to the BFI Committee charge were approved.

• **Vice President’s Report**
  The administration will present the final opinion letter from external auditor Grant Thornton at the November Audit Committee meeting.

  The FY 2014 Budget to Actuals final report indicate the year ended with a structural budget gap, which is less than what was anticipated. Of the $7.7 million in net assets that was authorized to bridge a potential net tuition gap, only $3.3 million was required. General fund revenues totaled $299 million and general fund expenses ended at $302 million.

  The administration will provide an incentive-based budgeting (IBB) primer in February which will include samples of how future reports will be presented once IBB is fully implemented.

• **Green Investment Fund at the University of Vermont Foundation**
  This Green Century balanced fund was use to meet a direct donor request for funds to be invested in environmentally friendly companies and that the fund be held separate from the University endowment.

  Donor wanted to make significant gift to the university, but stipulated that funds could not be invested in fossil fuels or in nuclear power. Foundation researched and identified Green Century balanced fund to honor donor’s intentions while accepting gift. In discussion, BFI member asked how the availability of this investment option was being publicized as felt that interest in socially responsible investment is likely to grow, and donors and potential donors should be made aware of this option.

• **Capital Projects**
  The Committee authorized initiation of the schematic design phase of the Billings Library renovation project at a cost of $200,000. This encompasses two phases – renovating the historic third floor and mezzanine, and also reconfiguring the Cook Commons dining facility to accommodate the Special Collections Offices currently housed in the Bailey/Howe Library. Private funds have been committed to cover this cost. The total estimated project cost is $8.5 million.

  Discussion: Will $8.5m reduce deferred maintenance costs associated with this building? (Yes.) Where will displaced programming go? What happens in B/H with the space that is now empty? Goal is to have more student-centered space - multimedia development, goal is to have interactive “learning commons” or “maker space.” What is next for Billings? (Is the $ determining the project, or is the project determining the money?) The planned roll-out is an intact phase. The Foundation has declared victory on this (and on alumni house) project, and is devoting resources to STEM.

• **University Enterprise Risk Management Updates**
  **Deferred Maintenance**
  The University’s combined facilities and information technology deferred maintenance backlog is about $320 million. The FY 15 commitment to deferred maintenance is $9 million which adds $1.5 million to the facilities base and $.5 million to the information technology base. An additional $2.5 million per year is required in order to reach the goal of committing $19 million to deferred maintenance by FY 2019. Upcoming projects, including the STEM project, and Chittenden-Buckham-Wills dormitories demolition will reduce the backlog by $36 million.
Deferred maintenance from risk management perspective. $320m is estimated price tag/value of current deferred maintenance. Goal is to provide $19m annually by FY19. $19m annual goal’s basis is attempt to address most of ~$27m in depreciation annually. Currently funding approx 25% of depreciation. Newer buildings have reserves built in, but this is fairly limited: perhaps 15% of current building inventory.

Research funding
The level of enterprise risk identified as Lack of Diversification of External Research Funding has been downsized from high to moderate, and external research is viewed as an opportunity as well as a risk. New strategies on how to tap into corporate funding are being developed and IBB may well incentivize further areas of fund-raising.

Discussion: Had been placed in high risk category because of downside potential, but does not reflect current opportunities and realities. Would be loath to shift research portfolio to seek funding; standard approach is to find companies in alignment with interests and current work. Neither corporate world nor universities want to go into situations with negative IP potential. We have been slow to build this capacity, but it is in development. What is the extent to which Vermont companies can be sought as partners? We don’t yet have clarity and are in early conversations regarding this. (Yes: Vermont companies are on the radar.) What is the likely impact of IBB? Principal drive is to incentivize people to seek new sources of revenue.

Would like to see ERM reports show up as opportunities for discussion at future. Goal is ID’ing key risks, and should also make clear key opportunities.

• BFI Committee Annual Workplan Review
  The Committee reviewed its workplan which reflects the budget cycle.

  Emphasizes work to be done in preparation for/conjunction with February 2015 board meeting: have asked for comprehensive report on particular line-item accounts established by the board. Capital projects resolutions: STEM is penciled in, in hopes that the administration will have a plan ready, and it will consume significant time in discussion in February. May do work ahead of meeting.

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
Patty Eldred, Director AFS Auxiliary Services

Staff Representatives 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, October 17, 2014. Provost Rosowsky presented the Provost’s report, highlighting progress on UVM’s Strategic Action Plan since last year. Accomplishments included significant forward momentum on Incentive Based Budgeting (Budget Initiative Set), the launch of the Four-Year Plan (Academic Excellence & Student Experience Goals), and continued planning on the new STEM Complex running in parallel to recruitment, research and statewide engagement (STEM Initiative Set).

The new Vice President for Enrollment Management Stacey Kostell entertained questions on the Annual Enrollment Report. There were no major shifts in demographics or enrollments. Of note, she highlighted that UVM is currently at a 73% selectivity rate and that overall retention has increased, including at 92% retention rate among Vermont students.
When asked what success will look like to her, Vice-President Kostell emphasized the need for UVM to get our story out there – let people know why we should be a university of choice. This idea of spreading the word about all of the great things going on at UVM was a theme throughout the EPIR meeting.

Following the Annual Enrollment report was CEO of the UVM Foundation Rich Bundy. CEO Bundy reported tremendous success at the Foundation. There are currently $55.25 million in new commitments – over double the amount of commitments in FY11. The endowment has grown an impressive 175% since FY12, and the size of individual gifts continues to increase – including 13 gifts over $1 million.

The Annual Career Services Action Plan Progress report was submitted by Career Services Director Pamela Gardner and Vice Provost for Student Affairs Annie Stevens. Complimentary information was also provided by Trustee Cioffi in his report on the Career Services Work Group update. The progress on the Action plan – including the success of the Career + Experiences Hub, implementation of the Four-Year plan, and collection of data on graduate success was of great interest to EPIR.

The Career Hub has been hugely successful in connecting students with experiential learning opportunities, employers and career advising. The Four-Year plan is in the process of being implemented – students are guided through goal setting and achievement for each year of their undergraduate career. First Year: Explore, Second Year: Experience, Third Year: Focus, Fourth Year: Launch. In the First Year, students familiarize themselves with UVM and local resources and opportunities, exploring their interests, learn about a variety of majors and careers, and plan for experiential learning during winter breaks and summer. Year two, students finalize their majors and become familiar with the breadth of careers associated with their major and interests, and they continue to engage in experiential learning. Junior Year students focus on their career interests, look into graduate programs, develop occupational and job search skills, and begin networking. Senior year is focused on job searching, creating a professional identity, and planning for life after UVM.

Finally, Vice Provost Stevens discussed the challenge of engaging grads in completing the Share Your Success survey highlighting their professional or academic achievements following their time at UVM. EPIR members shared ideas for several different approaches to attain better results. Overall, the committee was engaged and enthused by the progress made by Career Services staff and the Career Services Workgroup. Message from EPIR, we need to continue to market these types of programs and alumni success. UVM’s story needs to be out there for prospective students, parents, alumni, donors and the media.

Finally, Bob Vaughan, Director of Capital Planning and Management answered questions on the Capital Planning progress report. The report contained two projects that were action items before the committee at this meeting. Much of the questions and discussion were held until the Action Items came up on the agenda. Dean of the Business School Sanjay Sharma and Bob Vaughan presented the preliminary Kalkin Hall expansion project. This project will be 100% privately funded, and the design will create experiential learning space, including areas for networking, presenting and working collaboratively, plus the creation of a 69 seat case method classroom, two 35 seat classrooms, student breakout rooms and more. A total of an additional 23,000 sq ft. EPIR was concerned about this expansion occurring in tandem with the STEM complex, however, it is unclear when the Kalkin project would be slated to begin since it still is in the early stages.

Bob Vaughn provided details on the Billings renovation including designs, scheduled to begin August of 2015. Special Collections, the Holocaust Studies program, digital archives and Studies on Vermont are set to be located in Billings. Copies of the designs can be found online in the Trustee Boardbook. The full renovation will go on for a few years as they preserve the architectural significance of the building while creating more functional space. The Project Program Plan for Kalkin Hall expansion and Initial Project Design for Billings Library renovation were both approved by EPIR.

Cathy Paris, Chair of the Faculty Senate Curricular Affairs Committee reported that the committee tends to be quiet this time of year with no proposals for changes in academic programs.

The Resolution Accepting Gift of Real Estate was approved. The Gift of Real Estate was a gift from the Maeck family which included a substantial cash gift and real estate property. The gift will fund the John Van Sicklen Maeck Chair in the Department of Obstetrics, Gynecology and Reproductive Science. Additionally, the Resolution Approving Amendments to Committee Charge was also approved approved. The Charge of EPIR has not changed, although some of the language needed to be updated due to the creation of the Foundation and the BFI subcommittee.
The new Vice President for Research (and former EPIR Faculty Representative) Dr. Richard Galbraith shared his vision for research at UVM through Academic Excellence Goal #6 – *Increase Research and Scholarship in areas that generate high impact recognition, and visibility.* Dr. Galbraith discussed the various levels of the impact of research: local, national, individual professional careers, society etc. His presentation included information on the current funding sources, and emphasized the need for extramural funding and rebalancing the research funding portfolio. The focus will be to go after corporate funding since government funding continues to dwindle, and aggressive interaction with the foundation. When asked about the biggest barrier to research, Dr. Galbraith indicated that increasing regulatory burdens.

EPIR Chair Botzow reviewed the EPIR work plan and solicited input on topics that are perhaps being overlooked. Provost Rosowsky added discussing comprehensive marketing to the EPIR work plan, so we can continue to get the word out about why UVM is a University of choice. The committee was in agreement. Marketing was added to the workplan and the meeting was then adjourned.

Respectfully Submitted,

Amanda McIntire, Human Resource Services
Cathy Rahill, Athletics

Staff Representatives to the EPIR Committee