This time last year, Staff Council prepared to engage University of Vermont employees in focus groups to hear experiences and identify current concerns. One of the most important outcomes of this effort was the recognition that in our decentralized workplace, there are widespread misunderstandings about policies and procedures. Furthermore, many staff members lack information on where and how to get questions answered. This fall, Staff Council Leadership has been engaged in planning strategies to help spread information and create community at the University of Vermont, and our first contribution to this effort is currently in the assessment stage.

We envision this program – tentatively entitled “Jumpstart” – to involve following up with newly hired staff within approximately six months of their hiring. At Jumpstart events – held three to four times per year - staff would have the opportunity to ask questions that had arisen after they’ve started in their new positions, connect with others in similar positions across departments, and learn information about community service and engagement beyond what is able to be shared at orientation. We hope such a program would not only provide functional growth to individuals in their roles, but also help grow and strengthen our university community. We are currently conducting outreach of those hired within the last calendar year to help us develop this program to ensure that it will be a positive and beneficial experience for the staff we serve.

This has been a great semester for increasing staff engagement in other ways, as Staff Council has been asked to participate in both the IBB 2.0 and NEASC Accreditation initiatives. Inclusion in initiatives like these allows staff to share valuable insight, but also to engage in continual and ongoing learning about our institution. The more information we have, the more we can all work together to improve our workplace.

As we await the beginning of the compensation and budget news for FY19, we anticipate the financial constraints that are a part of higher education all across the nation and we are beginning to consider what else may be possible to improve staff benefits and staff wellbeing. We appreciate all the efforts to provide staff fair and adequate compensation, and Staff Council is committed to working with the administration to continuously show and remind staff that they are valued and appreciated. Along with ideas from Staff Council Leadership, the Compensation, Benefits and Budget Committee is planning staff outreach throughout the spring semester to share little-known benefits and programs for parents on staff here at UVM, and to learn more about potential unmet needs among this and other staff populations.
Lastly, Staff Council recently submitted recommendations to administrators regarding the parking and commuting needs of the university community. We deeply appreciate the efforts of Transportation and Parking to balance the need for sustainable, environmentally responsible solutions with the needs of our commuting population, including the electric bike program that will be starting soon. However, aside from parking infrastructure improvements, we intend to continue to stress the need to reassess and publicize policies that support alternative commuting and public transit, such as the ability to arrange a flexible schedule. With the continual growth and change of our campus, we hope commuting is something that can be included in the strategic plan soon.
Staff Representative Report
Board of Trustees – Budget, Finance and Investment Committee
Friday, February 2, 2018
Prepared by Sonya Stern

- DEBT POLICY AND RATIO ANNUAL REVIEW
As required by the Debt Policy, Controller Burlingham reviewed the debt burden and viability ratios. The University’s viability ratio is currently 0.60 as contrasted with the policy benchmark of .8. This is primarily due to the GASB 45 liability. Without this factor, the University viability ratio would be 1.01. The Debt Policy also states that the institution’s debt burden ratio will not be greater than 5.75%, and that by 2023 it will not be greater than 5%. The debt ratio is currently 5.25% and therefore in compliance with the current policy requirements.

The Committee voted unanimously to reaffirm the Debt Policy appearing as Appendix A in Committee materials for recommendation to the full Board.

These ratios are critical for financial health of the University. All public entities in the US will be in the same situation – having liability amount grow drastically once GASB 45 is in effect. Financial institutions are aware of the change, and UVM does not anticipate seeing negative results when post-retirement medical benefits liability are added into the calculations.

- REPORT OF THE INVESTMENT SUBCOMMITTEE
As of December 31, 2017, the value of the University’s pooled endowment is $528 million. The markets in FY 2017 have seen growth, causing the endowment to end the year stronger than expected.

Last year was a good year for investment results across the country “2017 an historic year for global equities.” At the same time, UVM’s investments did not meet the benchmark – measured as Average Annual Compound Return of UVM Total Portfolio vs. the Target Benchmark. Even so, the endowment is in good shaper right now.

- FUNDRAISING UPDATE ON CAPITAL PROJECTS
UVM Foundation CEO Shane Jacobson updated the Committee on the progress in fundraising. In regard to Ifshin Hall, of the $11.0 million non-debt goal and total project cost, $8.1 million has been committed as of December 31, 2017.

The STEM facility will be funded by a mix of private gifts and non-debt funding. As of December 31, 2017, the Foundation had commitments and receipts totaling $10.5 million for this project. The remaining non-debt goal is $15.5 million and the donor pipeline is still robust.

Fundraising efforts are going well. Total is around $470M.
• **VICE PRESIDENT’S REPORT**

The first quarter general fund budget to actuals report indicates that 45% of budgeted revenue has been received and 29% of budgeted expenses have been expended. The budget is on track to end the year with a modest positive fund balance.

*Undergraduate net tuition is forecasted to end the year short by $1.8M plus or minus $1.0M because more financial aid went to new and returning students. In terms of expenses, the biggest cost driver continues to be salaries and benefits.*

• **NET ASSETS ANNUAL REVIEW INCLUDING GREEN REVOLVING LOAN FUND**

The University Net Assets totaled $225.2 million at the end of FY 2017. In keeping with the amendments to the Cash Management Policy, the unencumbered unrestricted liquidity pool exceeds $30 million by $7 million.

In regards to the $13 million Green Revolving Loan Fund, the University has committed $712,481.00 and received $239,564.00 in rebates from the utility companies for a net cost of $472,917.00. In addition, Committee members were reminded that the Board approved using $3 million of the Fund to help finance the Chiller Plan Expansion.

• **ANNUAL STRATEGIC FINANCIAL PLAN UPDATE**

The Division of Finance leadership worked with consultants from Kaufman Hall to develop a strategic financial plan model that assists the administration and the trustees in analyzing the University’s financial condition and the impact of any proposals for future projects that require funding. Vice President Cate gave a presentation that explained a base case scenario and offered a long-term strategy option.

*Vice President Cate went over various scenarios and resulting financial metrics directly affected by the scenarios vs. “target” financial metrics which rating agencies use for institutions: operating margin, operating cash flow, and debt service to operations ratios.*

*Variables that impact financial metrics included in the strategic model include: annual pay raises (base scenario assumed 2%), enrollment growth (base scenario assumed enrollment going from 10,300 to 10,500 in 2020), growth in student credit hours (base scenario assumed 3% annual increase), level of staffing for faculty and staff (base scenario assumed zero growth), and change in the amount of debt (base scenario assumed zero growth). Looking as the base scenario as described here, UVM’s financial ratios looked good vs. our financial targets.*

*Any change in pay raises beyond 2% was shown in the strategic model to have significant impact to operating margin and operating cash flow.*

*Vice President Cate’s summary was that any salary increase beyond 2% will result in declining operating margin and operating cash flow; UVM needs to diversify and grow student credit hours (graduate, non-degree, summer programs, and online offerings);*
undergraduate enrollment growth and cost containment/avoidance are essential to meeting the goals of affordability and enhanced educational quality. UVM needs to implement strategies that result in continuous revenue growth while meeting affordability goals.

- **FY 2019 BUDGET**

  Budget Director Citarella outlined the draft assumptions for the FY 2019 budget.

  This year, the SGA is proposing an increase of $10.00, an increase of 4.9%, to accommodate salary and benefits and an increase in club funding. The maximum proposed comprehensive student fee, excluding the SGA and IRA fees, reflects a 4.6% increase. This year, a fee for the City of Burlington Capital Projects, was added to cover the new payment that the University is making to the City of Burlington. There are a few components of the comprehensive fee for which the proposed increases are over 3.0% for FY 2019: the Center for Academic Success, Library Facilities and Career Center. While these increases are substantially above inflation in this particular year, their increases in the past years have been marginal.

  The Committee voted unanimously to approve the resolution setting the Comprehensive Fee, SGA, and IRA Fees for fiscal year 2018 for recommendation to the full Board.

  *Looking at tuition and fees for 2017-2018 academic year with the comparative institution set that UVM utilizes (our cohort), UVM s in the middle-low end of private institutions and at the high end for public institutions, limiting our ability to increase these. Therefore, it is important to contain costs.*

- **SHORT-TERM BORROWING FOR DEFERRED MAINTENANCE**

  In accordance with the deferred maintenance plan that was presented at the February 2017 BFI meeting, the administration requested authority to borrow $4.0 million for FY 2019 (some projects will begin in FY 2018).

  The Committee voted unanimously to approve the resolution authorizing $4.0 million of short-term borrowing for deferred maintenance projects that will be completed during FY 2018 and FY 2019 as presented in the revised consent agenda distributed at the meeting.

- **EXPENDITURES FOR MULTIPURPOSE CENTER PROJECT DESIGN DEVELOPMENT AND PERMITS**

  The administration recommended funding for the next phase of the Multipurpose Center project development work and permitting. The first phase includes the completion of design development and the initial permit applications. The estimated cost of phase one is $1.5 million, which will be funded by the remainder of the cash receipts and pledges that the Foundation has received to date. The funding for the second phase would pay for the other components described above and would amount to $2.0 million.
The Committee voted unanimously to approve the resolution authorizing $1.5 million of expenditures for the Multipurpose project design development and permits as presented in the revised consent agenda distributed at the meeting.

- **BILLINGS BUILDING ENVELOPE RESTORATION**
The Committee authorized the funding for the Billings Building Envelope Restoration Project. The estimated cost of the project is $3.0 million, which will be drawn from unrestricted deferred maintenance funds that currently exist in the Physical Plant budget.  

  *The original estimate was $2M, this has grown to $3M as many areas requiring focus were discovered during the initial restoration stage.*

- **TORREY BUILDING ENVELOPE RESTORATION**
The Committee authorized the funding for the Torrey Building Envelope Restoration Project. The estimated cost of the project is $2.9 million, which will be drawn from unrestricted deferred maintenance funds that currently exist in the Physical Plant budget.
As a new staff representative to the EPIR committee, it seems I have joined at a prime time as the committee endeavors to move beyond routine business to engage in dialogue to better understanding how we can further institutional goals.

With minimal discussion on reports from:

- Provost Rosowski – a review of his Across the Green memo
- Wanda Heading-Grant, VP for Human Resources, Diversity & Multicultural Affairs
- Annie Stevens, Vice Provost for Student Life
- Bob Vaughan, Director of Capital Planning and Management – a Capital Projects Progress Report and two building resolution approvals:
  - Billings Building Envelope Restoration
  - Torrey Building Envelope Restoration

The committee enjoyed having time to discuss “UVM’s place in the current landscape of challenges and opportunities facing American Higher Education.” Challenged by increasing costs of education paired with diminishing public support, the committee is interested in how we accurately understand and better articulate our academic excellence. Tying back to ongoing assessment efforts (informed by the NEASC accreditation process), the committee sees real value in using assessment feedback to inform program design AND to better market the academic strengths of the University. At the end of the meeting we heard about the remarkable work Donna Rizzo and her team are doing at the Gund Institute to further Academic Excellence Goal 4: *Increase interdisciplinary teaching, research and scholarship*. There was some conversation on spending more time on these Academic Excellence Goals as addressing just one at each meeting may be insufficient given the aforementioned conversation. Intentions to better engage graduate students in the UVM community also came up.

Efforts to assess General Education learning outcomes are now in their second year. Associate Provost for Teaching and Learning Brian Reed reported that “good progress has been made toward assessing the outcomes.” The results will be made public on the new webpages (coming online very soon) designed to help students navigate their Gen Ed requirements. Committee members, especially student representatives, expressed excited approval of the new website.

Faculty Senate Curricular Affairs Committee Chair Laura Almstead ushered through a number of new programs. The committee passed resolutions approving the creation of:

- MS in Biomedical Engineering in the Graduate College
- MS in Engineering Management in the Graduate College
- PhD in Complex Systems and Data Science in the Graduate College
• BA Major and a Minor in Health and Society in the College of Arts and Sciences
• Master of Professional Studies and a Master of Professional Studies in Leadership for Sustainability in the Graduate College
• Certificates in Integrative Health Care in the College of Nursing and Health Sciences and in Continuing and Distance Education

And the termination of the Certificate of Graduate Study in Sustainable Transportation Systems and Planning in the Graduate College and Reaffirming the Equal Opportunity Policy Statements.