

## **Annual Report of the Financial and Physical Planning Committee for 2024-2025**

Submitted by Guillermo Rodríguez, Chair

Membership of the FPPC in AY 24-25: Thomas Borchert (Senate President, CAS); Guillermo Rodríguez (CAS) Chair; Jane Knodell (CAS); Andrey Ukhov (GSB); Maureen Neumann (CESS); Lizzy Pope (CALS); Greg Rowangould (CEMS); Eric Roy (RSENr); Daniel DeSanto (Libraries); James Wolf (LCOM); Lisa McGee (LCOM); Krista Shea (CNHS); Chloe Elkortl (SGA).

The Committee is staffed by Tiera Porter. We extend our sincere appreciation for her continued service and support.

### **Activities of the FPPC in 2024-2025:**

The Financial and Physical Planning Committee (FPPC) engaged in a wide array of critical discussions and information-gathering activities throughout the 2024-2025 academic year, focusing on the University's financial stability, strategic planning, and the effective utilization of its resources. Building upon the priorities identified at the beginning of the academic year, the committee addressed several key areas, often in close liaison with administrative offices such as the Provost's office and the Vice President for Finance.

**Budget Planning and Financial Health:** A significant portion of the committee's work centered on the University's budget planning for FY26 and beyond. The FPPC received regular updates from Richard Cate, Vice President for Finance and Administration, and Shari Bergquist, University Budget Director. Discussions included the imperative for all units to submit plans for base budget reductions of 1%, 2%, and 3% to enhance efficiency and ROI. The committee noted the increased full-time active employee fringe rate of 55.5% for FY26, a substantial increase from the FY25 rate. Revenue generation strategies being implemented by Enrollment Management, the Graduate College, and PACE were also reviewed. The committee learned that reduction decisions would be based on a rubric emphasizing efficiency and ROI improvements. Furthermore, the committee examined the FY26-28 budget planning assumptions, including the use of reserves in FY26, the goal of structural balance in subsequent years, potential tuition increases, enrollment projections, and anticipated state appropriations. Revenue and expense projections for FY26-FY28 were also presented and discussed.

**Facilities and Administrative Costs (F&A):** The committee engaged in a detailed discussion on Facilities & Administrative (F&A) costs, with a presentation from Kirk Dombrowski, VP of Research. The presentation covered FY24 research funding, the definition and history of F&A at UVM, the causes and consequences of effective F&A, and the actual impacts at the university. The committee explored why effective F&A rates were lower than posted rates and the reasons for variation across colleges. The process of how F&A is awarded and utilized within the University, including the portion allocated to the Office of Research, was also examined.

**Graduate College Growth:** Dean Holger Hoock of the Graduate College presented the university's strategic plan to grow graduate enrollment through student success, research impact, and the land grant mission. The committee discussed the potential for online programs, housing implications for increased enrollment, student funding, and collaborations with the UVM Foundation for philanthropic support.

**University Athletics:** The budgetary status and operations of UVM Athletics were a topic of significant interest for the committee. Jeff Schulman, Athletic Director, provided a comprehensive update. Discussions encompassed the unique position of UVM Athletics as the only D1 program in Vermont, athletic achievements, student-athlete academic performance, the role of club sports, the impact of Name Image and Likeness (NIL) regulations, budget allocation, revenue generation in various sports, community engagement, and strategies to increase spectator attendance. The committee also learned that Athletics faced the same budget reduction targets as other support centers.

**FPPC Operating Procedures:** The committee dedicated time to reviewing and formally approving its operating procedures, ensuring they align with the Faculty Senate Bylaws and facilitate effective functioning.

**Federal Administration Concerns:** The committee briefly discussed potential impacts of federal policies on the University, including gainful employment policies, the potential taxation of university endowments, issues related to immigration and international students, the implications of AI, increased scrutiny of non-STEM programs, risks associated with student loan repayment, and federally funded Open Access initiatives.

**Other Issues:** The committee also touched upon topics such as deferred maintenance, the role of the UVM Foundation, rising healthcare costs and the University's approach to managing them, and local issues like the Burlington vacancy rate bill.

Throughout the academic year, the FPPC served as a forum for faculty input on financial and physical planning matters, striving to ensure that the University's budget and resource allocation align with its academic and strategic priorities.