BUDGET, FINANCE AND INVESTMENT COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, May 15, 2026, at 1:00 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Kristina Pisanelli, Vice Chair Susan Brengle, Cindy Barnhart, Scott Beck[1], Frank Cioffi, Shannon Deegan, R. Stanton Dodge, Don McCree, Ed Pagano, Shap Smith, Catherine Toll, and President Marlene Tromp

REPRESENTATIVES PRESENT: Faculty Representatives Guillermo Rodriguez and Andrey Ukhov, Foundation Representative Bob Plante[2], Alumni Representative Sophie Meyer[3], Staff Representatives Kunie Renaud and Sue Lalumiere, and Graduate Student Representative Frederick Pesek

PERSONS ALSO PARTICIPATING: Vice President for Finance, Administration and Human Resources Alicia Estey, University Budget Director Shari Bergquist, and University Controller Lindsey Donovan

ABSENT: Trustee Carol Ode, Student Representatives Eloise Murphy and Madeline Rice, and Graduate Student Representative Saba Rafiei

[1] Joined the meeting at 1:34 p.m.
[2] Joined the meeting via remote conferencing at 1:31 p.m.
[3] Joined the meeting via remote conferencing.

Chair Kristina Pisanelli called the meeting to order at 1:05 p.m. She welcomed new trustee Shannon Deegan, staff representative Sue Lalumiere, and graduate student representative Saba Rafiei to the committee, and acknowledged remote attendees. She also offered hearty congratulations to Graduate Student Representative Teddy Pesek on his graduation and thanked him for his service.

Approval of minutes

A motion was made, seconded, and voted to approve the minutes of the February 6, 2026 meeting.

Report of the University of Vermont Investment Management Company (UVIMCO)

UVM Trustee and UVIMCO member Sue Brengle provided an update on the university's financial position. She reported that the long-term investment pool continues to perform solidly against its objectives despite escalating geo-political and inflation pressure. The pool is broadly diversified and liquid with 75% of assets available within one quarter. The core mandate remains to meet the university's spending needs while supporting long-term growth. As of March 31, 2026, the pool stands at $943 million, a decrease from the prior quarter.

University Controller Lindsey Donovan introduced a resolution to approve a new Investment Policy Statement that consolidates prior endowment-related policies into one governing document and authorizes phased implementation by July 1, 2028. The policy standardizes investment language for both the University of Vermont Foundation and for University of Vermont and clarifies responsibilities around standard of care, investment oversight, investment management, and performance. The policy was drafted by the University of Vermont Investment Management Company's Board of Managers and was endorsed by the UVM Foundation Board of Directors on April 17, 2026.

He also explained that the reaffirmation of the Investment of Endowment Cash Policy allows continuing authority for the Vice President for Finance and Treasurer to invest and withdraw endowment cash in short-term vehicles.

Lastly, Controller Donovan mentioned the resolution to continue the appointment of Sue Brengle on the UVIMCO Board of Managers as a representative of the University. Her second term will extend her through June 30, 2031.

Chair Pisanelli presented the following resolutions for the committee's consideration.

> **Resolution adopting new Investment Policy Statement and authorizing implementation**
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> WHEREAS, the Board of Trustees adopted a Statement of Investment Policies and Objectives, in February 2011 governing the University of Vermont's Long-Term Investment Pool, including the Endowment Fund; and
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> WHEREAS, on February 11, 2023, the Board authorized the creation of the University of Vermont Investment Management Company ("UVIMCO") to manage the combined endowment assets of the University and the UVM Foundation; and

WHEREAS, on January 30, 2024, the University and UVIMCO executed an Investment Management Agreement protecting the University's interests; and

WHEREAS, on April 17, 2026, the UVM Foundation Board of Directors endorsed a new Investment Policy Statement recommended by UVIMCO; and

WHEREAS, provisions of the prior Statement of Investment Policies and Objectives, Endowment Budget Policy, Endowment Administration Fee Policy, Investment Policy & Objectives for the Planned Giving Program, Proxy Votes and Shareholder Resolutions Procedures, Resolution on Socially Responsible Investing, and Underwater Endowment Guidelines, have been fully incorporated into the new Investment Policy Statement, rendering those policies unnecessary; and

WHEREAS the Vice President of Finance and Administration recommends a phased implementation to accommodate system changes and minimize disruption to endowment spending distributions;

BE IT RESOLVED, that the Budget, Finance & Investment Committee recommends that the Board of Trustees adopt the new Investment Policy Statement, appearing as Appendix A to this document; and

BE IT FINALLY RESOLVED, that the Vice President for Finance and Administration is authorized to implement the Investment Policy Statement no later than fiscal year beginning July, 1 2028.

Resolution to reaffirm the Investment of Endowment Cash Policy

WHEREAS, on May 18, 2019, the Board of Trustees adopted the *Investment of Endowment Cash Policy* as follows:

BE IT RESOLVED, that the Vice President for Finance and Treasurer be authorized to invest and withdraw Endowment cash in a money market or a short-term bond fund to maximize investment return and meet Endowment needs; and

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board of Trustees reaffirms the Investment of Endowment Cash Policy.

Adopted by: *Board of Trustees – May 18, 2019*
Reaffirmed by: *Board of Trustees – May 15, 2020*
Board of Trustees – June 4, 2021
Board of Trustees – May 21, 2022
Board of Trustees – May 20, 2023
Board of Trustees – May 18, 2024
Board of Trustees – May 16, 2025
Board of Trustees -

Resolution approving appointment to the University of Vermont Investment Management Company ("UVIMCO") Board of Managers

WHEREAS, on February 11, 2023, the Board of Trustees authorized an engagement with University of Vermont Investment Management Company ("UVIMCO"), an investment subsidiary company of UVM Foundation, to oversee and manage the combined endowment assets of the University and UVM Foundation; and

WHEREAS the Operating Agreement for UVIMCO requires an eleven-member Board of Managers, four classified members who shall be appointed by UVM Foundation's Board of Directors, three classified members who shall be appointed by the University of Vermont Board of Trustees, and four ex officio members being the University's President, the University's Budget, Finance and Investment Committee Chair, UVM Foundation's President and CEO, and UVM Foundation's Finance and Investment Committee Chair; and

WHEREAS, on May 20, 2023, the Board of Trustees appointed the following individuals to the UVIMCO Board of Managers: Sue Brengle, with an initial term expiring on June 30, 2026; Don McCree, with an initial term expiring on June 30, 2027; and David Daigle, with an initial term expiring on June 30, 2028;

BE IT RESOLVED that the Board of Trustees appoints Sue Brengle to the UVIMCO Board of Managers for a second term expiring June 30, 2031.

An opportunity for discussion was offered. There being none, a motion was made, seconded, and it was unanimously voted to refer the resolutions to the Board for approval.

Vice President's Report

Vice President Estey reminded members that her report was submitted in the materials as attachment 4. She highlighted the Multipurpose Center project, noting

that the administration is conducting preliminary outreach to the original contractors to refine and revalidate cost estimates, building codes and project scope.

Regarding capital projects, she emphasized the importance of strategic investment in UVM's infrastructure to address deferred maintenance and protect the university's assets.

Fiscal year 2027 budget

Vice President Estey reiterated her message that the FY27 general fund budget is being developed under significant financial pressure, driven primarily by an anticipated decline in undergraduate enrollment, constrained revenue growth, and rising operating costs.

These challenges reflect broader national trends in higher education, including the demographic cliff, reduced international enrollment, and more aggressive recruitment and financial aid competition among universities. UVM is continuing summer efforts to improve student yield through targeted outreach, counselor engagement, and strategic financial aid, but the budget must remain flexible until final enrollment numbers are known.

At the same time, the university's cost structure is not shrinking in parallel with revenues. Core expenses – including compensation, benefits, utilities, and essential operations – continue to rise, creating a structural imbalance between recurring revenues and recurring expenses. Vice President Estey stressed that one-time funding can help in the short term, but it cannot solve the longer-term financial gap.

In response, the administration is pursuing a multi-pronged strategy that includes reducing general fund expenses, slowing spending, requiring multi-year deficit correction plans in academic units, reviewing support unit operations for restructuring or consolidation, and considering selective property divestment where assets do not directly support the academic mission. The administration is also working on broader cost pressures such as healthcare expenses through measures aimed at improving access and reducing higher-cost care utilization.

The FY27 budget will likely require some use of one-time funds, including the tuition stabilization fund, as a temporary bridge while longer-term structural changes are implemented. The proposed budget is intended to preserve flexibility while allowing the university to continue refining its financial plan amid uncertain enrollment and cost conditions.

University Budget Director Shari Bergquist presented the FY27 budget and reviewed the key drivers of change impacting its development thus far.

Revenue assumptions include:

- 2% in-state tuition increase, and 4.5% out-of-state tuition increase
- Enrollment projections: 7.2% decrease
- Facilities & Administration (F&A): 2.2% decrease
- State appropriation: 3% increase
- Operating investment income and unrestricted gifts/endowments: 0% increase

Expense assumptions include:

- Salaries and fringe benefits: decrease of 3.3%
    - Reduction has to do with the fringe rate reduction. All salaries have been incremented according to active collective bargaining unit agreements.
- Operating budgets: increase of 5.5%
- Utilities: increase of 4.3%
- Physical Plant: increase of 9.9%
- Insurance: increase of 14.7%
- Debt Repayment: decrease of 14.1%

She outlined actions already taken to address the gap, including $7.1 million in administrative reductions, an essential hiring pause, debt refinancing, and strategic use of gifts and endowments, with an additional $12 million in reductions still in progress. She emphasized the need for strong governance, regular budget monitoring, transparent decision-making, and multi-year financial planning.

Chair Pisanelli presented the following resolution:

> **Resolution approving fiscal year 2027 budget planning assumptions: general fund**
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> BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2027, which lead to a general fund operating expense budget for the University of $457,328,289 and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

A motion was made, seconded, and it was unanimously voted to refer the resolution to the Board for approval.

At 1:50 p.m., Chair Pisanelli entertained a motion to go into executive session to discuss contracts. She noted the session is expected to last approximately 10 minutes and no action is anticipated following.

Everyone was excused from the meeting except Trustees, Vice Presidents Alicia Estey and Sharon Reich Paulsen, Deputy General Counsel John Collins, Chief of Staff to the President Jonathan D'Amore, and Chief Marketing and Communications Officer Lauren Griswold.

The meeting was re-opened to the public at 2:05 p.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Kristina Pisanelli, Chair