



FACULTY SENATE

Financial & Physical Planning Committee

May 6, 2019 2:00 – 3:30 pm
Waterman 427A

Minutes

Present: Steven Ades (COM), Andrew Barnaby (CAS), Bryan Dague (CESS), Terri Donovan (RSENr), Laura Gewissler (LIB), Timothy Higgins (LCOM), Cathy Paris (Faculty Senate President), Don Ross (CALs), Jianke Yang (CEMS).

Absent: Teresa Cahill-Griffin (CNHS), Jackie Gillen (GSS), Joel Goldberg (CAS), Charlotte Mailing (SGA), Joanne Pencak (GSB)

Guests: Thomas Chittenden (Faculty Senate President Elect)

The meeting was called to order by chair Ross at 2:10 pm in Waterman 427a.

- 1. Approval of April minutes.** The minutes of April 2019 were approved as written.
- 2. Motion on possible changes in Retirement Plan administrators.**

RETIREMENT SAVINGS PLAN ADMINISTRATOR SELECTION & FACULTY/STAFF CHOICE

May 6, 2019

For Consideration by the Financial & Physical Planning Committee of the Faculty Senate

WHEREAS reducing the number of record keepers to only one requires a substantial contingent of the UVM community to move their investments and creates switching burdens without perceivable benefits;

WHEREAS Fidelity and TIAA excel at complementary products within their respective categories; and

WHEREAS the existence of multiple record keepers gives UVM faculty and staff freedom to choose the record keeper most aligned with their individual saving strategies and retirement goals;

WHEREAS requiring individuals within the UVM community to move their retirement savings without choice to a single record keeper will generate distrust within the UVM community;

BE IT SO RESOLVED that the University of Vermont should retain both Fidelity and TIAA as record keepers for the UVM community.

The FPPC unanimously voted to endorse the motion on Retirement Savings Plan Administration Selection and Faculty / Staff Choice. The motion will be presented to the Executive Council of the Faculty Senate at their May 6th meeting to be included on the May 16th Faculty Senate meeting agenda.

- 3. Discussion on possible FPPC recommendations to new administration on IBB.** Don presented a draft to the committee for consideration. The committee had a discussion and any suggestions should be sent to Don via e-mail by May 16th. Once this document is finalized it will be sent to the President, Provost and Richard Cate.

[Something here about the positives of IBB and then bullet points of observations and concerns below]

1. The implementation of IBB in FY16 (or was it 15) set the responsibility centers' funding at roughly the same amount as the previous year ('hold harmless') via the apportionment of subvention funds. This makes sense but also created a starting point that did not necessarily reflect the current needs of each unit. Some may have been underfunded and some overfunded relative to their current status of enrollment and student credit hours (SCH) taught.
2. Similar to the above, the weighting SCH by unit in IBB 1.0 to no weighting in IBB 2.0 is being covered by subvention and funding still may not reflect actual teaching costs. While this is a reasonable approach, its limitations need to be recognized.
3. As anticipated, IBB has shifted more responsibility for financial planning to deans' offices. This should be accompanied by more inclusion of the unit assistant deans/budget managers in overall University planning. A budget advisory group that includes the business managers and enrollment management, along with the CFO and Budget Director, would greatly aid multiyear planning.
4. The facilities algorithm was not revised for IBB 2.0 and perhaps needs revisiting. Some units believe that they are overpaying or double-paying for suboptimal on-campus facilities and some off-campus facilities. Other units are in need of low-cost space (e.g. faculty offices) for expansion yet are not able to budget at the current square foot rate. In addition, there may be opportunities to actually incentivize savings by direct assessment of at least some of the utilities costs.
5. The cost centers deliver essential services to the academic units but the deans have little to no control over cost. Across-the-board budget cuts to costs centers may weaken some services to the point of harm. An administrative review system was implemented but apparently abandoned because of a lack of useful results. Some system needs to be established and the input of the responsibility centers needs to be a critical component.
6. One of the primary benefits of IBB is transparency yet subvention is still not clearly defined. Without clarity on subvention, IBB can be quite similar to the former incremental budget model. Subvention could be used to address inequalities that arise from shifts in SCH (see below). Regardless, subvention needs clear defining, clear criteria and continual updating.
7. One of the major current challenges of the IBB model is that it creates both a real and perceived competition among academic units. A good example of this is the increased undergraduate SCH in LCOM coupled with the decrease in SCH in CAS. These two may or may not be directly related but there is now an unnecessary and unhealthy friction that needs to be addressed. If the Wellness program is a 'signature' program that successfully attracts students and is allocated to the newest residence halls, then perhaps any associated shift in SCH among the units should be redressed through subvention. Perhaps the Educational Stewardship Committee needs more authority to address issues such as these.

4. Richard Cate on FY20 Budget.

- Budgeting responsibility has been removed from the Office of the Provost. It now resides with the President, and the VP of Finance. The Provost will focus on academics as the Chief Academic Officer. The IBB documents are in the process being moved to the Financial Analysis and Budgeting website.
- Currently the enrollment is higher than expected however until all the analysis is done it is hard to determine how this will impact the budget. Selectivity has not gone down UVM is receiving more applicants.
- The budget reductions will still be in place but they may not be as big as they originally anticipated.
- International students are generally going through Global Gateways Program and become transfer students.

5. New Business. Invite Dean Page from LCOM to a future meeting.

6. Adjourn 3:33pm