The UNIVERSITY of VERMONT

FACULTY SENATE

,

Financial & Physical Planning Committee
February 8, 2021 2:30 – 4:00 pm
Microsoft Teams

Minutes

Present: Terry Bradshaw (CALS), Chris Burns (Faculty Senate President), Terri Donovan (RSENR), Teresa Cahill-Griffin (CNHS), Tony Julianelle (CEMS), Jane Knodell (CAS), Paul Philbin (LIB), Guillermo Rodriguez (CAS), Cory Teuscher (LCOM), Haley Woodside-Jiron (CESS)

Absent: Andrey Ukhov (GSB), Pending (SGA), Pending (LCOM), Pending (GSS)

Guests: No guests at this meeting.

The meeting was called to order by chair Jane Knodell at 2:30pm via Microsoft Teams.

1. **Approval of December Minutes.** The minutes of January 2020 were approved as written.

2. **Questions for Provost Prelock and Richard Cate.** The FPPC presented these two questions to Provost Prelock via e-mail.
   a) In the interest of transparency and open dialogue, we think it would be great if you could share information about the Strategic Investment Fund with us. How big is this Fund now? What investments have you committed from this Fund? Are these grants or loans? What are the criteria you use to determine where and how to invest?
   b) We see that there is a University Resources Subgroup of the Reorganization Working Group. Would it be possible for this group to share its analysis of the financial impact of selected organizational models with the FPPC?

   The FPPC presented these two questions to Ricard Cate.

   a) It strikes many of us that the structural deficit that the IBB model attributes to CAS is driven in large part by the fall in the "value" of a student credit hour due to the pandemic-driven increased share of in-state students and the increased need for financial aid. Is this the case?
   b) More generally, what are the categories of expense that are growing faster than revenue at the University level, over the past 5 years and prospectively?

   Both Provost Prelock and VP of Finance Richard Cate were unable to attend the FPPC meeting to discuss the committee's questions. Provost Prelock provided her response by e-mail. Her response is below.

The Provost's strategic fund has an FY21 base budget allocation of $950,000. The funds are generally distributed as grants to the receiving unit. Very occasionally (perhaps twice in the last five years), funds are distributed as loans to help support new programs or select new hires with the promise of generating significant revenue either through increased enrollments or increased funded research activity.

Investment decisions are based on a number of variables. Chief among them is the extent to which a proposed investment will contribute to the university's strategic vision and ourAcademic Success Goals. I also consider the resources available within a unit, and the extent to which a proposal will advance a college/school's strategic plan; support student success and satisfaction; and contribute to innovation or entrepreneurship.

FY21 investments to date fall into 4 general categories:

1. **Teaching, learning and student success** including our support of the university laptop requirement, General Education and Assessment Fellows, instructional software, a spousal hire assigned to CAS in Political Science, portion of OTD request for investment (Total: $202,000);
2. **Knowledge creation** including geospatial technology support and geospatial faculty retention in RSENR, the CAS Humanities fellows and the CAS helium recovery system (Total: $188,000);
3. **Engagement** including the CESS CATCorps to support tutoring and education of UVM faculty and staff during COVID with possible expansion across the state ($87,000)
4. **Infrastructure** to support the Registrar's Banner parts of term so 8-week class sections could be established ($200,000)

The underlying factor in the CAS deficit is the decline in enrollment in the college over the past decade. The value of a student credit hour for FY 21 did decline because of increased demand for financial aid, but there are multiple factors. Key among them is that total financial aid need/demand increases every year regardless of whether tuition increases. As you know, UVM's tuition is very high, and we cannot increase it in the foreseeable future if we are to continue to attract high achieving students. When financial aid demand increases and tuition does not, the value of a student credit hour does, in fact, decline.

Wages and benefits are the two expense categories that have grown faster than revenue over the past five years. The challenge prospectively will be to keep growth of these expenses at no more than net revenue growth.

The FPPC discussed the reply from Provost Prelock and invited both Provost Prelock and Vice President Cate to attend the March meeting for further conversations. The below follow up questions have been provided by e-mail to Provost Prelock.

a) Re Strategic Investment Fund: Would it be possible to provide information on the size and allocation of this Fund for FY 16 – FY 20?

b) Would it be possible to get a presentation at our March meeting about the FY 21 IBB model and how things will change for individual colleges and schools in light of last week's announcement that net undergraduate tuition revenue in FY 21 will be higher than projected at the time the FY 21 budget was constructed? This will also serve as a useful reminder for committee members of the mechanics of IBB.

3. New Business. Please send any new agenda items to Jane.

The FPPC meeting was adjourned at 3:36pm. The next meeting of the FPPC will take place on March 1, 2021 via Microsoft Teams.