

**THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES**

BUDGET, FINANCE AND INVESTMENT COMMITTEE

Members: Chair Don McCree, Vice Chair John Dineen, President Suresh Garimella, Susan Brengle, Robert Brennan, Kevin Christie, Kisha Kalra, Ed Pagano, Shap Smith, and Catherine Toll

Representatives: Faculty Representatives Jane Knodell and Guillermo Rodriguez, Foundation Representative Bob Plante, Alumni Representative Myron Sopher, Staff Representatives Joshua Tyack and (vacant), Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives and Alison Hall and (vacant)

Friday, October 28, 2022

1:00 p.m. – 2:00 p.m.

Livak Ballroom (417-419), Dudley H. Davis Center

AGENDA

	Item	Enclosure	Discussion Leader(s)	Time
	Call to order			*1:00 p.m.
1.	Approval of May 20, 2022 meeting minutes	Attachment 1	Don McCree	1:00-1:02
2.	Fiscal year 2024 tuition & fees <ul style="list-style-type: none"> • Executive summary • Resolution approving tuition rates for fiscal year 2024 • Resolutions setting the comprehensive fees, student government association, inter residence association, and graduate student senate fees for fiscal year 2024 • Resolution approving continuous registration fee for graduate students for fiscal year 2024 • Resolution approving room and meal plan rates for fiscal year 2024 	Attachments 2 & 3	Richard Cate Shari Bergquist	1:02-1:32
3.	Resolution approving summer session tuition	Attachment 3	Richard Cate Shari Bergquist	1:32-1:35
4.	Report of the Investment Subcommittee <ul style="list-style-type: none"> • Endowment performance update • Resolution reaffirming the Endowment Budget Policy • Resolution approving revision to the Endowment Administrative Fee Policy 	Separate distribution Attachment 3 Attachment 3	Rob Brennan	1:35-1:50

	Item	Enclosure	Discussion Leader(s)	Time
5.	Vice President's report <ul style="list-style-type: none"> • External audit update • Dual enrollment update • Project updates • Resolution approving the transfer of the President's strategic initiatives fund assets into the strategic investment fund 	Attachment 4 Attachment 3	Richard Cate Claire Burlingham	1:50-1:55
6.	Other business**		Don McCree	1:55-2:00
	Motion to adjourn			2:00 p.m.

*Times are approximate.

** Executive session as needed.

**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 20, 2022 at 1:45 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree, Vice Chair John Dineen, President Suresh Garimella, Susan Brengle, Robert Brennan, Kevin Christie¹, Ed Pagano, Shap Smith and Catherine Toll

REPRESENTATIVES PRESENT: Alumni Representative Myron Sopher, Staff Representatives Joshua Tyack, and Renee Berteau

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate, University Budget Director Shari Bergquist, Facilities Management Executive Director Luce Hillman, University Controller Claire Burlingham, and incoming Financial & Physical Planning Committee co-chair Guillermo Rodriguez (on behalf of Faculty Representative Jane Knodell)

ABSENT: Trustee Kisha Kalra, Faculty Representatives Jane Knodell and Cory Teuscher, Foundation Representative Bob Plante, Student Representatives Evan Siegel and Lana Al-Namee, and Graduate Student Representatives Rosie Chapina and Alison Hall

¹ Participated by phone.

Chair Don McCree called the meeting to order at 1:45 p.m. He began by welcoming new committee members Sue Brengle, Kisha Kalra and Shap Smith. He thanked representatives Lana Al-Namee and Rosie Chapina for their service and offered congratulations on their pending graduation.

Approval of minutes

A motion was made, seconded and voted to approve the minutes of the February 4, 2022 meeting.

Fiscal Year 2023 Budget

Vice President for Finance & Administration Richard Cate and University Budget Director Bergquist reviewed the FY 2023 general fund budget, noting the key assumptions underlying the budget proposal include a flat tuition rate for the fourth year in a row, a \$250 reduction in the graduate comprehensive fee, salary and wage increases as per approved union contracts, and estimated allocations for contracts currently being negotiated.

The UVM Staff United bargaining unit voted in a contract today which included wages and benefits increases for its represented staff.

The Governor and the Legislature approved a \$10 million increase to UVM's state appropriation which is very much appreciated. A portion of this increase will be used to fund increased costs of salaries and benefits mentioned above, with the remainder being held in reserve for operations.

The deferred maintenance budget is the same as last year because of constrained resources. Due to needs all across the campus, the hope is to increase the budget in the future.

Current inflation has impacted the university's operating expenditures. The cost of many goods and services are fixed under existing contracts and so could be accurately budgeted, but such things as natural gas, gasoline, and some supplies and equipment are subject to change. Therefore, the administration will adjust the budget as needed to address increased costs beyond what has been budgeted.

Overall, the FY 2023 general fund budget projects a 6.2% increase in revenue and 6.2% growth in expenses, with a total of \$403,863,000.

The following resolution was presented to the committee for approval for recommendation to the board:

Resolution approving fiscal year 2023 budget planning assumptions: general fund

BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2023, which lead to a general fund operating expense budget for the University of \$403,863,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

A motion was made, seconded, and the resolution was unanimously approved as presented.

Members expressed an interest in a future discussion on the sustainability of keeping a flat tuition.

Report of the Investment Subcommittee (ISC)

Investment Subcommittee Chair Brennan referred committee members to the supplemental performance update report (sent under separate distribution) provided by Prime Buchholz, the university's investment advisor. He reported that the market value of the endowment as of March 31, 2022, was \$788.2 million, however, due to the volatility of the market since then, it stands at about \$740 million.

As recommended by the Investment Subcommittee, the committee was asked to reaffirm the Investment of Endowment Cash policy with no changes, and to reappoint Steven Grossman as advisor to the Investment Subcommittee for a one-year term.

The following resolutions were presented to the committee for approval for recommendation to the board:

Resolution reaffirming 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

WHEREAS, since its creation, the Investment Subcommittee has been charged with review of the policy, which it most recently reaffirmed on February 22, 2022;

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
Reaffirmed by: Board of Trustees – June 4, 2021
Reaffirmed by: Board of Trustees -

Resolution approving appointment of Investment Subcommittee Advisor

BE IT RESOLVED, that the Board of Trustees approves the reappointment of Steven Grossman as advisor to the Investment Subcommittee, for a one-year period commencing June 1, 2022, subject to the terms and conditions reported on this date.

A motion was made, seconded, and the resolutions were unanimously approved as presented.

Voluntary payment for services with the City of Burlington

A resolution recommending a three-year extension of the letter agreement with the City of Burlington for voluntary payment for services, such as fire services, was presented to the committee for approval for recommendation to the board:

Resolution approving extension of the voluntary payment for services letter agreement with the City of Burlington

WHEREAS, on September 8, 2007, the Board of Trustees authorized the administration to enter into a letter agreement with the City of Burlington regarding a voluntary payment for services;

WHEREAS, the Board has since then approved extensions of the voluntary payment for services letter agreement;

WHEREAS, the current Letter of Agreement (“the Agreement”) for the voluntary payment of services, entered into in June of 2019, has been extended once and is set to expire on June 30, 2022;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves extension of the Agreement for an additional three-year period on the same terms and conditions, expiring on June 30, 2025, with a total payment to the City in the aggregate not to exceed \$4,500,000 for the three-year term of the agreement, and authorizes the Vice President for Finance and Administration, or his successor or designee, to negotiate and execute an amendment to the Agreement to so extend its term.

A motion was made, seconded, and the resolution was unanimously approved as presented.

AstroTurf Corporation

Vice President Cate explained that the amount to exceed of a contract to replace turf on the Moulton Winder field hockey field is over \$1,000,000, therefore requiring Board approval.

The following resolution was presented to the committee for approval for recommendation to the board:

Resolution approving contract with AstroTurf Corporation

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to enter into a contract with AstroTurf Corporation for the turf replacement of the Moulton Winder Field from May 2, 2022 through November 30, 2022, for an amount not to exceed \$1,700,000.

A motion was made, seconded, and the resolution was unanimously approved as presented.

Hills Agricultural Science Building renovation project expenditure

Facilities Management Executive Director Hillman outlined the project scope of the Hills building renovation as reviewed and endorsed by the Education Policy & Institutional Resources Committee. This will be a complete renovation that adheres to historic preservation codes, with a completion date of August 2023.

USDA Agricultural Research Service (ARS) scientists will share this space with UVM scientists and students, collaborating on research projects. Federal funds from ARS, combined with a \$10 million grant from another federal source, will be used to pay the majority of the \$32 million construction cost. Reserves previously designated for deferred maintenance and facilities projects will fund the remainder.

The following resolution was presented to the committee for approval for recommendation to the board:

Resolution authorizing Hills Agricultural Science Building renovation project expenditures

WHEREAS, on June 4, 2021, the Board of Trustees authorized the administration to negotiate and execute a lease with a term of up to ten years with the United States Government, USDA, Agricultural Research Service for use of office and lab space for the establishment of a Food Systems Research Center at the Hills Building; and

WHEREAS, on April 13, 2022, the administration reviewed with the Executive Committee the scope of the federal funding that has been acquired to fully renovate the Hills Building to house the Food Systems Research Center and a new Institute;

THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends to the Board that it authorize total Project expenditures of up to \$32,000,000 to fund the Hills Building Project; and

BE IT FURTHER RESOLVED, that the funding for the Project expenditures referenced above be drawn from a combination of federal grants, the lease with the Agricultural Research Service, and university reserves allocated for deferred maintenance projects.

A motion was made, seconded, and the resolution was unanimously approved as presented.

Other business

Vice President Cate reminded the committee that annual updates on the capital project pre-funding account and the net tuition stabilization fund were submitted in his Vice President's report included as attachment 5 in the meeting materials.

Adjournment

There being no further business, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,

Don McCree, Chair

Fiscal Year 2024 Tuition and Fees
Executive Summary

October 28, 2022

Board of Trustees
Budget, Finance and Investment Committee

Prepared By
Richard H. Cate, Vice President for Finance and Administration

University Budget Director Shari Bergquist will present the proposed tuition and fee rates for the 2023-24 academic year, including summer tuition. The administration is again recommending no increases in tuition and fees for academic year 2023-24.

If approved, 2023-24 would mark the fifth consecutive year of frozen tuition and comprehensive fee rates. Over that same period, UVM has additionally provided a small decrease in tuition for Vermonters and in the graduate comprehensive fee. The proposal rates for 2023-34 also includes a fourth year of frozen room and board fees for residential students.

The administration believes maintaining level rates for tuition and fees is essential to our land grant mission of maintaining an affordable and accessible education to Vermonters and students throughout the nation and world, and has determined that doing so is feasible while facing a challenging environment of cost inflation.

A \$10,000,000 increase in the state appropriation contributes greatly to our ability to keep tuition and fees flat in the coming year, but diligence in the area of controlling costs has been a major factor as well. Some multi-million-dollar examples of this include:

- Refinancing multiple debt issues to reduce interest costs
- Renegotiating contracts with vendors during the pandemic
- Renegotiating prescription drug agreements to reduce costs for both UVM and its employees without any decrease in accessibility of drugs or the level of benefits provided
- Reducing costs yet increasing benefit levels for retirees by moving to a Medicare Advantage Plan
- Reducing administrative unit operating budgets

Inflation will continue to pose a challenge in the foreseeable future. However, our review of expense data – much based on existing contracts that extend through FY 24 – and early enrollment projections provide confidence in our ability to present a balanced budget in May based on the tuition and fee rates that are being proposed here.

BUDGET, FINANCE & INVESTMENT COMMITTEE**October 28, 2022****Resolution approving tuition rates for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees hereby approves the following tuition rates effective with the 2023-2024 academic year. These are the same rates as those charged beginning with the 2019-2020 academic year, except for the 2022-2023 academic year when in-state tuition was further reduced by \$112.

In-state tuition \$16,280 per year, or \$678 per credit hour.

Out-of-state tuition \$41,280 per year, or \$1,720 per credit hour.

Medical student in-state tuition \$37,070 per year.

Medical student out-of-state tuition \$64,170 per year.

Resolution setting the undergraduate comprehensive fee, student government association and inter residence association fees for fiscal year 2024

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates for undergraduate students:

Undergraduate comprehensive fee	\$2,388
Student Government Association (SGA) fee	\$222
Inter Residence Association (IRA) fee	\$30

Resolution setting the graduate comprehensive fee for fiscal year 2024

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates for full-time graduate students:

Graduate comprehensive fee	\$2,036
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Resolution approving graduate student senate fee for fiscal year 2024

BE IT RESOLVED, that the Board of Trustees sets the following rates for the graduate student senate fee:

Less than 5 credits, \$7 per semester

5 or more credits, \$10 per semester

Resolution approving the continuous registration fee for graduate students for fiscal year 2024

BE IT RESOLVED, that the Board of Trustees hereby sets the following rates for the varying graduate continuous registration fee:

- Less than half-time, \$100 per semester
- Half to full-time, but not including full-time, \$200 per semester
- Full-time, \$300 per semester

Resolution approving room and meal plan rates for fiscal year 2024

BE IT RESOLVED, that the Board of Trustees hereby approves the room and meal plan rates for the 2023-2024 academic year (the same rates that have been in effect since the 2021-2022 academic year) as follows:

Room Rates Per Year

Private Single with Bath	\$10,942
Private Double with Bath	\$9,720
Private Triple with Bath	\$8,058
Suite Single with Shared Bath	\$10,500
Suite Double with Shared Bath	\$9,168
Suite Triple with Bath	\$7,664
Large Single with Shared Bath	\$10,500
Traditional Single	\$10,094
Traditional Double	\$8,756
Traditional Triple	\$6,934
Traditional Quad	\$5,870

Meal Plan Rates

Retail Points Plan	\$4,568
Unlimited Access Plan	\$4,568
Flex Plan	\$5,104

Resolution approving summer session tuition

BE IT RESOLVED, that the Board of Trustees hereby approves the tuition rate for summer session 2023 of \$475 per credit hour for in-state students and \$1,204 per credit hour for out-of-state students except that, with prior approval from the Provost, graduate programs may maintain summer tuition rates for 2023 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

(As recommended by the Investment Subcommittee on August 9, 2022)

Resolution Reaffirming the Endowment Budget Policy

RESOLVED, that the *Endowment Budget Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Budget Policy* each year no later than December 31.

Adopted by: Board of Trustees - May 13, 1995

Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
Board of Trustees - October 30, 2010
Board of Trustees - October 22, 2011
Board of Trustees - November 8, 2012
Board of Trustees - October 26, 2013
Board of Trustees - October 18, 2014
Board of Trustees - October 3, 2015
Board of Trustees - October 22, 2016
Board of Trustees - October 20, 2017
Board of Trustees - October 27, 2018
Board of Trustees - January 31, 2020
Board of Trustees - September 25, 2020
Board of Trustees – October 29, 2021
Board of Trustees –

Resolution approving revision to the Endowment Administration Fee Policy

RESOLVED, that the *Endowment Administration Fee policy* is reaffirmed as reads below:

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves that an endowment management fee equal to 100 basis points, 80 of which shall flow to the University of Vermont Foundation and 20 of which shall flow to the University, shall be applied to the University endowment beginning as of July 1, 2022 and continuing through June 30, ~~2024~~2023; and

BE IT FURTHER RESOLVED, that calculation of the endowment management fee will be based on the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than December 31.

Adopted by: Board of Trustees - September 13, 2003
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Amended: Board of Trustees - October 24, 2009
Reaffirmed: Board of Trustees - October 30, 2010
Board of Trustees - October 22, 2011
Board of Trustees - November 8, 2012
Board of Trustees - October 26, 2013
Board of Trustees - October 18, 2014
Board of Trustees - October 3, 2015
Board of Trustees - October 22, 2016
Board of Trustees - October 21, 2017
Board of Trustees - January 31, 2020
Board of Trustees - May 15, 2020
Amended: Board of Trustees - September 25, 2020
Board of Trustees – October 29, 2021
Board of Trustees –

Resolution approving the transfer of the President’s strategic initiatives fund assets into the strategic investment fund

WHEREAS, the Board endorsed the establishment of the President’s Strategic Initiatives Fund on February 7, 2015; and

WHEREAS, the fund was established to allow for the accumulation of resources from one-time sources of revenue that are not part of the University’s annual operating budgets; and

WHEREAS, over the course of the last several years the funds were used for the advancement of strategic initiatives that enhanced the quality and affordability of this institution; and

WHEREAS, the balance of the President’s Strategic Initiatives Fund is \$468,000; and

WHEREAS, the administration has no plans of using the Fund for this purpose in the future; and

WHEREAS, the administration is asking approval to transfer the President’s Strategic Initiatives Fund assets into the Strategic Investment Fund;

THEREFORE, BE IT RESOLVED, that the Committee hereby endorses the transfer of the President’s Strategic Initiatives Fund assets to the Strategic Investment Fund and recommends its approval by the Board of Trustees.



The University of Vermont

*Office of the Vice President for
Finance and Administration*

Vice President's Report

October 28, 2022

**Board of Trustees
Budget, Finance and Investment Committee**

**Prepared By
Richard H. Cate, Vice President for Finance and Administration**

Included in my Vice President's written report are updates on dual enrollment and building projects. Construction projects costing less than \$2 million do not require Board approval, but those costing more than \$1 million do have to be reported to the Board. Claire Burlingham will provide an external auditor update during the October 28, 2022 meeting.

Dual enrollment

The administration is required to report annually on the number of high school students that were enrolled in UVM classes this past year. For FY22, there were 397 high school students who took classes at UVM through the Dual Enrollment Voucher Program and 102 additional high school students who were enrolled outside the Dual Enrollment Voucher Program. Below is the historical data for comparison:

Fiscal Year	# of HS students enrolled through Dual Enrollment Voucher Program	# of HS students enrolled outside Dual Enrollment Voucher Program
FY21	417	147
FY20	397	87
FY19	365	74
FY18	381	111
FY17	370	118

Building Projects

Among the many building renovations and upgrades going on across campus, here are status updates on the most significant projects.

Firestone Medical Research Building

Project Description: A 4-story laboratory addition to the Health Science Research Facility (HSRF) for the Larner College of Medicine including 39,500 NSF of new laboratory and support spaces, upgrades to the facility primary and secondary electrical service, emergency electrical systems, fire detection systems, heating water distribution, RO water distribution and energy efficient heating and cooling distribution systems. A new South main entrance to the HSRF building and a new loading dock.

Project Cost: \$45M

Status: Substantially completed

Est. Completion Date: October 2022

Schedule: On schedule

Hills Agricultural Science Building (HASB) Renovation

Project Description: Renovate all levels of HASB on the Central Campus, including approximately 45,000 square feet of new construction and renovated space, a new elevator, and an expanded connector to the Marsh Life Sciences Building at the Benedict Auditorium. The scope includes, but is not limited to, all new electrical service and distribution, chilled water upgrades, all new mechanical systems, new windows, modifications to the exterior wall for energy and air sealing, extension of the southern stair tower to provide access to the roof, a generator for backup power, and significant sitework upgrades to provide access to the building. The building will be home to The Institute at level 1, GP Classrooms at levels 1 and 2, the USDA/ARS will share spaces on levels 2 and 3 with CALS which will include labs, collaborative workspaces, offices, and support spaces.

Project Cost: \$31.3M

Status: Under construction

Est. Completion Date: August 2023

Schedule: On schedule

Wadhams House and Barn

Project Description: Building envelope reconstruction of the Wadhams House and Barn, including roof replacement, window restoration, new siding, porch reconstruction, stone foundation restoration. Barn restoration includes new roof, deteriorated wood replacement, new foundation, structural improvements. This reconstruction was required to mitigate the removal of the Pomeroy Barn and 172 South Prospect Street.

Project Cost: \$1.7M

Status: Under construction

Est. Completion Date: Building envelope work: Fall 2022; Site work completion: Spring 2023

Schedule: On schedule

Multipurpose Roof Renovations

Project Description: Roof replacement including new skylights and insulation. Installation of new ventilation fans.

Project Cost: \$1.7M

Status: Under construction

Est. Completion Date: Roof - Fall 2022, Ventilation - Spring 2023

Schedule: On schedule

University Place Sidewalk

Project Description: Reconstruction of University Place roadway, sidewalks, and utility replacement. This project is a joint venture between the City of Burlington and UVM to upgrade the street that borders the University Green. Utilities were also upgraded prior to reconstructing the street, and lighting was upgraded to historical fixtures.

Project Cost: \$1.6M

Status: Under construction

Est. Completion Date: Fall 2022

Schedule: On schedule

Pomeroy Barn Demolition

Project Description: Includes the demolition of Pomeroy Barn, reconstruction of sidewalks and adjacent parking lot, as well as new landscaping. Includes construction of a new plaza adjacent to the Pomeroy building, sized to match the original barn.

Project Cost: \$1.5M

Status: Under construction

Est. Completion Date: Spring 2023

Schedule: On schedule

Fleming Museum Improvements

Project Description: Building envelope reconstruction including wood restoration and painting, as well as limited HVAC improvements. South entrance be reconstructed.

Project Cost: \$1.5M

Status: Under design

Est. Completion Date: Spring 2025

Schedule: On schedule