

**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, Frank Cioffi, Kevin Christie, Kenny Nguyen, Ed Pagano, Shap Smith, Tristan Toleno, and Catherine Toll

Representatives: Faculty Representatives Jane Knodell and Guillermo Rodriguez, Foundation Representative Bob Plante, Alumni Representative Myron Sopher, Staff Representatives Kunie Renaud and (vacant), Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives Dan Peipert and Goodness Rex Nze-Igwe

Friday, October 20, 2023

2:30 p.m. – 3:30 p.m.

Silver Maple Ballroom (401) Dudley H. Davis Center

AGENDA

	Item	Enclosure	Discussion Leader(s)	Time
	Call to order			*2:30 p.m.
1.	Approval of May 19, 2023 meeting minutes	Attachment 1	John Dineen	2:30-2:32
2.	Vice President’s report <ul style="list-style-type: none"> • External audit update • Dual enrollment update • Project updates 	Attachment 2	Richard Cate Claire Burlingham	2:32-2:47
3.	Report of the Investment Subcommittee <ul style="list-style-type: none"> • Endowment performance update • Resolution reaffirming the Endowment Budget Policy • Resolution reaffirming the Endowment Administrative Fee Policy 	Separate distribution Attachment 3 Attachment 3	Sue Brengle	2:47-3:00
	Motion to enter into executive session**			
4.	Preliminary discussion of budgetary matters	Exempt records	Richard Cate Shari Berquist	3:00-3:15
	Motion to go out of executive session			
5.	Fiscal year 2025 tuition & fees ¹ <ul style="list-style-type: none"> • Executive summary • Resolution approving tuition rates for fiscal year 2025 	Attachment 4 Separate distribution	Richard Cate Shari Bergquist	3:15-3:25

¹ Voting on tuition and fee resolutions was deferred to allow for further discussion and will be addressed at a special Board meeting.

	Item	Enclosure	Discussion Leader(s)	Time
	<ul style="list-style-type: none"> • Resolution approving the Sustainable Innovation Masters in Business Administration (SIMBA) graduate tuition for fiscal year 2025 • Resolutions setting the comprehensive fees, student government association, inter residence association, and graduate student senate fees for fiscal year 2025 • Resolution setting the acceptance fee for fiscal year 2025 • Resolution setting program fees in the College of Nursing and Health Sciences, Grossman School of Business, and College of Engineering and Mathematical Sciences for fiscal year 2025 • Resolution setting the graduate comprehensive fee for fiscal year 2025 • Resolution approving graduate student senate fee for fiscal year 2025 • Resolution approving continuous registration fee for graduate students for fiscal year 2025 • Resolution approving room and meal plan rates for fiscal year 2025 			
6.	Resolution approving summer session tuition	Separate distribution	Richard Cate Shari Bergquist	3:25-3:28
7.	Other business**		John Dineen	3:28-3:30
	Adjourn			3:30 p.m.

*Times are approximate.

** The Chair will entertain a motion to enter into executive session to discuss records exempt from disclosure under provisions of the Public Records Act. Action is anticipated following.

**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 19, 2023, at 2:15 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree, President Suresh Garimella, Susan Brengle, Robert Brennan, Frank Cioffi, Kevin Christie, Kenny Nguyen, Ed Pagano, Shap Smith, Tristan Toleno, and Catherine Toll

REPRESENTATIVES PRESENT: Faculty Representative Guillermo Rodriguez, Foundation Representative Bob Plante¹, Alumni Representative Myron Sopher, and Staff Representative Joshua Tyack

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate, University Budget Director Shari Bergquist, Facilities Management Executive Director Luce Hillman, and University Controller Claire Burlingham

ABSENT: Vice Chair John Dineen, Faculty Representative Jane Knodell, Staff Representative Douglas Dickey, Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives (vacant)

¹ Participated by phone.

Chair Don McCree called the meeting to order at 2:20 p.m. He began by welcoming new committee members Frank Cioffi, Kenny Nguyen and Tristan Toleno.

Approval of minutes

A motion was made, seconded and voted to approve the minutes of the February 10, 2023, meeting.

Fiscal Year 2024 Budget

Vice President for Finance & Administration Richard Cate noted that as part of the university's Enterprise Risk Management program, officials are required to annually report to the board on identified risks and opportunities. One of those risks is financial sustainability, which is embedded in the budget planning process.

Referring to attachment 2 of the meeting materials, University Budget Director Shari Bergquist reviewed the FY 2024 general fund budget, noting the key assumptions underlying the budget proposal include a flat tuition rate for the fifth year in a row and salary/wage increases per approved union contracts. The incoming first-year class will show increases in students from Vermont, students of color, and first-generation college students.

It was noted that the Governor and the Legislature approved a 3% increase (about \$1.5 million) over the FY 2023 base to UVM's state appropriation which is very much appreciated.

Despite current inflationary pressures, unit operating budgets have only increased 0.7%. Salaries, wages, and benefits represent 70% of general fund expenses and are expected to rise 4.3% in FY 2024. This projected cost reflects existing contract obligations and the administration's best estimate for the contract that has not yet been negotiated.

General fund contributions to the UVM Foundation, library acquisitions, and deferred maintenance are budgeted to be essentially level funded in FY 2024. The practice of incrementally increasing spending on deferred maintenance has been delayed due to the pandemic, inflation, and other budgetary pressures. The committee agreed that a more in-depth discussion and analysis on deferred maintenance will occur at a future meeting, as well as a review of energy efficiency investments.

Overall, the FY 2024 general fund budget projects a 3.5% increase in revenue and 3.5% growth in expenses, with a total of \$417,971,669.

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

Resolution approving fiscal year 2024 budget planning assumptions: general fund

BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2024, which lead to a general fund operating expense budget for the University of \$417,971,669, 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.

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, 2023, was \$753.9 million, with a total of \$808 million in philanthropic assets. Despite the recent volatile market, UVM has fared well.

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 and 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 13, 2023;

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 – May 21, 2022
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, 2023, subject to the terms and conditions reported on this date.

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

Facilities modernization and renewal

Executive Director of Facilities Management Luce Hillman described how her team manages over 5,000,000 square feet of facilities that require continual modernization and renewal through incremental improvements over time. These projects are in addition to the larger capital projects reviewed and approved by the board and are categorized and prioritized annually.

Other business

Vice President Cate reminded committee members that annual updates on the capital project pre-funding account, the net tuition stabilization fund, and the net asset balance 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 3:17 p.m.

Respectfully submitted, Don McCree, Chair



*Office of the Vice President for
Finance and Administration*

Vice President's Report
October 20, 2023

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 enterprise risk management, dual enrollment and building projects. In addition, University Controller Claire Burlingham will provide an external auditor update during this meeting.

Enterprise Risk Management

Included in the written reports section of the Board materials is a report from Tessa Lucy, Director of Compliance Services and Chief Privacy Officer, including updates on the Enterprise Risk Management risks and opportunities germane to the BFI committee: Deferred Maintenance (risk), Ensure Efficient Use of Resources/Innovation and Modernization of Systems & Processes (opportunity), and Digital Deferred Maintenance (risk).

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 FY23, there were 346 high school students who took classes at UVM through the Dual Enrollment Voucher Program and 93 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
FY23	346	93
FY22	397	102
FY21	417	147
FY20	397	87
FY19	365	74
FY18	381	111
FY17	370	118

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

Howe Library Building Envelope

Project Description: Building envelope reconstruction including removal of brick façade to improve connection detail and add additional insulation.

Project Cost: \$1.9M

Status: Under design

Est. Completion Date: Summer/Fall 2024

Schedule: To be bid by January 2024.

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: Barn slate roof replacement remaining. Other items complete.

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

Schedule: Late fall 2023 or early spring 2024.

Main District Energy Plant, Central Campus

Project Description: Provide and install two additional cooling towers at the Chilled Water Plant to meet demand. This includes all piping, electrical, concrete foundation, structural steel for pipe supports.

Project Cost: \$1.7M

Status: Project has been bid

Est. Completion Date: Fall/Winter 2023/2024

Schedule: Begin installation fall 2023 to be ready for cooling season 2024

Multipurpose Roof Renovations

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

Project Cost: \$1.7M

Status: Completed spring 2023

Est. Completion Date: Roof: Fall 2022; Ventilation: Spring 2023

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 the historical fixtures.

Project Cost: \$1.6M

Status: Complete

Est. Completion Date: Fall 2022

Fleming Improvements

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

Project Cost: \$1.5M

Status: Under design

Est. Completion Date: Spring 2025

Schedule: On schedule

Pomeroy Barn Demolition

Project Description: Includes the demolition of Pomeroy Barn, 172 South Prospect Street building, reconstruction of the 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: Completed summer 2023

Est. Completion Date: Spring 2023

¹REVISED BUDGET, FINANCE & INVESTMENT COMMITTEE

October 20, 2023

(As recommended by the Investment Subcommittee on August 16, 2023)

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 – October 29, 2022
Board of Trustees -*

Resolution reaffirming 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, ~~2024~~~~2022~~ and continuing through June 30, ~~2025~~~~2024~~; and

¹ This document was distributed at the meeting. Voting on tuition and fee resolutions was deferred to allow for further discussion and will be addressed at a special Board meeting.

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 – October 29, 2022

Board of Trustees -

Resolution approving tuition rates for fiscal year 2025

BE IT RESOLVED, that the Board of Trustees hereby approves the following tuition rates effective with the 2024-2025 academic year:

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

Out-of-state tuition \$42,724 per year, or \$1,780 per credit hour.

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

Medical student out-of-state tuition \$66,416 per year.

Resolution approving the Sustainable Innovation Masters in Business Administration (SI-MBA) graduate tuition for fiscal year 2025

BE IT RESOLVED, that the Board of Trustees hereby approves a uniform rate of \$975/credit for both in-state and out-of-state students in the Sustainable Innovation MBA effective with the 2024-2025 academic year.

Resolution setting the undergraduate comprehensive fee, student government association and inter residence association fees for fiscal year 2025

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

Undergraduate comprehensive fee	\$2,556
Student Government Association (SGA) fee	\$222
Inter Residence Association (IRA) fee	\$30

Resolution setting the acceptance fee for fiscal year 2025

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

Acceptance fee	\$500
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Resolution setting program fees in the College of Nursing and Health Sciences, Grossman School of Business, and College of Engineering and Mathematical Sciences fees for fiscal year 2025

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

Program fee	\$1,000
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Resolution setting the graduate comprehensive fee for fiscal year 2025

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

Graduate comprehensive fee	\$2,172
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Resolution approving graduate student senate fee for fiscal year 2025

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 2025

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 2025

BE IT RESOLVED, that the Board of Trustees hereby approves the room and meal plan rates for the 2024-2025 academic year as follows:

Room Rates Per Year

Layout	Standard	Enhanced	Premium
Traditional Single	10,396	10,599	10,902
Traditional Double	9,018	9,194	9,456
Traditional Triple	7,194	7,332	
Traditional Quad	6,090	6,210	
Suite Single	10,814	11,024	11,340
Suite Double	9,442	9,626	9,900
Suite Triple	7,894	8,046	8,276
Private Single			11,816
Private Double			10,498
Private Triple			8,702

Meal Plan Rates

Retail Points Plan	4,728
Unlimited Access Plan	4,728
Flex Plan	5,282

Resolution approving summer session tuition

BE IT RESOLVED, that the Board of Trustees hereby approves the tuition rate for summer session 2024 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 2024 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

Fiscal Year 2025 Tuition and Fees
Executive Summary

October 20, 2023

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 2024-25 academic year, including summer tuition. In addition, she will present the proposed room and meal rate plans and fee rate structure for undergraduate and graduate students.

While UVM has been able to maintain five consecutive years of frozen tuition and comprehensive fee rates (in addition to offering a small decrease in tuition for Vermonters and in the graduate comprehensive fee during this time), the rate at which inflation and healthcare costs have escalated far exceed the rate at which we can generate revenue. We have been diligent in reducing costs wherever possible (e.g., refinancing to reduce interest costs, renegotiating vendor contracts, renegotiating prescription drug agreements to reduce costs for both UVM and its employees without decrease in accessibility of drugs or level of benefits provided, moving to a Medicare Advantage plan for retirees, etc.); however, opportunities to significantly reduce expenses further are not forthcoming.

In terms of other revenue streams, we are not expecting large increases in state appropriations and summer and nondegree tuition. Our proposals to the board regarding tuition and fees will reflect this environment.