

**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, October 28, 2022 at 1:00 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree, Vice Chair John Dineen, President Suresh Garimella¹, Susan Brengle, Robert Brennan², Kevin Christie, Kisha Kalra, Ed Pagano, Shap Smith, and Catherine Toll

REPRESENTATIVES PRESENT: Alumni Representative Myron Sopher and Student Representative Ashleigh Clark

PERSONS ALSO PARTICIPATING: Board of Trustees Chair Ron Lumbra¹, Vice President for Finance & Administration Richard Cate, University Budget Director Shari Bergquist, University Controller Claire Burlingham, and Vice President for Legal Affairs & General Counsel Trenten Klingerman

ABSENT: Foundation Representative Bob Plante, Faculty Representatives Jane Knodell and Guillermo Rodriguez, Staff Representative Joshua Tyack, Graduate Student Representative Alison Hall, and Student Representative Evan Siegel

¹ Departed the meeting at 1:26 p.m.

² Participated by phone.

Chair Don McCree called the meeting to order at 1:00 p.m. He began by welcoming new faculty representative Guillermo Rodriguez and student representative Ashleigh Clark to the committee.

Approval of minutes

A motion was made, seconded, and voted to approve the minutes of the May 20, 2022, meeting.

Fiscal year 2024 tuition and fees

President Suresh Garimella reiterated his commitment to easing the cost of education at the University of Vermont by proposing a freeze on tuition and fees. This is the fifth consecutive year at the same tuition rate, and the fourth consecutive year of flat room and board fees. He acknowledged that it has not been easy to balance a budget without increased tuition revenue, but it is necessary to do in today's economy. He expressed gratitude for the additional \$10 million of state appropriations which has significantly helped make this proposal possible.

Vice President Richard Cate explained that controlling costs has been another key factor of having a balanced budget. Through analysis of expense data, refinancing debt, renegotiating vendor contracts, and other strategies, along with early enrollment projections, the administration is confident that a balanced budget will be presented in May.

University Budget Director Shari Bergquist introduced a series of resolutions on tuition and fees. Fiscal year 2023 comparator data on private and public institutions displayed at the meeting illustrated that UVM ranked above all but one public university comparator for out-of-state tuition and fees; however, UVM ranks amongst the lowest for room and board. All private university comparators ranked above UVM in both tuition and fees and room and board.

Trustees commended the President and the administration and encouraged them to broadly promote these good efforts whenever possible.

The following resolutions were presented to the committee:

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

A motion was made, seconded, and the resolutions were unanimously approved as presented for recommendation to the board.

Summer session tuition

University Budget Director Bergquist explained that with a 0% tuition increase, the proposal is for the 2023 summer session tuition rates to remain the same as the 2022 summer session rates. Summer session tuition is set at a 30% discount off regular tuition for both in-state and out-of-state students. She mentioned that the summer session tuition is brought forth at this time of the year to allow Enrollment Management to present a complete cost overview for early-decision students.

The following resolution was presented to the committee:

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 2022 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

A motion was made, seconded, and the resolution was unanimously approved as presented for recommendation to the board.

Report of the Investment Subcommittee (ISC)

ISC Chair Rob 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 in the current turbulent market, the university's overall performance was grim compared to last quarter. As of September 30, 2022, UVM's endowment balance was \$695 million, down \$37 million from the last report.

As recommended by the Investment Subcommittee, the committee was asked to reaffirm the Endowment Budget policy with no changes, and to approve the Endowment Administration Fee policy.

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

(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 -

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

Vice President's Report

- **External audit update**

University Controller Claire Burlingham reported that the university's external auditor, KPMG, is completing its fieldwork on the fiscal year 2022 financial statement audit, and she is expecting an unqualified opinion with no material weaknesses or significant deficiencies. The audit will be presented to the Audit Committee at its November 7, 2022 meeting.

Chair McCree and ISC Chair Brennan congratulated the team on receiving a clean report for the 12th year in a row, which is an unprecedented record.

Vice President Cate presented the following updates:

- **Dual enrollment**

The administration is required to report annually on the number of high school students who were enrolled in UVM classes in the past year. For fiscal year 2022, there were 397 high school students who took classes at UVM through the Dual Enrollment Voucher Program and 103 additional high school students were enrolled outside the program.

- **Project updates**

Referencing attachment 4 of the committee packet, Vice President Cate explained that construction projects less than \$2 million do not require board approval, but those costing more than \$1 million but do have to be reported to the board. The attachment provided status updates on the following projects, most of which are under \$2 million:

- Firestone Medical Research Building
- Hills Agricultural Science Building renovation
- Wadhams House and barn
- Multipurpose roof renovations
- University Place sidewalk
- Pomeroy Building demolition
- Fleming Museum improvements

- **President's strategic initiatives fund**

Established in 2015, the President's Strategic Initiatives Fund was used at the President's discretion and drew from non-operating one-time sources of revenue, such as the sale of property. Similarly, the President's Strategic Investment Fund (SIF) is used to support new and emerging university initiatives primarily focused on the academy and is built into UVM's budgeting model. Funds available through the SIF represent a short-term (one-time) investment. To increase efficiency, the administration is recommending transferring the remaining assets of the President's Strategic Initiatives Fund to the Strategic Investment Fund.

The following resolution was presented to the committee:

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.

A motion was made, seconded, and the resolution was unanimously approved as presented for recommendation to the board.

Adjournment

There being no further business, the meeting was adjourned at 1:50 p.m.

Respectfully submitted,

Don McCree, Chair