

**Minutes of the Finance & Facilities Committee meeting Wednesday, April 1, 2015,
APPROVED May 13, 2015**

The Vermont State Colleges Board of Trustees Finance & Facilities Committee conducted a meeting Wednesday, April 1, 2015 at the Office of the Chancellor in Montpelier, Vermont.

Committee members present: Church Hinds, Christopher Macfarlane (Chair), Linda Milne

Absent: Jerry Diamond, Tim Jerman, Bill Lippert, Heidi Pelletier

Other Trustees Present: Karen Luneau, Martha O'Connor, Alyssa Slaimen

College Presidents: Joe Bertolino, Joyce Judy, Barbara Murphy, Dan Smith, Dave Wolk (by phone)

From the Chancellor's Office: Tricia Coates, Director of External & Governmental Affairs
Bill Reedy, General Counsel
Tom Robbins, CFO
Elaine Sopchak, Executive Asst. to the Chancellor
Jeb Spaulding, Chancellor
Sophie Zdatny, Associate General Counsel
Yasmine Ziesler, Chief Academic & Academic Tech Officer

From the Colleges: Tess Conant, VSC United Professionals
Scott Dikeman, Dean of Administration, Castleton State College
Loren Loomis Hubbell, Dean of Administration, Lyndon State College
Barbara Martin, Dean of Administration, Community College of VT
Sandy Noyes, Unit Vice Chair, VSEA Represented Staff
Sharron Scott, Dean of Administration, Johnson State College
Lit Tyler, Dean of Administration, Vermont Technical College

From the Public: Samantha Montgomery, AFT Vermont

Chancellor Spaulding informed the group that there would not be an official meeting because several members of the Committee were unable to attend and therefore quorum has not been

reached. Instead the group will go over the agenda items without taking any action. There was no objection to this change.

A. ITEMS FOR DISCUSSION AND ACTION

1. Minutes of the February 11, 2015 Finance & Facilities Committee meeting

The minutes were not approved due to lack of a quorum.

2. Distribution of Stafford Community Grant for Spartan Dome Installation

Due to a lack of quorum, there was discussion of this item only, and no action was taken. The item will go to the full Board on April 9th. Castleton President Wolk and Dean of Administration Scott Dikeman briefed the group on the use of funds from a federal earmark obtained by Senator Jeffords several years ago to install the Spartan Dome. The college will provide transportation to the dome from campus as needed. The endowment being used to install the dome did not have any requirements attached to it regarding naming of facilities. The dome will last a minimum of 8 to 10 years, and up to 20 if well maintained. Castleton will start setting aside funds over time for an eventual replacement. It is anticipated that revenue generated by the dome will exceed the debt service. Trustee Milne emphasized the importance of documenting the funding accurately for federal grant reporting purposes.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Review VSC Benchmarks

CFO Robbins shared with the group a new set of benchmarks for the Board to use to analyze the financial status of the colleges at certain points in time. The source of the data in the benchmarks is the audited financial statements used to report to IPEDS. Based on comments from the group he will revise the benchmarks and bring them back for a review at a later date. The following changes to the benchmarks will be made:

- Note that the income statement numbers include GASB.
- Note that the arrows generally represent a favorable/unfavorable change relative to the two columns to their left.
- The trend line relates to the five numerical columns.
- We will benchmark for endowments and gifts.

- There was discussion about using headcount and FTE. The VSC will determine the best option and incorporate that into future benchmarks.
- Include key definitions.
- Make sure dollar amounts have dollar signs and quantities don't.

2. Discussion of College OPEB Use

Johnson State College President Barbara Murphy shared her plan to use the OPEB funds for two projects. One is to mount an intensive outreach campaign for the External Degree Program. The other is a project for increasing retention through advising by moving away from faculty-based advising and towards an intensive advising system. The focus will be on first-year and transfer students and will add two advisor positions to the advisor center; it is anticipated the program will pay for itself after two years by an increase in retention.

Community College of Vermont President Joyce Judy stated that her plan for most of the OPEB funds include two proposals. The college would like to invest in voice over IP technology (VOIP), which will reduce existing expenses. The second proposal will be an investment in virtual desktop infrastructure (VDI) technology, which will allow a savings in computer replacement costs.

Lyndon State College President Joe Bertolino stated that the college will be pursuing four projects with its OPEB funds. The first is to continue an analysis and improvement of the college's enrollment management system. The second project is an investment (to be supplemented by additional fundraising) to supply the electronic journalism arts program with a renovated studio and new cameras. The third project is to hire a transfer coordinator to improve the college's outreach to transfer students; it is expected this investment in transfer student services will pay for itself within two years. The final project will be to start the renovation of the Goth Hill House. The college purchased the house several years ago and once renovated will use it for housing and conference services.

Vermont Technical College President Dan Smith stated that allied health OPEB funds will be used to address recommendations that arose during the recent accreditation process to fill vacancies related to nursing student support. Non-allied health funds will be used to bolster recruitment efforts at over a dozen local high schools and restoring some capacity in admissions staff. The college will also enhance its international recruitment and retention strategies, as well as advising capacity. This amounts to two to three new positions over two years. If the legislature

comes through with the anticipated funds for updated labs, President Smith stated he will most likely use all the funds to meet the required match.

Castleton State College President Dave Wolk shared his proposed use of the funds for recruitment and support services for international students. Funds will also be used to further develop the Center for Schools and its relationships with local and statewide organizations, particularly since

UVM is stepping back in teacher education. The college will also invest in its already robust athletics program by starting men's and women's Nordic skiing, women's golf, and track and field programs. The addition of these teams is expected to increase enrollment and retention. Over the next two years the college will also update and enhance its marketing program, including search engine optimization, internet marketing, and new media opportunities.

President Murphy asked Board members if they felt they could approve the proposals shared by the presidents. Trustee Macfarlane stated that all the plans sound good but that the Committee would like to see included how the success of each proposal will be measured, along with estimates of revenue or savings generated, and exit strategies.

3. Discussion of FY2016 Budget Development

Trustee Macfarlane reminded the group that the Board will be voting on budgets in May. Chancellor Spaulding explained that he wants to give the Board additional time to learn about and consider budget options, and provide feedback, and avoid having them make such a significant decision with only a week's time to review the materials.

CFO Robbins shared the budget timeline. On May 1st the budgets are due to the Chancellor's Office. On May 6th the budget materials will be sent out to the Finance & Facilities Committee. On May 13th the Committee meets, and the Board meets on May 21st.

Colleges are refining their recruitment and retention numbers. Net tuition revenue is \$113M, or 65% of total revenue. The state appropriation is \$26M, or another 15%; this is a flat appropriation. Another 15%, or \$26M, is auxiliary revenue from room and board and other revenue from students. Seventy percent of expenses are comprised of personnel costs. Each president gave a brief overview of the steps they are taking to bring their FY2016 budgets into balance.

4. Update on Legislative Issues

This agenda item was not discussed.

5. Update on Ongoing VSC Construction

This agenda item was not discussed.

6. Review Capital Projects Report

This agenda item was not discussed.

C. ITEMS FOR INFORMATION ONLY

1. Monthly Grant Activity Report

2. Monthly Cash Report

The meeting ended at 7:15 p.m.