

**Minutes of the VSC Board of Trustees Finance and Facilities Committee held Wednesday, August 29, 2018 at the Office of the Chancellor, Montpelier, VT - APPROVED**

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Wednesday, August 29, 2018 at the Office of the Chancellor, Montpelier, VT.

Committee members present: Churchill Hindes (Chair), Chris Macfarlane (Vice Chair), Jerry Diamond, Linda Milne (arrived at 2:08pm), Mike Pieciak, David Silverman

Absent: Rep. Bill Lippert

Other Trustees present: Rep. Lynn Dickinson, Karen Luneau

Presidents: Elaine Collins, Pat Moulton, Joyce Judy, Karen Scolforo

Chancellor's Office Staff: Jeb Spaulding, Chancellor  
Tricia Coates, Director of External & Governmental Affairs  
Todd Daloz, Associate General Counsel  
Dick Either, Director of Facilities  
Sheilah Evans, System Controller/Senior Director of Financial Operations  
Jen Porrier, Administrative Director  
Steve Wisloski, Chief Financial Officer  
Sophie Zdatny, General Counsel  
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Laura Jakubowski, Chief Budget & Finance Officer, Castleton University  
Maurice Ouimet, Dean of Enrollment, Castleton University  
Andy Pallito, Dean of Administration, Community College of Vermont  
Sharron Scott, Dean of Administration, Northern Vermont University

1. Chair Hindes called the meeting to order at 12.54 p.m. in order to enter a joint Executive Session with the Education, Personnel and Student Living Committee.

2. Executive session

Trustee Richards moved that the Education, Personnel and Student Life Committee and the Finance and Facilities Committee of the VSC Board of Trustees enter executive session, pursuant to 1 V.S.A. § 313(a)(1)(B), for the purpose of discussing labor relations agreements with employees; and 1 V.S.A. § 313(a)(1)(C), for the purpose of discussing arbitration or mediation because premature general public knowledge of such discussions would place the VSCS at a substantial disadvantage. Trustee Hindes seconded. Along with the members of the Board present at this meeting, the Board invited the Chancellor, the Chief Financial Officer, the Chief Academic Officer, the Presidents, the members of the Business Affairs Council, the Administrative Director and VSCS General Counsel to attend. The Committees returned from executive session at 1:22 p.m. and took no action in open session.

Chair Hindes reconvened the meeting at 1:34p.m. (the EPSL Committee adjourned its meeting at 1:25p.m.)

3. Consent agenda and approvals:

- a. Minutes of June 21, 2018 meeting
- b. Karii Cloud Memorial Scholarship Endowment

President Collins explained that Karii Cloud was a former student at Johnson State College and her mother is still connected with NVU-Johnson. Due to her daughter's unfortunate passing she wanted to do something in her memory.

**The consent agenda was approved unanimously.**

4. Governmental Affairs update

Ms. Coates relayed that this is the time to begin conversations with members of the Administration to understand budget priorities and for them to understand our needs. There is an upcoming meeting with VSCS Presidents and the Governor. The Chancellor is considering a variety of possible funding requests. It is hoped the meeting with the Governor will help guide which proposals to bring to the Board of Trustees for their consideration. Last year VSCS received an additional \$1 million in one-time capital funds that brought the FY19 capital appropriations for the System to \$3 million. The VSCS will request that the additional \$1 million remain and become part of the annual capital appropriation. The Chancellor and Presidents will reiterate that adequate funding for the VSCS is critical for the success of the Governor's agenda. Trustee Silverman asked how the Trustees can help in this cause. The response was that advice, guidance, and insights are all very helpful at this point. In addition, speaking with local legislators and Administration officials when our funding request is firmed up would be very

helpful. Also, articulating how the VSCS is aligning with the Governor's priorities is productive.

5. Review preliminary FY18 financial results, discuss carry over requests

Chief Financial Officer Wisloski presented a first look at FY2018 results. He reiterated that these were still preliminary numbers and the final audited financials would not be available until the October committee meeting. VSCS closed the year with a \$1.8 million surplus, however this was due to a \$1.2 million surplus from prior fiscal year medical self-insurance and use of just under \$900,000 in one-time funds from Castleton University's Stafford earmark.

6. Fall 2018 admissions and enrollment update

CFO Wisloski reviewed weekly admissions as of August 15 compared to the same date last year – and overall enrollment generally is as budgeted. Each President gave a short overview for their respective school.

- President Scolforo from Castleton University credited a large recruitment effort resulting in new student totaling 650 undergraduates and 57 graduate students with the overall enrollment up by 3.7%. Out of state enrollment is up 20% and 36 countries are represented in CU's student body.
- President Judy of Community College of Vermont is seeing the strongest application week since 2015. She credits the strong performance of the Early College Program and dual enrollment. She stated that last year 65% of the people in the early college program were first generation Vermonters and more than 40% were low income. VSCS serves a very diverse body of students and that is good for Vermont.
- President Collins of Northern Vermont University stated that while NVU's numbers are slightly below where they wanted to be in budget, there are still two large categories of data not yet included. The first is the clinical mental health counseling program from SNHU, being taught on the Williston Campus. The second category is the distance-learning classes which do not start until the following week, therefore, the enrollment is ongoing. The Lyndon campus has a large number of new starting students, and the Johnson campus has strong returning numbers with retention between 67-68%, which is up from years past.
- President Moulton of Vermont Technical College states that Vermont Tech is on budget based on enrollment. The number of out-of-state students has increased, and Vermont Tech is still enrolling for a couple of more weeks. Students using room and board are up, and retention is at 60+%.

Chair Hindes mentioned a UVM press release saying 1 in 5 new students were Vermonters and asked the Presidents to indicate approximately what percentage of their students were from Vermont. Vermont Tech indicated 80-85% Vermonters, CCV 95%, Castleton University just under 70%, and NVU about 70%. Chancellor Spaulding noted that the System's Institutions confer more degrees to Vermonters than all other Vermont

colleges combined, and Trustee Luneau added that the majority of these students also choose to remain in Vermont.

7. Changes to Policy 403, Annual Operating Budget, including alteration of allocation of State appropriation and Chancellor's Office expense reallocation

CFO Wisloski indicated that the proposed changes to Policy 403 generally fall into three categories: (1) editorial changes, including capitalizing and consistently defining terms; (2) increasing the permitted maximum amount of reserves, and defining and permitting a new Capital, Renovations and Maintenance (CRM) Reserve, and (3) changing the methodology for allocating the State appropriation to the Institutions. After considering more than a dozen metrics over the course of eight months, and as a result of extensive discussions with both the Council of Presidents and the Business Affairs Council, the Chancellor is proposing an allocation that is  $\frac{1}{4}$  unchanged,  $\frac{1}{2}$  based upon net student revenues, and  $\frac{1}{4}$  based upon degrees and certificates – with the latter two measures based upon three-year rolling averages. The Chancellor further proposes phasing in the allocation over four fiscal years from FY2020 through FY2023. Several Trustees inquired about the allocation formula components and inquired as to both the degree of Presidents' involvement in the development of this new allocation and the degree the Presidents were in agreement with the proposed allocation. The Presidents all agreed there had been ample discussion and that they could implement the formula even if they were not completely satisfied with it. Chair Hindes indicated that further discussion of the proposed changes may occur at or around the Board retreat in September.

8. Discuss convening a brief Committee meeting on September 26

There will be a possible retooling of the agenda for the Board retreat in order to accommodate a brief Finance and Facilities Committee Meeting session to consider action to recommend (1) FY2018 Carry Forward proposals and (2) changes to Policy 403 to the full Board.

9. Capital projects update

This agenda item was discussed and Committee members were referred to the project descriptions in the meeting materials, and to CFO Wisloski or Facilities Director Ethier for further information.

10. Cash, investments and endowment update

This agenda item was discussed briefly, and CFO Wisloski noted that the fossil free screened portfolio pilot had been implemented on approximately 20% of the endowment's market value as of August 1.

11. Other business

There was no other business

12. Public Comment

There were no public comments

13. Adjourn

**Chair Hinde adjourned the meeting at 3:46 p.m.**