

**Minutes of the VSCS Board of Trustees Finance and Facilities Committee held Monday, February 11, 2019 at the Chancellor's Office, Conference Room 101, Montpelier, VT-
APPROVED**

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Monday, February 11, 2019, at the Chancellor's Office, Montpelier, VT.

Committee members present: Churchill Hindes (Chair), Bill Lippert, Linda Milne, Mike Pieciak (via phone), David Silverman

Absent: Chris Macfarlane (Vice Chair), Jerry Diamond

Other Trustees present: Lynn Dickinson, Karen Luneau

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

Chancellor's Office Staff: Jeb Spaulding, Chancellor
Tricia Coates, Director of External & Governmental Affairs
Todd Daloz, Associate General Counsel
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: Kate Gold, Director of Advising Resources, VSCUP President, Northern Vermont University-Lyndon
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
Littleton Tyler, Dean of Administration, Vermont Technical College

From the public: Lola Duffort, Reporter, VT Digger

Chair Hindes called the meeting to order at 2:16 p.m.

1. Consent agenda and approvals:
 - a. Minutes of January 14, 2019 meeting

Trustee Milne moved, and Trustee Silverman seconded the approval of the minutes of the January 14, 2019 meeting. The minutes were approved unanimously.

2. Legislative Update

Tricia Coates, Director of External and Governmental Affairs, gave an overview of the latest legislative activity. VSCS has advocated for our appropriation request in three committees thus far. We are requesting state support equivalent to the average across New England for public higher education systems, or a \$5 million increase per year for the next 5 years. As the Legislature approaches mid-February, we expect the House funding committees will soon begin assembling their budgets. Chancellor Spaulding has also testified before the House and Senate Institutions Committees regarding our capital request. Our \$3 million capital request would make last year's supplemental appropriation of \$1 million part of our base going forward.

3. Review of Q2 FY2019 financial reports

Mr. Wisloski gave an overview with discussion of the Q2 FY2019 financial reports with balance sheets providing detail of current net assets by fund, with explanations of some of the more significant changes compared to the year prior to December 31. He also indicated that overall performance at the System level represents little change from Q1, with a projected deficit to year-end of \$2.774 million or 1.6% of expenses after use of approved Carry Over funds, compared to a budgeted deficit of \$1.984 million or 1.1% of expenses.

4. Review of February 1 admissions summary

Mr. Wisloski gave a brief overview of the admissions summary as of February 1, 2019, in comparison to what the system was reporting in 2018 at the same point. Castleton University President Scolforo stressed that their recruitment team is smaller than previous years but also says CU has seen growth year over year two years in a row. Additionally, CU has new programs that have not yet rolled out which should see some new enrollment as a result. Community College of Vermont President Joyce Judy stressed that CCV's enrollment is tracked a little differently as they experience a lot of enrollment in spring and summer. They are seeing a significant uptick in accelerated 7-week courses, and that is the fastest growing format with significant enrollment. Northern Vermont University President Elaine Collins stated that the projected enrollment numbers are slated for increase and that there is a lot of interest displayed

for the new institution. Completion is at a higher rate with high acceptances and deposits. Vermont Technical College President Pat Moulton says the enrollment numbers are up from previous years. They remain cautiously optimistic and are paying attention to returning students.

5. Grants Management Update

Sheilah Evans, System Controller and Senior Director of Financial Operations, introduced Betsy Ward, Grants Compliance Officer, who is spending 50% of her time in the Chancellor's office and 50% at each of the schools. Ms. Ward discussed the master list of grants and newsletter about existing grants that will now be coming out. The newsletter attempts to improve communication between the schools and the Chancellor's office. VSCS now has 80 grants totaling almost \$32.5 million. Ms. Ward will be working to ensure compliance and establish consistent system processes.

6. Quarterly endowment and investment report

Mr. Wisloski reviewed the quarterly cash and investments reports and noted that he would be including performance for the intermediate term bond funds managed by TD Wealth. He also indicated that he would review current practice of holding the securities in these funds to maturity, which enables them to be carried at book value (thus not impacting operating results), however likely contributes to below-benchmark performance. Mr. Wisloski also reported that endowment performance continues to be near or above the benchmark net of fees for all periods.

7. Other business

Trustee Silverman moved that the Finance and Facilities committee and the Vermont State Colleges System thank and commend Jerry Diamond and Chris Macfarlane for their years of service to this committee and to the students, faculty, staff and other constituents of Vermont Technical College, Northern Vermont University, The Community College of Vermont and Castleton University. The work and decisions of this committee have been much enhanced by their willingness to share the benefit of their experience and judgement, and their goodwill and collegueship. Trustee Milne seconded the motion. The motion was approved unanimously.

8. Comments from the public

There were no comments.

9. Adjourn

Chair Hinds adjourned the meeting at 3:54 p.m.