

**Minutes of the VSCS Board of Trustees Finance and Facilities Committee held Thursday, July 23, 2020 at 10:30 a.m. via Zoom - APPROVED**

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Thursday, July 23, 2020 via Zoom.

Committee members present: Church Hinds (Chair), David Silverman (Vice Chair), Lynn Dickinson (10:42 am), Adam Grinold (10:47 am), Linda Milne, Mike Pieciak

Other Trustees present: Megan Cluver (11:03 am), Ryan Cooney, Dylan Giambatista, (10:49 am), Bill Lippert

Presidents: Elaine Collins, Joyce Judy, Pat Moulton, Jonathan Spiro (Interim)

Chancellor's Office Staff: Kevin Conroy, Chief Information Officer  
Sharron Scott, Chief Financial and Operating Officer  
Todd Daloz, Interim General Counsel  
Jen Porrier, Administrative Director  
Meg Walz, Program Manager, Library Coordinator  
Sophie Zdatny, Chancellor  
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Michael Fox, Dean of Marketing and Enrollment, Northern Vermont University  
Gisele Hodgdon, Administration, Community College of Vermont  
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University  
Maurice Ouimet, Dean of Enrollment, Castleton University  
Andy Pallito, Dean of Administration, Community College of Vermont  
Sylvia Plumb, Director of Marketing and Communications, Northern Vermont University  
Michael Stevens, Director of Facilities, Northern Vermont University  
Toby Stewart, Dean of Administration, Northern Vermont University  
Littleton Tyler, Dean of Administration, Vermont Technical College

Jamey Ventura, Associate Dean of Athletics, Northern Vermont University

Beth Walsh, President, VSCUP, Northern Vermont University

From the Public:

Cyndi Miller, AFT Vermont

Amy Nixon, Reporter, Caledonian Record

1. Chair Hindes called the meeting to order at 10:34 p.m.

Chair Hindes introduced the new Chief Financial and Operating Officer at the Chancellor's Office, Sharron Scott. Ms. Scott gave a brief bio and thanked the Board and Chancellor for this opportunity.

2. Approve Consent Agenda
  - a. June 17, 2020 meeting minutes
  - b. Early Childhood Professional Development System Grant for CCV

**Trustee Silverman moved and Trustee Pieciak seconded the motion to approve the June 17, 2020 meeting minutes and the Early Childhood Professional Development System Grant for CCV. The motion was approved unanimously.**

3. Legislative Update

Chancellor Zdatny shared that the VSC received several sources of funding from the legislature prior to recess, including the following:

- 1) First quarter transitional budget state appropriation funded at 25% of the FY2020 base appropriation given in a lump sum;
- 2) \$12.515M in Coronavirus Relief Funds ("CRF") of which slightly more than \$5M is dedicated to room and board refunds, the remainder to spent on direct COVID expenses as soon as possible;
- 3) \$5M in bridge funding for the first quarter of FY2021; and
- 4) \$22.758M in CRF money to be spent on direct COVID expenses prior to December 30, 2020. The Chancellor explained that the CRF funds cannot be used for lost revenue; they can only be used for COVID-19 related expenses.

In addition to the funding noted above, the Legislature created the Legislative Select Committee on Higher Education focused on the future of public higher education in Vermont. This Select Committee's primary focus will be on Vermont State Colleges. The

Committee is currently being formed. The Joint Fiscal Office has issued an RFP for an external consultant to assist the work of the Select Committee. As designed, there is an eighteen-month timeline for the Committee's work; however, there are discussions regarding shortening this timeline.

#### 4. Review FY2020 State Appropriation Request

Chancellor Zdatny shared that she and CFO/COO Scott have submitted a state appropriation request letter seeking \$30 million, with a possible additional \$10.3 million, in bridge funding. This request is consistent with the recommendation from Jim Page to the Joint Fiscal Office as part of his review in June 2020.

#### 5. Review and Discuss Estimated FY2021 Performance

CFO/COO Scott gave a presentation on the FY2021 financial forecast as of July 17, 2020 sharing that the VSCS forecasts a total deficit of ~ \$30 million which is approximately 65% of the worst case scenario as described in the State Treasurer's report to the Joint Fiscal Office earlier this year. It is important to note that these numbers are changing daily and that the forecast presented here was the central tendency as of July 17, 2020. It should be considered, at this point, the VSCS's best likely scenario for the year. This forecasted deficit represents a substantial deviation in the VSCS's usual performance, and is outside of the capacity of the VSCS to manage without both substantial legislative support, and significant change at each institution.

CFO/COO Scott identified several areas of potential risk that could increase the budget deficit. These included such events as a government order requiring the closure or reduction in services on one or more of the campuses, cancellation of fall, winter, or spring athletics, a regional surge in COVID-19, or an unmitigated case of COVID-19 on one or more of the campuses. Potential opportunities that could reduce the deficit include external budget relief, the perceived safety of Vermont, continued and/or expanded residential programs and face-to-face offerings, as well as significant budget cuts.

#### Executive Session

**At 11:15 a.m. Trustee Dickinson moved that the VSC Finance and Facilities Committee enter executive session pursuant to 1 V.S.A. § 313(a)(1)(B) to discuss labor relations agreements with employees. The motion stated that premature general public knowledge of these discussions would place the VSC at a substantial disadvantage, therefore it is appropriate for the Committee to enter executive session. The motion further stated that the Committee would make any final decision in an open meeting and would explain the**

**reasons for this final decision during the open meeting. Along with the members of the Board present at the meeting, the Board invited the Chancellor, the members of the Council of Presidents, the members of the Business Affairs Council, the VSC Chief Financial and Operating Officer, the VSC Chief Academic Officer and the VSC Interim General Counsel to attend. Trustee Silverman seconded the motion and it passed unanimously.**

The Board exited Executive session at 12:02 p.m. and took no action.

6. Discuss and Approve Resolution waiving or revising policies or portions thereof:
  - a. VSC Policy 403
  - b. VSC Policy 407
  - c. VSC Policy 429

CFO/COO Scott discussed the reasoning behind revising the budgeting process, which in its current state emphasizes financial autonomy of the individual institution above System as a whole and incentivizes behaviors that are not always in the best interest of the VSCS.

CFO/COO Scott recommends the following:

1. A reconfirmation that the Chancellor is responsible for the development of the System Annual Operating Budget in collaboration with the Counsel of Presidents
2. Waive the appropriations formula for all extraordinary allocations from the state
3. Require the Chancellor to review and approve all institution tuition settings to confirm that sister institutions are not undercutting each other on price
4. Require approval by the Chancellor for all transactions over \$100,000 and multi-year contracts to encourage a great collaboration between institutions.

Accordingly, CFO/COO Scott recommended that the Board suspend Policy 403 and Policy 407.

**Trustee Silverman moved to recommend the Board approve Resolution 2020-104, Establishing a System-Wide Budget. Trustee Pieciak seconded the motion. The motion passed unanimously.**

7. Executive Session to Discuss Land Transaction(s)

Executive session:

**At 12.11 p.m. Trustee Dickinson moved that the VSC Finance and Facilities Committee enter executive session pursuant to 1 V.S.A. § 313(a)(2) to discuss negotiating or securing real estate purchase or lease options. Along with the members of the Board present at the**

**meeting, the Board invited the Chancellor, the President of Vermont Technical College, Dean of Administration of Vermont Technical College, the VSC Chief Financial and Operating Officer, and the VSC Interim General Counsel to attend. Trustee Milne seconded the motion and it passed unanimously.**

The Board exited Executive session at 12:24 p.m. and took no action.

8. Public Comment

Beth Walsh made a public comment, stating her appreciation for the detailed information provided by the CFO/COO. She noted that the size of the projected deficit did not surprise her and that, if the State wishes to have a public higher education system, it will need to provide the necessary money.

9. Other Business

Executive session:

**At 12:28 p.m. Trustee Dickinson moved that the Finance and Facilities Committee of the VSC Board of Trustees enter executive session pursuant to 1 V.S.A. § 313(a)(3) to discuss the employment of a public official. The motion stated that the Board would make any final decision regarding any such public officer in an open meeting and would explain the reasons for this final decision during the open meeting. Along with the members of the Board present at the meeting, the Board invited the Chancellor, to attend portions of the executive session. Trustee Silverman seconded the motion and it passed unanimously.**

The Board exited Executive Session at 12:50 p.m. and took no action.

10. Adjourn

Chair Hinds adjourned the meeting at 12:50 p.m.