

Minutes of the VSCS Board of Trustees Finance and Facilities Committee held Monday, February 1, 2021 at 2:00 p.m. via Zoom - APPROVED

The Vermont State Colleges Board of Trustees Finance and Facilities Committee met on Monday, February 1, 2021 via Zoom.

Committee members present: David Silverman (Chair), Adam Grinold (Vice Chair), Lynn Dickinson, Jim Masland (2:19 p.m.) Linda Milne, Mike Pieciak

Other Trustees present: Karen Luneau, Mary Moran

Presidents: Elaine Collins, Joyce Judy, Pat Moulton, Jonathan Spiro

Chancellor's Office Staff: Renee Hunt, Controller
Katherine Levasseur, Director of Governmental & External Affairs
Jen Porrier, Administrative Director
Kathryn Santiago, Assistant General Counsel
Sharron Scott, Chief Financial and Operating Officer
Patty Turley, General Counsel
Meg Walz, Director, Project Management
Sophie Zdatny, Chancellor
Yasmine Ziesler, Chief Academic Officer

From the Colleges: Sarah Chambers, Coordinator of Instructional Technology, Castleton University
Laura Jakubowski, Chief Budget & Finance Officer, Castleton University
Tom Mauhs-Pugh, Provost, Castleton University
Andy Pallito, Dean of Administration, Community College of Vermont
Toby Stewart, Dean of Administration, Northern Vermont University
Littleton Tyler, Dean of Administration, Vermont Technical College
Beth Walsh, President, VSCUP, Northern Vermont University

1. Chair Silverman called the meeting to order at 2:02 p.m.
2. Approve minutes of December 7, 2020

Trustee Moran moved and Trustee Milne seconded the motion to approve the December 7, 2020 meeting minutes. The motion was approved unanimously.

3. Approve Creation of Carroll and Joanne Lawes Engineering Scholarship Fund

Vermont Technical College President Pat Moulton shared that while Carroll and Joanne Lawes are not VT Tech graduates, they are very impressed with the engineering work of VT Tech and are interesting in providing funding to support that work.

Trustee Dickinson moved and Trustee Pieciak seconded the motion to recommend to the Board the creation of the Carroll and Joanne Lawes Engineering Scholarship Fund at Vermont Technical College. The motion was approved unanimously.

4. Structural Deficit Overview

CFOO Sharron Scott presented an overview of the VSCS structural deficit. The materials shared were inclusive of information offered as part of testimony to the House and Senate this legislative session. Ms. Scott shared that the structural deficit was decades in the making and is comprised of four main factors: declining enrollment, highly competitive regional market conditions, the VSCS expense structure that is slow to change, and state support far below that of our regional peers. Thoughtful discussion by the Committee members and institution Presidents followed.

5. FY2021 Second Quarter Forecast Review & Discussion

CFOO Scott presented the FY2021 Second Quarter Forecast Review, stating that as of the second quarter, FY21 is forecasted to be stronger than originally budgeted due in large part to a combination of austerity measures undertaken by the colleges and the additional use of CRF. The FY21 budget was built assuming revenue over expenses at the end of the year of approximately \$2 million, however as of the Q2 forecast, that number is now approximately \$7 million. Scott commended the presidents and their teams for taking active measures to slow spending over the course of the year and expressed cautious optimism.

6. FY2022 First Pass Budget Review & Discussion

CFOO Scott reviewed the First Pass Budget with the Committee. She began her presentation reminding the Committee that FY22 is the first full year with a System-Wide budgeting process. This has resulted in a more consistent and cohesive first pass budget than in past years as well as a budget that has received greater scrutiny by the Business Affairs Council.

The estimated deficit for this first pass budget is between \$32 million and \$45 million due largely to the lingering effect of the pandemic and the accompanying enrollment drop that was experienced in Fall 2020. The second pass budget is scheduled for March 27th and the third pass for May 24th with the full Board review occurring at the June 16th meeting.

7. Public Comment

There was no public comment.

8. Other Business

Executive Session:

At 3:27 p.m. Trustee Silverman moved that the VSCS 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. The motion stated that, as appropriate and permitted by law, the Board may take action regarding real estate during this executive session. Along with the members of the Board present at the meeting, the Board invited the Chancellor, the President of Community College of Vermont, the Dean of Administration of Community College of Vermont, the President of Northern Vermont University, the Dean of Administration of Northern Vermont University, the VSCS Chief Financial and Operating Officer, and the VSCS General Counsel to attend. Trustee Grinold seconded the motion and it passed unanimously.

The Committee exited Executive session at 4:09 p.m. and took no action.

9. Adjourn

Chair Silverman adjourned the meeting at 4:10 p.m.