

VSC Board of Trustees' Authority & Locating Responsibility

VSC Board of Trustees Meeting
March 27, 2021

Overview

- Establishment of Board Authority
- Locating Board Responsibility

Vermont State Colleges

Established by legislation: 16 V.S.A. Chapter 72, Act 247, 1961

§ 2171. Corporation established; purposes; powers

(a) There is created as a part of the educational system of the State of Vermont a public corporation to be known as "Vermont State Colleges" or any other name that the Board of Trustees, established under section 2172 of this chapter, selects at a meeting duly warned for that purpose, provided that the word "Vermont" shall appear in the selected name. The Corporation shall plan, supervise, administer, and operate facilities for education at the postsecondary level supported in whole or in substantial part with State funds; however, while the Corporation shall maintain cooperative relations with the University of Vermont and State Agricultural College, nothing in this chapter shall give the Corporation any responsibility for the planning, supervision, administration, or operation of the University. (emphasis added)

Vermont State Colleges

VSC is:

a public corporation

an instrumentality of the State

a government entity

VSC is not:

a 501(c)(3) corporation

a non-profit corporation

Board of Trustees

The law also describes that VSC is governed by a board of 15 trustees, appointed or elected as further defined in the statute.

16 V.S.A. § 2172

Governance

Board acts as a full board

- not as 15 individual Trustees with distinct constituencies

Board members:

- Are officers of the whole system
- Have fiduciary Duty of Care
- Have fiduciary Duty of Loyalty

Power of the Board

The Board of Trustees may confer such honors and degrees as are usually given in colleges and universities and any other appropriate degrees, and shall appoint a chancellor of the Corporation and a president for each institution under its control and prescribe their duties, salaries, and terms of office. The Board shall make bylaws and regulations for the government of its meetings and each institution under its control prescribing among other things, the terms of admission, courses of instruction, educational standards, rates of tuition, scholarships, and other student aids.

16 V.S.A. § 2171

Specific Powers

- Confer degrees and honors
- Appoint a Chancellor
- Appoint Presidents of each institution
- Set out their duties, salaries, and terms of office

More Board Powers

The Board also has the power to make bylaws and regulations over the:

- Governance of its meetings
- Governance of institutions:
 - terms of student admissions
 - courses of instruction
 - educational standards
 - rates of tuition
 - scholarships and other student aids

Policies and practice

- The Board considers and votes on policies in accordance with Vermont's Open Meeting law
 - The policy under consideration is identified on an agenda for a meeting which has been publicly warned, and the Board votes on the policy in the public meeting.
- The Board adopts policies for implementation, which are put into practice by the Chancellor.

Decision-making Authority

Transformation will require that many decisions be made.

Who makes which decisions?

- Legislature?
- Board of Trustees?
- Chancellor?
- Presidents?
- Others?


Role of the Chancellor

“The Chancellor of the Corporation shall be the chief administrative officer and shall have all of the duties, responsibilities and authority that commonly pertain to that position. The Chancellor shall be the agent of the Board in implementing its decisions and policies and shall have general supervision of the academic, financial and business affairs of the Corporation and all other powers accorded the Chancellor under these Bylaws and the Personnel Handbook.”

Role of the President

- The chief executive and administrative officer of the member institution
- Selected by Board after consultation with the Chancellor, faculty, staff and students
- “The President is directly responsible to the Chancellor for the effective operation of the institution within system-wide policies and objectives as approved by the Board of Trustees”
- Chancellor exercises immediate supervision over the Presidents.

Locating Levels of Authority



Highest Level of
Authority = VSC
authorizing statute

Next Level of Authority =
Board Bylaws and
Resolutions

Next Level of Authority =
Board Policies

Strategic Planning

Statutory Authority	Bylaws	Trustee Handbook	VSC Policy	Other
21 VSA § 2171(a)	Art. I, § 1	Long Range Planning Committee	Policy 505: Strategic Planning	NECHE, Standard 2, Planning & Evaluation

The Board plays a critical role in defining the mission, vision and strategic priorities of the Vermont State Colleges System, as well as overseeing and approving the strategic plans of the individual institutions to ensure that they are consistent with those of the system. This is one of the Board's most important roles.

Academic Programs & Policies

Statutory Authority	Bylaws	Trustee Handbook	VSC Policy	Other
<p>21 VSA § 2171(a)</p> <p>21 VSA § 2174</p>	Art. I, § 1	EPSSL Committee Charter	<p>Level 100 Board policies, e.g.:</p> <p>Policy 101, Program Review and Continuous Improvement Process</p> <p>Policy 102, Approval of New Degrees and Majors</p> <p>Policy 106, General Education</p>	<p>President and Faculty Assembly - FT Faculty CBA, Article 19</p> <p>NECHE, Standard 4, The Academic Program</p>

- By statute, the Board explicitly has authority to prescribe courses of instruction and educational standards.
- New degrees and majors require approval of the Board (Policy 102).
- Existing programs are reviewed annually by Presidents for enrollment, retention, graduation and cost and the Presidents present the rationale for closure of any program to the Chancellor. The Chancellor provides recommendations to EPSSL regarding program closure, which are then voted on by the full Board. (Policy 109)

Financial Policies – Budget & Resource Allocation

Statutory Authority	Bylaws	Trustee Handbook	VSC Policy	Other
21 VSA § 2186(a)	Art. I, § 1	Finance & Facilities Statement	Policy 403, Annual Operating Budget	Investment Sub-committee
21 VSA § 2185	Art. IV, § 6		Policy 404, Cash Management Statement	NECHE, Standard 7, Institutional Resources
21 VSA § 2178		Audit & Risk Management Committee Charter	Policy 407, Responsibility for Deficits Incurred After June 30 1979	
21 VSA § 2175			Policy 408, Policy on Grants & External Funding	
21 VSA § 2176			Policy 410, Financial Aid & Other Financial Awards	
21 VSA § 2177(b) – (f)			Policy 415, Asset Capitalization & Depreciation	
21 VSA § 2177(a)			Policy 430, Endowment Investment & Spending Policy	
			Policy 431, Internal Controls	
			Policy 432, Internal Audits	

The Chancellor recommends a system-wide budget to the Board of Trustees annually. The Board is responsible for understanding, reviewing, approving, and monitoring compliance.

Financial Policies – Capital Expenditures & Debt Instruments

Statutory Authority	Bylaws	Trustee Handbook	VSC Policy	Other
21 VSA § 2171(b)	Art. I, § 1	Finance & Facilities Statement	Policy 405, Capital Budget	NECHE, Standard 7, Institutional Resources
21 VSA § 2171(c)	Art. IV, § 4		Policy 426, Leases Acquisition & Disposal Of Real Estate	
21 VSA § 2171(d)	Art. IV, § 6	Audit & Risk Management Committee Charter	Policy 428, Capital Construction	
21 VSA § 2171(e)			Policy 433, Debt Management Policy	
32 VSA § 962				
21 VSA § 2186(b)-(f)				

Annually, state funded capital projects are proposed to the Board of Trustees. The capital projects are typically ones related to health, life-safety, accessibility, and other major maintenance. Decisions regarding the purchase, sale, or disposal of facilities are the responsibility of the Board of Trustees with recommendation from the Chancellor. Decisions regarding the issuance or refinancing of debt instruments is the responsibility of the Board of Trustees with recommendation from the Chancellor

Administrative Policies

Statutory Authority	Bylaws	Trustee Handbook	VSC Policy	Other
21 VSA § 2171(a) 21 VSA § 2174	Art. I, § 1	EPSSL Committee Charter	Level 100-500 policies: Policy 207 & 210, Conflict of Interest policies Policy 211, Whistleblower Policy Policy 311, 311-A, 316	Collective bargaining agreements State Employees Labor Relations Act NECHE, Standard 7, Institutional Resources

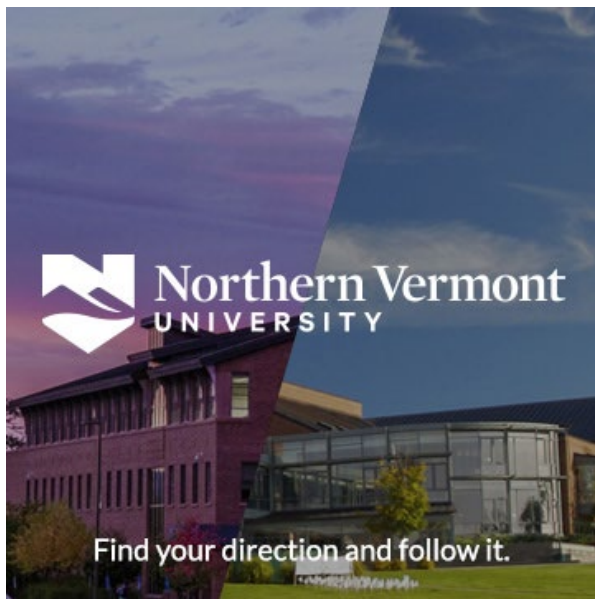
Typically administrative policies are drafted at the Chancellor's Office in response to an issue, problem or change in the law as identified by the Board, OC, or college personnel. Policies are reviewed/revised by appropriate internal stakeholders before being finalized and submitted to the applicable Board committee for approval.

Final Authority

The Board is the VSC's sole fiduciary.

Although the Board may delegate responsibilities to the Chancellor, the Presidents, faculty, and staff, the Board retains the final authority to “plan, supervise, administer, and operate facilities for education” at the Vermont State Colleges.

Questions?



Vermont State Colleges System

Legislative Update – Board of Trustees Meeting

March 27, 2021

For the benefit of Vermont



FY2022 Budget, As Passed House

VSCS General Fund	FY22
General Fund Base Funding	30.5
General Fund Increased Base Funding	5.0
Bridge Funding	21.0
Transformation Funding	20.0
Critical Occupations Funding	20.5
Total VSCS General Fund	97.0

For the benefit of Vermont

Four Key Takeaways

\$5,000,000 increase to the base appropriation

\$20,000,000 in transformation costs pre-funded

\$20,500,000 in student stipends and scholarships

Legislative requirements for the VSCS Board

For the benefit of Vermont

Estimated Transformation Expenses

(Amounts Rouded to \$1,000)

Work Category	FY22	FY23	FY24	FY25	Total
Project management, Change Management, Staffing	1,500	1,500	250	250	3,500
Administrative Infrastructure and Consolidations	3,000	500	100	-	3,600
Academic Infrastructure and Consolidations	650	1,500	150	-	2,300
Accreditation, Legal Compliance	75	25	-	-	100
Physical Infrastrucure, Facilities & ERP	2,000	1,500	1,000	750	5,250
Marketing and Branding	750	2,000	1,500	1,000	5,250
Estimated Transformation Expenses	7,975	7,025	3,000	2,000	20,000

For the benefit of Vermont

Critical Occupations Scholarships

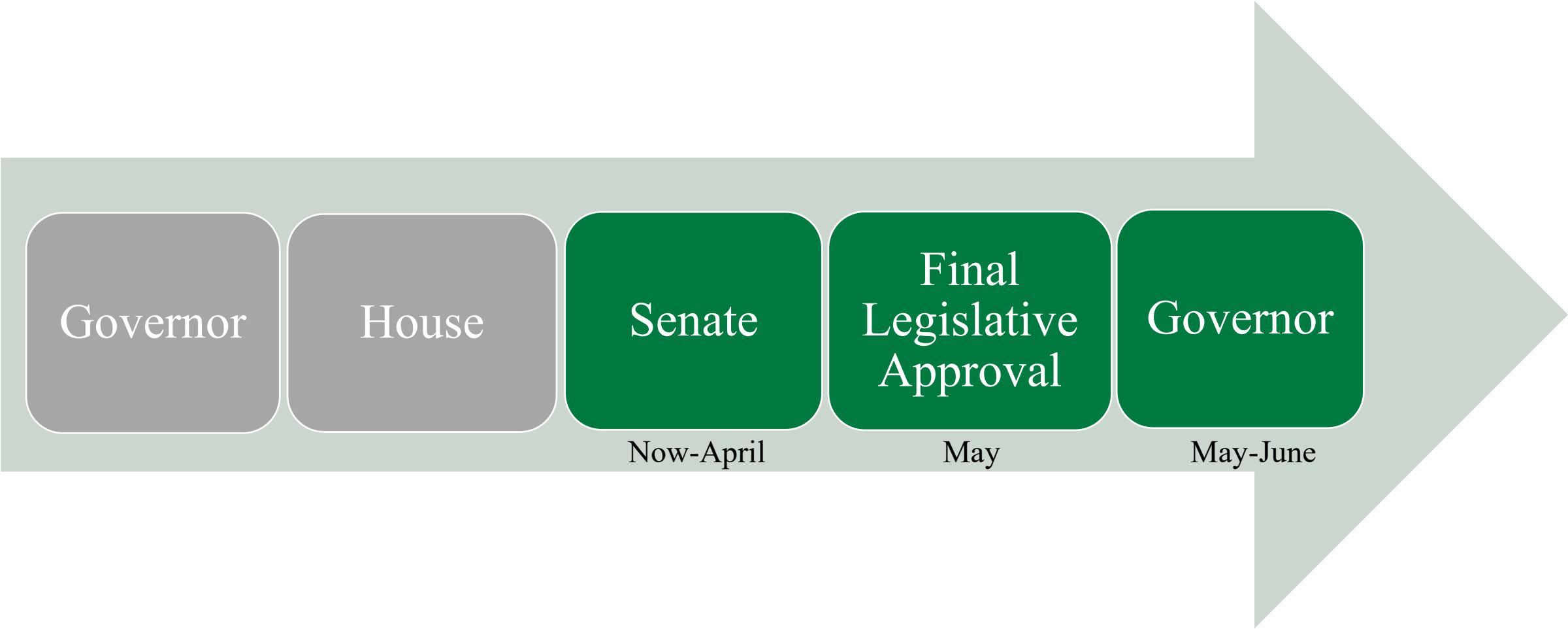
- **Welcome Home Scholarships** for transfer students & those who left school in 2020-2021
- **Degree Completion Scholarships** for adult learners with 40+ credits
- Critical Occupations **Graduate Internship Stipends**
- Critical Occupations **Undergraduate Internship Stipends**
- **Free Tuition** for Critical Occupation Majors
- **Workforce Initiative 2.0**
- Long-Term Care Facility **Practical Nursing Program Scholarships**

For the benefit of Vermont

Legislative Requirements Language

- Reports to the House and Senate Education, Appropriations, and Economic Development Committees
- Reduce structural deficit by \$5 million per year for a total of \$25 million
- Develop and implement a 10-year strategic plan for managing our physical assets
- Maintain our present campus locations
- Complete implementation of seamless general education credit transfer between all institutions by the end of fiscal year 2023.

Process & Timeline



Second Pass Budget: Net Revenue Comparison

(Amounts Rounded to \$1,000)

	FY2021 Budget	FY2021 Forecast	FY2022 Best Likely	FY2022 Worst Likely
TOTAL REVENUES	178,045	178,813	148,136	133,263
<i>Total Revenue without Bridge</i>	<i>149,245</i>	<i>150,013</i>	<i>148,136</i>	<i>133,263</i>
TOTAL EXPENSES	176,019	171,296	180,459	177,879
<i>Total Expenses without CRF</i>	<i>177,653</i>	<i>175,322</i>	<i>180,459</i>	<i>177,879</i>
NET REVENUE w/o BRIDGE OR CRF	(28,408)	(25,309)	(32,323)	(44,616)



Budget does not assume changes to appropriation

FY2022 – FY2027 Estimated Need *before* Deficit Reduction & All Other Funding Sources

VSCS Estimated Budget FY22 - FY27	FY22	FY23	FY24	FY25	FY26	FY27
Appropriation						
Historical Appropriation	30.5	30.5	30.5	30.5	30.5	30.5
Anticipated Additional Need						
Improved Capacity & Affordability	17.5	17.5	17.5	17.5	17.5	17.5
Structural Deficit (before reductions)	25.0	25.0	25.0	25.0	25.0	25.0
Transformation Expenses	8.0	7.0	3.0	2.0	-	-
Total Anticipated Additional Need	50.5	49.5	45.5	44.5	42.5	42.5
VSCS Need before Deficit Reduction & All Other Funds	81.0	80.0	76.0	75.0	73.0	73.0

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FY2022 Estimated Need *after* Deficit Reduction, HEERF, BAA, Carryforward

VSCS Estimated Budget FY22	FY22
VSCS Need before Deficit Reduction & All Other Funds	81.0
Deficit Reduction, HEERF, BAA, Carryforward	
FY 2021 Budget Adjustment Act	(5.0)
VSCS Austerity Measures (Carryforward)	(5.0)
HEERF II - <i>estimated</i>	(5.0)
Total Deficit Reduction, HEERF, BAA, Carryforward	(15.0)
Need After Deficit Reduction, HEERF, BAA, Carryforward	66.0

FY2022 Estimated Need *after* Deficit Reduction, HEERF, BAA, Carryforward

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FY2022 Needs & General Fund

VSCS Fund Sources	House Passed Budget	VSCS FY22
General Fund Base Funding	30.5	30.5
Increased Base Funding	5.0	5.0
Bridge Funding	21.0	21.0
FY 2022 Transformation	20.0	8.0
FY 2022 Critical Occupations	20.5	1.5
Total Fund Sources	97.0	66.0

Critical occupations VSCS FY22 is the anticipated net revenue from the critical occupations programs

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NET REVENUE w/o BRIDGE OR CRF	(28,408)	(25,309)	(32,323)	(44,616)

Budget approved by House addresses 100% of worst likely scenario

ARTICLE 21

REDUCTION IN FORCE

1. In all cases, the College will determine the extent and magnitude of the reduction in force, including the areas, departments, classifications and positions affected. This article does not apply to probationary or temporary employees, nor does the article apply to terminations for cause or for unsatisfactory performance reasons.
2. A reduction in force occurs when an employee is laid off due to one or more of the following factors:
 - a. Budget shortfalls or financial considerations;
 - b. Reorganization of departments;
 - c. Elimination or consolidation of positions;
 - d. Program changes or curtailment;
 - e. Decision by the College not to support or reapply for a grant renewal;
 - f. The loss of a grant, in whole or in part.
3. **Notice to Employee.** Reductions in force may occur at any time. Whenever a College plans a reduction in force, it shall:
 - a. Notify the employees who may be affected in writing no later than 45 days before the effective date of the proposed action. Days are computed using the definition of a Day: Monday through Friday excluding official College holidays.
 - b. Provide copies of each of the above employee notices to the Union and provide the Union with a statement of the areas, departments, classifications, positions and individuals who may be affected by proposed reductions and the reasons for the reductions.
 - c. Any employee who has been employed by the Colleges for at least one year and who is laid off may select between exercising their rights under sections 6 through 8 below or will receive a severance payment equal to one week's base salary for each full year of service up to ten years with a general release of rights including recall rights and other rights under this section except COBRA rights.

d. If at the time of notification of layoff an employee is within six months of meeting the eligibility requirements of Article 27 (Retirement and Continued Benefits), the employee will be deemed to have met the eligibility requirements of the appropriate sections.-This provision is not grievable except to the extent the calculation of years of service may be grieved.

4. **Union Consultation.** At the request of the Union, the President of the College, or their designee, and the Union President will meet and discuss the potential reduction in force within five (5) workdays following notification. The Union may submit its own proposals or alternatives in writing for dealing with the planned layoff situation before, at or after this meeting, including conveying offers of voluntary layoff made by any unit members. If after the meeting, the proposal must be made within ten (10) workdays of the meeting. The College will consider the Union proposal in good faith and respond in writing at least ten (10) days before the implementation of the layoff. The Colleges' refusal to accept particular suggestions or proposals made by the Union with respect to alternatives to reducing staff shall not be subject to the grievance and arbitration provisions of this *Agreement*.
5. **Selection.** Within departments where the College must choose among two or more employees, the College will consider the following factors in making its selection:
- a. Seniority;
 - b. Relative Qualifications;
 - c. Ability and Performance.

If factors (b) and (c) above are relatively equal, then layoff shall occur in the inverse order of seniority of the employees. In exercising its judgment in making the selection, the College will not act arbitrarily or capriciously. Seniority, for purposes of this article, shall be defined as the length of time the employee has been continuously employed at the College.

6. In the event of a layoff under this article, an employee may purchase health benefits through COBRA (<https://www.cobrainsurance.com/>). An employee who is laid off under this article shall continue to retain all the rights and benefits under the Tuition Waiver provisions of this *Agreement* for the entire length of the recall period.
7. **Recall.** The Colleges will maintain a list of bargaining unit members who have been laid off under this article. An employee on this list will be recalled to their original position or substantially similar position if it becomes available within two (2) years of the date of being laid off and provided the employee is otherwise qualified for the position.

When the College is recalling employees, it will recall in order of seniority from those eligible for each position. An employee who is recalled shall retain their previous seniority and benefits. Notices of recall will be sent, certified mail, to the last known address of the employee(s), with a copy to the Union President and the Chapter Chair of the affected College. Employees may refuse the recall and maintain their recall rights for the rest of the recall period. If the senior employee refuses the recall, the next-senior employee will be recalled.

8. Employees who have been laid off under this article may also apply for other open positions at the College. In the event such an employee is hired for an open position within three (3) years of their layoff date, they will retain any prior seniority and benefits.

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 - c. Any employee who has been employed by the Colleges for at least one year and who is laid off may select between exercising their rights under sections 6 through 8 below or will receive a severance payment equal to one week's base salary for each full year of service up to ten years with a general release of rights including recall rights and other rights under this section except COBRA rights.

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 - c. Ability and Performance.

If factors (b) and (c) above are relatively equal, then layoff shall occur in the inverse order of seniority of the employees. In exercising its judgment in making the selection, the College will not act arbitrarily or capriciously. Seniority, for purposes of this article, shall be defined as the length of time the employee has been continuously employed at the College.

6. In the event of a layoff under this article, an employee may purchase health benefits through COBRA (<https://www.cobrainsurance.com/>). An employee who is laid off under this article shall continue to retain all the rights and benefits under the Tuition Waiver provisions of this *Agreement* for the entire length of the recall period.
7. **Recall.** The Colleges will maintain a list of bargaining unit members who have been laid off under this article. An employee on this list will be recalled to their original position or substantially similar position if it becomes available within two (2) years of the date of being laid off and provided the employee is otherwise qualified for the position.

When the College is recalling employees, it will recall in order of seniority from those eligible for each position. An employee who is recalled shall retain their previous seniority and benefits. Notices of recall will be sent, certified mail, to the last known address of the employee(s), with a copy to the Union President and the Chapter Chair of the affected College. Employees may refuse the recall and maintain their recall rights for the rest of the recall period. If the senior employee refuses the recall, the next-senior employee will be recalled.

8. Employees who have been laid off under this article may also apply for other open positions at the College. In the event such an employee is hired for an open position within three (3) years of their layoff date, they will retain any prior seniority and benefits.

ARTICLE 24

SALARY

1. FY 22 increases

Each employee who was employed by the Colleges on April 1, 2020 and who is still on the payroll on July 1, 2021, shall receive an across the board increase of \$800 per annum for full-time employees, or the percentage increase granted to non-bargaining unit members, whichever is greater. This increase will be applied in direct proportion to the part-time employee's percentage of employment. For example, a .6 employee shall receive an increase of \$480 (800 x .60).

Each employee hired after July 1, 2020, who has completed their probationary period before April 1, 2021 and is still on payroll on July 1, 2021, shall receive an across the board increase of \$400 per annum for full-time employees, or the percentage increase granted to non-bargaining unit members, whichever is greater. This increase will be applied in direct proportion to the part-time employee's percentage of employment. For example, a .6 employee shall receive an increase of \$240 (400 x .60).

~~1. FY 17 increases~~

~~Each employee who was employed by the Colleges on April 1, 2016 and who is still on payroll on July 1, 2016, shall receive an across the board increase of 2.75%.~~

~~2. FY 18 increases~~

~~Each employee who was employed by the Colleges on April 1, 2017 and who is still on payroll on July 1, 2017, shall receive an across the board increase of 2.95%.~~

~~3. FY 19 increases~~

~~Each employee who was employed by the Colleges on April 1, 2018 and who is still on payroll on July 1, 2018, shall receive an across the board increase of 3.25% or the percentage increase granted to non-bargaining unit members, whichever is greater.~~

~~4. FY 20 increases~~

~~Each employee who was employed by the Colleges on April 1, 2019 and who is still on payroll on July 1, 2019, shall receive an across the board increase of 3.25% or the percentage increase granted to non-bargaining unit members, whichever is greater.~~

2. ~~5.~~ The above raises apply to all employees regardless of funding source(s).
3. ~~6.~~ Each employee who, subsequent to the ratification of this *Agreement*, earns an additional degree equal to or greater than the degree then held shall receive an increase to base pay of \$500.
4. ~~7.~~ The Colleges retain the right to set the initial salary of new hires based on their education and experience.
5. ~~8.~~ Payment for on call will be negotiated between the parties.
6. ~~9.~~ **Equity.** \$25,000, distributed to the colleges on the basis of the number of employees in the two units (PAT and SUP) combined at each college, shall be available annually for equity adjustments in accordance with the following:
 - a. At each member college, the President and the Union will constitute a committee which will review requests from individuals or similarly situated groups of individuals who allege that because of internal or other inequities, their salary(ies) need(s) adjustment.
 - b. After review of an application, the committee shall recommend any salary adjustments to the President for their approval or denial. If the President disagrees with the committee's recommendation, they shall meet with the committee before issuing the final decision. The President shall notify in writing the committee and the Union of their decision within ten (10) days of receipt of the committee recommendation. Such decision shall not be arbitrary or capricious.

ARTICLE 24

SALARY

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Each employee who was employed by the Colleges on April 1, 2020 and who is still on the payroll on July 1, 2021, shall receive an across the board increase of \$800 per annum for full-time employees, or the percentage increase granted to non-bargaining unit members, whichever is greater. This increase will be applied in direct proportion to the part-time employee's percentage of employment. For example, a .6 employee shall receive an increase of \$480 ($800 \times .60$).

Each employee hired after July 1, 2020, who has completed their probationary period before April 1, 2021 and is still on payroll on July 1, 2021, shall receive an across the board increase of \$400 per annum for full-time employees, or the percentage increase granted to non-bargaining unit members, whichever is greater. This increase will be applied in direct proportion to the part-time employee's percentage of employment. For example, a .6 employee shall receive an increase of \$240 ($400 \times .60$).

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Guiding Principles for Labor Relations

Vermont State Colleges respects the rights of employees to seek representation by a labor union, as provided in the Vermont State Employees Labor Relations Act. Trustees and management of the VSCS are committed to working collaboratively and in good faith with all union representatives, in support of Vermont public post-secondary education that is affordable, accessible, high-quality, and relevant. In our labor relations, we are guided by the following principles:

- ^ Students and their Success are our Singular Goal.
- ^ To focus on student success, we will:
 - ^ foster a workplace that provides education for life and a lifetime
 - ^ be responsible stewards of our fiscal resources
 - ^ be a leader in our Vermont communities
 - ^ collaborate with our workforce for effective and efficient operations
 - ^ make well-informed decisions based on objective data, metrics, and evidence
 - ^ seek to continuously improve the delivery of education *for the Benefit of Vermont*