


## MEMORANDUM

TO: VSCS Board of Trustees

FROM: Sophie Zdatny, Chancellor 

DATE: January 18, 2023

SUBJECT: Board of Trustees' Meeting on Monday, January 23, 2023

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Trustees:

Materials are now available for the Board meeting scheduled for **1:00 p.m. on Monday, January 23<sup>rd</sup>**. The meeting will take place via Zoom and will be livestreamed on YouTube. Members of the public may physically attend and participate in the meeting, via Zoom, in Classroom 401-B in Building 4 at Vermont Tech's Williston campus, located at 141 Lawrence Place, Williston, VT. The public will have the opportunity to provide comments.

Following approval of the minutes from the Board's October 31<sup>st</sup> meeting, the Board will receive reports from recent meetings of: (1) the Finance and Facilities Committee; (2) the Nominating Committee; (3) the Education, Personnel and Student Life Committee; and (4) the Diversity, Equity, and Inclusion Committee. The Board will be asked to vote on several recommendations from the committees.

The Board will receive a Government Affairs update, a workforce development update, reports from the Presidents, and a detailed update on transformation.

The meeting will adjourn, after consideration of any additional business.

Cc: Council of Presidents  
Academic Deans  
Business Affairs Council  
Student Affairs Council

**Vermont State Colleges Board of Trustees Meeting**  
**Zoom Meeting/YouTube Stream**  
**Classroom 401-B (Building #4), Vermont Technical College,**  
**141 Lawrence Place, Williston, VT\***

**Monday, January 23, 2023 at 1:00 p.m.**

**AGENDA**

1. Call to order
2. Comments from the public - sign up here: [www.vsc.edu/signup](http://www.vsc.edu/signup)
3. Approval of Minutes
  - a. October 31, 2022
4. Report from Finance and Facilities Committee
  - a. Motion/vote to approve name change of the Family Fund to the Rolfe1941 Farm Family Fund
  - b. Motion/vote to approve creation of the Mary Elizabeth Trudeau Baker Nursing Scholarship Endowment
  - c. Motion/vote to approve Policy 403, *System Annual Operating Budget*, and sub-policies 403-A, 403-B, 403-C, and 403-D
  - d. Motion/vote to approve System Carryforward Request
5. Report from Nominating Committee
  - a. Motion/vote on nomination of Megan Cluver to serve a second term as a Board-elected trustee
  - b. Motion/vote on election of at least three trustees to serve on the Nominating Committee
6. Report from Education, Personnel and Student Life Committee
  - a. Motion/vote to approve Resolution 2023-001: *Resolution Honoring the Shared Governance Leadership of Faculty Assemblies*
  - b. Motion/vote to approve VSC Policy 107-A, *Posthumous Degrees*
  - c. Motion/vote to approve Resolution 2023-002: *Establishment of EPSL Committee Liaisons*

7. Report from Diversity, Equity, and Inclusion Committee
8. Government Affairs Update
9. Workforce Development Update
10. Presidents' Reports
11. Transformation Update
12. Additional Business
13. Adjourn

Next Board meeting to be held in person at Community College-Montpelier  
on Saturday, **March 25, 2023**

\*This meeting will be held via Zoom and, with the expiration of Act 78, members of the public may physically attend and participate in the meeting, via Zoom, in Vermont Tech Williston campus classroom 401 B, in the Library building (Building #4), at Vermont Technical College, located at 141 Lawrence Place, Williston, VT.

## MEETING MATERIALS

- Item 1: Meeting Minutes
- a) October 31, 2022
- Item 2: Finance & Facilities: Endowments
- a) Rename Farm Family Fund to Rolfe1941 Farm Family Fund
  - b) Mary Elizabeth Trudeau Baker Nursing Scholarship Endowment
- Item 3: Finance & Facility: Policy Revisions
- a) Overview of Changes
  - b) Policy 403, *System Annual Operating Budget*
  - c) Policy 403-A, *State Appropriation Allocation*
  - d) Policy 403-B, *Shared Expenses*
  - e) Policy 403-C, *Student Tuition and Fees*
  - f) Policy 403-D, *Reserves, Carryover, and Miscellany*
  - g) Resolution 2020-014: *System-Wide Budget*
  - h) Resolution 2022-004: *Suspension of Policy 403 and Policy 407*
- Item 4: Finance & Facilities: System Carryover Requests
- Item 5: Resolution 2023-001: *Resolution Honoring the Shared Governance Leadership of Faculty Assemblies*
- Item 6: Policy 107-A, *Posthumous Degrees*
- Item 7: Resolution 2023-002: *Establishment of EPSL Committee Liaisons*

**ITEM 1:**  
**October 31, 2022 Minutes**

**Minutes of the VSCS Board of Trustees Meeting held Monday, October 31, 2022, at 1:00 p.m. via Zoom – UNAPPROVED**

*Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.*

The Vermont State Colleges Board of Trustees met on Monday, October 31, 2022, via Zoom

Board members present: Lynn Dickinson, Janette Bombardier, David Durfee, Adam Grinold (1:15 p.m.), Shirley Jefferson, Bill Lippert, Karen Luneau, Mary Moran, Perry Ragouzis, David Silverman, Shawn Tester, Sue Zeller

Absent: Megan Cluver, Jim Masland

Presidents: Parwinder Grewal, Joyce Judy

Chancellor's Office Staff: Donny Bazluke, Network/Security Analyst  
 Kellie Campbell, Chief Information Officer  
 Wilson Garland, Director, Transformation Projects  
 Kathrine Levasseur, Director of External and Government Affairs  
 Pat Moulton, Executive Director, Workforce Development  
 Jen Porrier, Administrative Director  
 Sarah Potter, Chief Human Resources Officer  
 Sharron Scott, Chief Financial/Operations Officer  
 Toby Stewart, System Controller  
 Littleton Tyler, Lead Financial Analyst  
 Patty Turley, General Counsel  
 Meg Walz, Director, Project Management  
 Sophie Zdatny, Chancellor  
 Yasmine Ziesler, Chief Academic Officer

From the Colleges: Nolan Atkins, Vice President of Academic Affairs, Northern Vermont University  
 Jae Basiliere, Chief Diversity Officer, Northern Vermont University  
 Kelley Beckwith, Vice President of Student Success, Castleton University  
 Sarah Chambers, Coordinator of Instructional Technology, Castleton University  
 Laura Jakubowski, Assistant Vice President of Finance, Castleton University  
 Andy Pallito, Dean of Administration, Community College of Vermont

Denise Rhodes, Consultant, Finance & Registration Services,  
Castleton University  
David Rubin, Dean of Administration, Vermont Technical College  
Dannielle Spring, Chief Budget & Finance Officer, Northern  
Vermont University  
Beth Walsh, President, VSCUP, Northern Vermont University

From the Public:

1. Chair Dickinson called the meeting to order at 1:00 p.m.
2. Comments from the public

There were no comments.

3. Approval of Minutes
  - a. September 20 and September 21, 2022 Board Meeting and Retreat

**Trustee Luneau moved and Trustee Ragouzis seconded the motion to approve the September 20 and September 21, 2022 minutes. The motion was approved unanimously.**

4. Report from Finance & Facilities Committee
  - a. Motion/vote to approve William Fosbrook Aviation Scholarship (Vermont Tech) and Ian Muller Memorial Endowment (NVU-Lyndon)
  - b. Motion/vote to approve Community College of Vermont and Vermont Tech's requests to carry forward funds

Trustee Silverman requested approval of two endowments by the Board. The William Fosbrook Aviation Scholarship for students in the Professional Pilot Program at Vermont Tech, and the Ian Muller Memorial Endowment for Veterans attending the NVU-Lyndon campus. Further details can be found [here](#) on pages 15-18.

**Trustee Tester moved and Trustee Zeller seconded the motion to approve the William Fosbrook Aviation Scholarship and the Ian Muller Memorial Endowment. The motion was approved unanimously.**

Trustee Silverman outlined the carry forward requests by CCV and VT Tech. Both institutions have proposed use of carry forward funds for FY2023 activities. Further information can be found [here](#) on pages 20 and 21.

**Trustee Ragouzis moved and Trustee Tester seconded the motion to approve the carry forward requests of the Community College of Vermont and Vermont Technical College. The motion was approved unanimously.**

5. Report from Diversity, Equity, and Inclusion Committee

Trustee Jefferson reported that Dr. Basiliere, VTSU Chief Diversity Officer, shared an update on the DEI work at VTSU. Mary Brodsky, Dean of People and Culture at CCV, provided an update on DEI activities at CCV. Trustee Jefferson also shared information about a case currently

before the US Supreme Court concerning race-based college admissions. More information on all of these points can be found in the complete DEI minutes [here](#).

6. Report from Audit and Risk Management Committee
  - a. Motion/vote to approve Resolution 2022-016, Acceptance of FY2022 Audited Financial Statements and Single Audit Report

Trustee Zeller reported that O’Conner & Drew shared the Financial Statements and Single Audit Report. VSCS received an unmodified opinion on the financial statements and federal awards. There was a material weakness identified with the single audit and a detailed corrective action plan was shared and will be reviewed at each regularly scheduled Audit & Risk Management Committee meeting this year.

**Trustee Zeller moved and Trustee Silverman seconded the motion to approve Resolution 2022-016 Acceptance of FY2022 Audited Financial Statements and Single Audit Report. The motion was approved unanimously.**

7. Report from Education, Personnel and Student Life Committee

Trustee Luneau, on behalf of Trustee Cluver, reported that the EPSL Committee welcomed Kathy Penberthy and Erin Wetherell as faculty and staff liaisons from CCV, and Hilary Linehan on behalf of VTSU. A fall enrollment update was shared from the most recent October 15 snapshot. The Committee heard presentations from Nicole Overley of Deloitte, and Mathew Barewicz of the Vermont Department of Labor. Both presentations provided valuable insight into the current workforce challenges and labor market. Trustee Ragouzis shared insights from the student perspective on workforce. Heather Weinstein, Dean of Strategic Initiatives and Student Affairs for CCV, also shared a presentation on the part time student experience and community college enrollment patterns. For complete EPSL Committee information, go [here](#).

8. Motion/vote to approve request to award an honorary degree at Northern Vermont University

VTSU President Parwinder Grewal shared the story of Claire Duke in support of his request to award an honorary degree, Doctor of Humane Letters, to her at NVU’s commencement in December. Further information about her story can be found [here](#) on pages 22-34.

Chair Dickinson clarified that normally a request like this would go through the EPSL Committee first, but due to time constraints, this request came directly to the Board for approval.

**Trustee Jefferson moved and Trustee Durfee seconded the motion to approve Resolution 2022-018, Conferral of Honorary Degree on Clair Diane Duke. The motion was approved unanimously.**

9. Presidents’ Reports

President Grewal reported that transformation projects are going well and hiring for the VTSU leadership team is nearly complete. A draft of strategic priorities has been developed and shared with campus communities. Formal development of this plan is required by NECHE for accreditation. Admission staff is currently on the road recruiting students from Vermont and neighboring states. Open houses are occurring on each campus and school counselors are invited



to share VTSU information with their students. Faculty is working hard to review programs in the program array and completion is projected for early December. The general education curriculum proposal is making progress and it will likely be approved by the end of November.

CCV President Joyce Judy shared information about occupational credentials, certificate programs, and short-term credentials. All are available at CCV and are intended to provide more immediate benefits from education. WCAX and Seven Days both did news stories on CCV's certification program for funeral directors. CCV continues to see student interest in some form of remote learning. That is forcing CCV to examine their physical space needs and lengths of leases. Monitoring enrollment patterns is crucial to determining these needs.

#### 10. Government Affairs Update

Katherine Levasseur, Director of External and Governmental Affairs, provided an update on the VSC's budget requests, which included a total General Fund request of \$63.35 million. This includes requests for a \$48 million base appropriation, \$9 million for FY2024 one-time Bridge Funding, \$6 million to reduce CCV's tuition by 25%, and \$350,000 of one-time funding to grow VTSU's restorative justice program. The base and bridge requests conform to the Select Committee's recommendations.

Additionally, Ms. Levasseur shared the VSCS submitted a Capital funding request for both FY2024 and FY2025 of \$12.2 million. This request breaks down into \$6.3 million for major maintenance, \$1.1 million for transformation, and \$4.8 million to fund major renovations at Vail Hall in Lyndon and Green Hall at Randolph. Both the budget and capital bill requests will now be considered by the Governor and his team

#### 11. Executive session

**At 2:14 p.m. Trustee Grinold moved that the VSCS Board of Trustees enter executive session pursuant to 1 V.S.A. § 313(a)(3) to discuss the appointment and employment of public officers and 1 V.S.A. § 313(a)(2) to discuss the negotiating or securing of real estate purchase or lease options. It was further moved that the Board of Trustees enter executive session, pursuant to 1 V.S.A. § 313(a)(1)(A) to discuss contracts and 1 V.S.A. § 313(a)(1)(B) to discuss labor relations agreements with employees because premature general public knowledge would clearly place the public body involved at a substantial disadvantage. Along with the members of the Board present at the meeting, the Board invited the Chancellor, the Chief Financial and Operating Officer, the General Counsel, the President of Vermont State University, and the Chief Human Resources Officer to attend the executive session. Trustee Moran seconded the motion and it was approved unanimously.**

The Board exited executive session at 2:59 p.m.

**Trustee Silverman moved and Trustee Moran seconded the motion to approve the tentative agreement reached with the Vermont State Colleges Faculty Federation. The motion was approved unanimously.**

**Trustee Ragouzis moved and Trustee Tester seconded the motion to approve the issuance of a letter of appreciation to VSC employees, signed by Chair Dickinson, on behalf of the Board of Trustees. The motion was approved unanimously.**

## 12. Additional Business

There was no other business.

Chair Dickinson adjourned the meeting at 3:01 p.m.

UNAPPROVED

**ITEM 2:**

**Finance & Facilities: Endowments:**

**a) Rolfe1941 Farm Family Fund**

**VERMONT TECH**

**Office of the President**  
PO Box 500  
Randolph Center, Vermont 05061

**Tel:** 802 728 1252  
**Email:** [president@vtc.edu](mailto:president@vtc.edu)

December 7, 2022

Sophie Zdatny, Chancellor  
Vermont State Colleges System  
PO Box 7  
Montpelier, VT 05601

Dear Chancellor Zdatny,

I am pleased to provide you the New Funding Source Document required for renaming an existing endowment. The original name of the endowment is *Farm Family Fund*, but because there is another endowment name with a similar title, the donor family has requested the name be change to *Rolfe1941 Farm Family Fund*.

This endowment was funded with a gift of \$12,364.00 on May 7, 1997. There are no other changes to the endowment except the name, however the family would like to see this change made as soon as possible.

I request that the Vermont State College's Board of Trustees approve this name change.

Sincerely,



Dr. Parwinder Grewal  
President of Vermont Technical College, Castleton University, Northern Vermont University and  
Vermont State University

**ITEM 2:**

**Finance & Facilities: Endowments:**

- b) Mary Elizabeth Trudeau Baker Nursing Scholarship Endowment**



Office of the President  
PO Box 500  
Randolph Center, Vermont 05061

Tel: 802 728 1252  
Email: [president@vtc.edu](mailto:president@vtc.edu)

December 7, 2022

Sophie Zdatny, Chancellor  
Vermont State Colleges System  
PO Box 7  
Montpelier, VT 05601

Dear Chancellor Zdatny,

I am pleased to provide you the New Funding Source Document required for establishing an endowment to be titled the *Mary Elizabeth Trudeau Baker Nursing Scholarship Endowment*.

The endowment will be funded with a bequest gift that we have received in the amount of \$1,655,727.22.

This scholarship will be awarded to students who are studying nursing through the legacy nursing program that originated at Vermont Technical College. There are no other restrictions on who can receive these scholarship awards.

Because the donor requested that a portion of her gift be put to immediate use for the benefit of current nursing students, we are requesting that a small portion (\$20,000) of the gift be set aside for current use, while the remainder is invested in the endowment corpus.

I request that the Vermont State College's Board of Trustees accept the gift and approve the establishment of this exciting new endowment to benefit our nursing students.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Grewal".

Parwinder Grewal, Ph.D.  
President

**- NEW FUNDING SOURCE DOCUMENT -**  
Vermont Technical College  
(College Name)

Submit to Chancellor's Office for all activities based upon a new funding source.  
Place copy in front of any applicable master file.

1) Name of grant, endowment, or other activity: (type in all CAPs)

2) Granting Agency/donor/other funding source: (attach supporting documentation)

3) Purpose of Endowment: (attach supporting documentation)

|  |                                    |
|--|------------------------------------|
| 4a) <u>Proper Account Fund:</u><br>___ Regular Endowment    ___ Term Endowment | 4b) <u>Why this fund selected?</u> |
|--|------------------------------------|

5) General Ledger account #: (as proposed or assigned)

6) Date Endowment Reach Endowment Status:

7) Reporting requirements: (format/to whom/frequency/other)

8) Funding Amount:  
\$ \_\_\_\_\_ One-time    - Or -    \_\_\_\_\_ Ongoing funding (indicate time frame:)

9a) Is principal use allowed: (w/Board OK?)                      9b) If yes, is replenishment of principal allowed or required?

10) If investment proceeds generated, indicate intended disposition:  
 \_\_\_ Per Board Approved Spending Procedure  
 \_\_\_ Fully expend for program as prescribed  
 \_\_\_ Increase principal for inflation and expend remainder

|                       |                                 |                                 |
|-----------------------|---------------------------------|---------------------------------|
| 11) <u>President:</u> | 12) <u>Date to Ch's Office:</u> | 13) <u>Date Board approved:</u> |
|-----------------------|---------------------------------|---------------------------------|

**ITEM 3:**

**Finance & Facility: Policy Revisions:**

**a) Overview of Changes**



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## SYSTEM ANNUAL OPERATING BUDGET

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In August 2020, the Board of Trustees approved resolution 2020-014 which established a System-Wide Budget. The resolution increased the Board's financial oversight of the Vermont State Colleges by providing greater transparency into the system's short-term and long-term budget activities. In addition to formalizing several adjustments to the policies 403, 407, and 429, resolution 2020-014 suspended both policies 403 and 407 through the creation of the FY2022 budget. In February 2022, the Board of Trustees approved resolution 2022-004 continuing the suspension of policies 403 and 407 for the creation of the FY2023 budget and directed the Chancellor to draft revised policies for approval in advance of the FY2024 budgeting cycle. Copies of both resolutions are available immediately following this narrative.

Since February 2022, the Business Affairs Council has worked to update the policy regarding System Annual Operating Budget. This policy encompasses the annual budgeting process, reporting requirements, the allocation of general fund state appropriation, the setting of tuition and fees, the establishment of reserves, and the use of carry over funds. Last receiving a major update in advance of the FY2020 fiscal year, this policy warranted significant overhaul in light of system-wide transformation, the creation of Vermont State University, and expanded shared services.

The accompanying policies replace *Policy 403: System Annual Operating Budget*. Together, these policies place a stronger emphasis on the strategic financial health of the Vermont State Colleges, fair and equitable distribution of system resources – both state general fund revenues and shared expenses expense, and give greater opportunity for Board of Trustees oversight. *Policy 407: Responsibility for Deficits Incurred after June 30, 1979*, will be brought to the Finance and Facilities Committee at its April 2023, meeting.

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### POLICY 403

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The following major changes were made to Policy 403:

1. The policy was divided into a main policy – Policy 403, and four sub-policies – Policy 403-A through 403-D – separating this policy into multiple sub-policies has been done to enhance understanding of the specific elements of the policy such as the allocation of appropriations, the sharing of expenses, the tuition setting process, and establishment of reserves.
2. Since FY2021, the VSCS has followed an expanded budget timeline that provides clear opportunities for the Board to exercise its fiduciary authority. Section two of the updated policy describes this timeline.
3. Section four has been updated to reflect the reporting standards the VSCS has used since FY2021.

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### POLICY 403-A – ALLOCATION OF GENERAL FUND AND CAPITAL FUND APPROPRIATIONS

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Policy 403-A documents the proposed methodology for allocating the general and capital fund appropriations. As discussed at the October Finance & Facilities Committee meeting, the existing general fund appropriation allocation process dedicates 25% of the appropriation based on a historical status quo (20% to VTC, 20% to CU, 40% to NVU), 50% based on the previous three years of net student revenues, and 25% on each institution's proportional share of awarded degrees and credentials.

The revised methodology proposes a two-part calculation for allocating the general fund appropriation as noted below:

1. Calculate the amount of general fund available to allocate by deducting:
  - a. Special purpose appropriations such as Allied Health and VMEC
  - b. Extraordinary and one-time funding not named to a specific purpose (i.e. bridge funding)
  - c. 3% for strategic initiatives as established by the Chancellor
  - d. 2% to create an economic stabilization fund
  - e. Retiree medical costs
  - f. “Corporate” functions including the Chancellor and staff, Board Support, and External Affairs/Government relations
2. Distribute the available general fund appropriation to the colleges proportional to each institution’s need for academic and administrative functions as calculated using a three-year look back. Need is calculated as:
  - a. Student revenues (tuition, fees, room, and board) less
  - b. Gross Unrestricted expenses excluding athletics, development, and camps and conferences.

Additionally, Policy 403-A describes the methodology by which Capital Funds will be allocated to the institutions. The proposed methodology distributes the funds proportional to each institution’s owned square footage, after deductions for specially designated project funding and \$500,000 for emergency repairs.

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### **POLICY 403-B – SHARED EXPENSE ALLOCATION**

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Policy 403-B describes the process by which the system will share the expenses associated with shared services. Previously, all shared expenses (known as OC expense, system office expense, or Chancellor’s Office expense) were shared proportionately to the allocation of the general fund appropriation. The revised policy allocates the cost of shared services proportional to institutional consumption. Additionally, this policy describes the timeline for development of the shared expense budgets.

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### **POLICY 403-C – STUDENT TUITION AND FEES**

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The Board of Trustees is responsible for approving not-to-exceed maximum tuition, fees, room, and board, also known as published prices. The revised policy offers two meaningful changes:

1. Proposals to offer tuition, fees, room, and board rates that differ from Board approved not-to-exceed maximums will be proposed by the President and approved by the Chancellor based on supporting financial analysis
2. The Chancellor shall review and approve annual waiver, merit aid programs, and need-based financial aid for each institution. However, *major changes* to discounting strategies will be brought to the Finance and Facilities Committee prior to issuance of any financial aid award for an upcoming fiscal year giving the Board the opportunity to weigh on meaningful changes to discounting.

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### **POLICY 403-D – RESERVES, CARRY OVER FUNDS & MISCELLANY**

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As discussed over the last year, the Vermont State Colleges must begin to address its funding of capital infrastructure, and must maintain at least three months of cash to weather unanticipated crises. Policy 403-D, therefore, creates two new reserve funds as noted below:

1. **Economic Stabilization Fund** – designed to hold 25% of unrestricted expenses at all times, use of this fund would be subject to approval of the Finance and Facilities Committee. By a separate action, the Vermont State Colleges proposes seeding this fund with \$10,000,000 from System Operating Reserves (approximately 5.7%) and continuing to augment this balance using a 2% share of the general fund appropriation plus any institutional margins exceeding 5% of the current year budgeted general fund expenses
2. **Information Technology Capital Fund** – designed to serve capital to support equipment replacement, this fund is expected to hold a minimum of one-seventh of the replacement value of system-wide information technology equipment at all times. By a separate action, the Vermont State Colleges proposes seeding this fund with \$5.2 million (two-sevenths of the replacement value of equipment) to smooth the transition to this methodology.

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**FY2024 CALCULATIONS 403-A and 403-B**

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**POLICY 403-A – ALLOCATION OF GENERAL FUND**

*Step 1: Calculate the amount of general fund available for allocation<sup>1</sup>*

|   | <b>FY24</b>     |
|---|-----------------|
| Allocated General Funds   | 49,086          |
| a. Allocations named to a specific purpose                          | (1,586)         |
| b. Extraordinary & one-time funding not named to a specific purpose | -               |
| <b>General Fund less Special Purpose and Extraordinary</b>          | <b>47,500</b>   |
| c. Strategic Initiatives (3% of General Fund less a and b)          | (1,425)         |
| d. Economic Stabilization (2% of General Fund less a and b)         | (950)           |
| e. Estimated Retiree Medical Insurance                              | (9,294)         |
| f. Corporate Functions  | (1,118)         |
| <b>Deductions before Distribution</b>                               | <b>(12,788)</b> |
| <br>  |                 |
| <b>Balance to Allocate</b>  | <b>34,712</b>   |

*Step 2: Distribute the available general fund appropriation to the colleges proportional to each institution's need for academic and administrative functions as calculated using a three-year lookback.*

|  | <b>VSCS</b> | <b>CCV</b>   | <b>VTSU</b>   |
|--|-------------|--------------|---------------|
| FY24 Balance to Allocate               | 34,712      |              |               |
| <br>                                   |             |              |               |
| Average Academic / Administrative Need |             | 5,202        | 15,646        |
| Proportion of Total Need               |             | 25%          | 75%           |
| <br>                                   |             |              |               |
| <b>FY24 Allocation</b>                 |             | <b>8,661</b> | <b>26,051</b> |

<sup>1</sup> Funding for Allied Health and VMEC in the amount of \$1.586M is deducted as specially budgeted items. The current estimate assumes a \$2.5M increase

**GENERAL FUND COMPARISON: FY2023 TO FY2024**

The new calculation model funds retiree medical insurance and corporate functions (chancellor, government affairs, board support) directly from the appropriation before allocation. By doing so, these costs are removed from each institution's budget. The result is a reduction in direct general fund to the institution. However the overall value of the appropriation has increased for both VTSU and CCV.

***CCV Comparison***

- (1) CCV received a general fund allocation of \$8.757M in FY2023. From this amount they were obligated to pay for corporate functions as well as retiree medical.
- (2) For FY2024, CCV is expected to receive \$8.661M in general fund, \$96K less than in FY2023.
- (3) However, the actual value of the appropriation for FY2024 is \$9.780M – the base of \$8.661M plus the sum of the corporate functions and retiree medical covered before the allocation was established. This is \$1.023M higher than in FY2023.

|   | <u>CCV</u>   | <u>VTSU</u>  |
|---|--------------|--------------|
| (1) FY23 General Fund Allocation              | 8,757        | 30,849       |
| (2) FY24 General Fund Allocation              | 8,661        | 26,051       |
| FY24 Expenses Covered by Initial Deductions   |              |              |
| Corporate Functions                           | 237          | 946          |
| Retiree Medical                               | 882          | 8,093        |
| Expenses Covered by Initial Deductions        | 1,119        | 9,039        |
| (3) FY24 Value of General Fund to Institution | 9,780        | 35,090       |
| <b>Change in General Fund</b>                 | <b>1,023</b> | <b>4,241</b> |

***VTSU Comparison***

- (1) VTSU received a general fund allocation of \$30.849M<sup>2</sup> in FY2023. From this amount they were obligated to pay for corporate functions as well as retiree medical.
- (2) For FY2024, VTSU is expected to receive \$26.051M in general fund, \$4.798M less than in FY2023.
- (3) However, the actual value the appropriation for FY2024 is \$35.090M – the base of \$26.051M plus the sum of the corporate functions and retiree medical covered before the allocation was established. This is \$4.241M higher than in FY2023.

<sup>2</sup> This amount excludes Allied Health and VMEC

**POLICY 403-B – SHARED EXPENSE ALLOCATION**

As noted earlier, Policy 403-B describes the process by which the system will share the expenses associated with shared services. Previously, all shared expenses were shared proportionately to the allocation of the general fund appropriation. The revised policy allocates the cost of shared services proportional to institutional consumption.

In the new model, the distribution of shared expenses is reflective of actual consumption. Using estimated shared services costs for FY2024, CCV's proportional share of shared services increases from 23.3% to 32.2%. While this change is large, it is not surprising. CCV has 56% of the total student headcount and 38.9% of total student full-time equivalency. Additionally, they have 32.3% of all benefits eligible employees. Therefore, it is not unexpected that these costs would be proportionately higher for CCV.

|                              | <u>CCV</u>   | <u>VTSU</u>    | <u>Total</u> |
|------------------------------|--------------|----------------|--------------|
| (1) FY23 Shared Expenses     | 3,717        | 12,228         | 15,945       |
| (2) FY24 Shared Expenses     | 5,315        | 11,191         | 16,506       |
| <b>Variance FY23 to FY24</b> | <b>1,598</b> | <b>(1,037)</b> | <b>561</b>   |

**NET COMPARISON: POLICY 403-A and 403-B COMBINED**

The combined effect of the change in policy results in a \$683K reduction in net available funds for CCV and a \$4.432M increase in net available funds for Vermont State University.

|   | <b>CCV</b>   | <b>VTSU</b>   |
|---|--------------|---------------|
| (1) FY23 General Fund                     | 8,757        | 30,849        |
| (2) FY23 Retiree Healthcare               | (802)        | (7,357)       |
| (3) FY23 Corporate Functions              | (209)        | (836)         |
| (4) FY23 Shared Expenses                  | (3,717)      | (12,228)      |
| <b>General Fund Net</b>                   | <b>4,029</b> | <b>10,428</b> |
| (5) FY24 General Fund                     | 8,661        | 26,051        |
| (6) FY24 Shared Expenses                  | (5,315)      | (11,191)      |
| <b>General Fund Net of Shared Exp</b>     | <b>3,346</b> | <b>14,860</b> |
| <b>Change in Net Available Gen'l Fund</b> | <b>(683)</b> | <b>4,432</b>  |

Recognizing that a reduction in net available funds for CCV is a hardship, the system is seeking opportunities to reduce the cost of shared services. We anticipate these numbers will tighten up in the coming months as the budgeting process continues. However, to lessen the overall burden on CCV for FY2024, the system will cover the remaining variance, up to the \$683K noted above in FY2024.

ITEM 3:

Finance & Facility: Policy Revisions:

b) Policy 403, *System Annual Operating Budget*



# Manual of Policy and Procedures

|  |  |                    |
|--|--|--------------------|
| Title<br><br><b>SYSTEM ANNUAL OPERATING BUDGET</b> | Number<br><br>403  | Page<br><br>1 of 4 |
|  | Date<br><br><b>F&amp;F 12/12/2022</b><br><b>BOT 01/23/2023</b> |                    |

## PURPOSE

The Board of Trustees considers the Vermont State Colleges System Annual Operating Budget as an essential oversight vehicle as well as the primary financial plan for operations of the System and its components for a given fiscal year (July 1 through the following June 30). This policy, and the sub-policies Policy 403-A, Policy 403-B, Policy 403-C, and Policy 403-D, prescribes the development, adoption, and subsequent administration of the Annual Operating Budget for the System as a whole, and for the individual Institutions and Chancellor’s Office.

## STATEMENT OF POLICY

### 1. Development of the System Annual Operating Budget

The Chancellor is responsible for developing the System Annual Operating Budget for recommendation to the Board of Trustees. The System Annual Operating Budget development will be conducted in a collaborative manner with the Council of Presidents to assure application of revenues, expenditures, one-time funds and other financial considerations in a consistent fashion and appropriate to functioning as an integrated System. The System Annual Operating Budget will be presented for each component unit (i.e. individual institutions, shared services and the Chancellor’s Office) and as a consolidated budget for the entire System.

As circumstances confronting the System Annual Operating Budget change over the course of a year, the Chancellor may propose budget modifications for consideration by the Board for the purpose of more realistically reflecting increases, decreases, or shifts among budgeted revenue and expenditure categories.

### 2. Review and Adoption of the System Annual Operating Budget

The Board is responsible for reviewing the System Annual Operating Budget recommendations put forth by the Chancellor, and for adopting an official System Annual Operating Budget. This is consistent with the Board's ultimate fiduciary responsibility for the System. Timing of the Chancellor's recommendations will allow the Board to conduct its review and take action no later than the final Board meeting of each fiscal year.

- A. By September 30 of each year, the Board shall establish key initiatives and financial goals for the next budget cycle.
- B. Student revenues including tuition, fees, room, board, fees, and fundamental changes in discounting strategies, will be reviewed and approved prior to awarding aid for any upcoming year and will typically be complete by November of each year.
- C. By December 31 of each year, the Shared Services and Chancellor's Office budgets will be drafted for integration into institutional budgets.
- D. At minimum, two versions of the annual operating budget will be presented to the Finance and Facilities Committee in advance of the review of the final budget proposal.
- E. The Board of Trustees shall review and approve the annual operating budget proposal. The final proposal shall include:
  - (1) General fund financial budget for each component unit and a consolidated view of same. The budget proposal will include a comparison to current year third quarter forecast and current year budget
  - (2) Narrative for each component unit and the system as a whole outlining the key budget drivers, the ways in which the component unit is meeting the Board's key initiatives, and new spending proposals
  - (3) Published tuition rates for all primary academic programs and degree types
  - (4) Key performance metrics and budget regarding anticipated enrollment, residence hall participation, employment, and student mix will be provided
- F. By June 30 of each year the Board of Trustees will receive a recommendation from the Finance and Facilities Committee regarding approval of the System Annual Operating Budget.

### 3. Administration of the System Annual Operating Budget



On behalf of the Board of Trustees, the Chief Financial Officer is expected to collaborate and work with the Chancellor, Institutional Presidents and other appropriate Institution and System officials to assure the proper and effective administration of the System Annual Operating Budget as adopted by the Board. It is the responsibility of the Chief Financial Officer to report results to the Board of Trustees.

#### 4. Reporting

##### **A. Quarterly Reporting:**

- (1) At a Finance & Facilities Committee meeting occurring not earlier than five (5) weeks after the close of each quarter (September, December, March), actual general fund operating results (financial) compared to budgeted general fund results will be provided to the Committee along with each entities' best forecast for the remainder of the fiscal year.
- (2) In addition to the general fund operating results, actual performance versus budgeted performance regarding key performance indicators in the areas of enrollment, enrollment mix, room participation, and staffing shall be provided to the committee.
- (3) A narrative, explaining variances to budgeted general fund performance and key performance indicators shall be provided by each primary operating unit. The narrative shall be written in a manner to facilitate understanding by the layperson.
- (4) All quarterly reports shall be shared at the primary unit level (institution, shared services, chancellor's office) and as a consolidated view of the entire entity.

##### **B. Annual Reporting**

- (1) The financial statements of the Corporation serve as the official record of system-wide performance for the Vermont State Colleges. The financial statements adhere to Government Accounting Standards Board (GASB) standards and are typically available in October for review by the Audit Committee and approval by the Board of Trustees.
- (2) Supplemental performance, consistent with Quarterly Reporting, is provided to the Finance and Facilities Committee. In addition, the Finance and Facilities Committee shall receive updated information regarding enrollment, discounting, and net revenue for the most recently completed year and several years prior.

(3) Financial ratios comprising the Composite Financial Index shall be presented to the Finance and Facilities Committee each year. The four ratios included shall be the primary reserve, net operating revenue, viability ratio, and return on net position. All ratios shall be presented for the most recently completed ten (10) fiscal years.

Signed by: \_\_\_\_\_  
Sophie Zdatny, Chancellor

| Date      | Version | Revision | Approved By            |
|-----------|---------|----------|------------------------|
| 9/26/2018 | 1.0     | Adopted  | VSCS Board of Trustees |
| 5/12/2020 | 2.0     | Update   | VSCS Board of Trustees |
| 1/23/2023 | 3.0     | Update   | VSCS Board of Trustees |

ITEM 3:

Finance & Facility: Policy Revisions:

- c) Policy 403-A, *State Appropriation Allocation*



## Manual of Policy and Procedures

|   |   |                           |
|---|---|---------------------------|
| <b>Title</b><br><br><b>SYSTEM ANNUAL OPERATING BUDGET<br/>- ALLOCATION OF STATE GENERAL AND CAPITAL<br/>FUND APPROPRIATIONS</b> | <b>Number</b><br><br>403-A  | <b>Page</b><br><br>1 of 3 |
|   | <b>Date</b><br><b>F&amp;F 12/12/2022</b><br><b>BOT 01/23/2023</b> |                           |

### PURPOSE

Vermont State Colleges System receives general and capital fund appropriations from the State of Vermont. The primary purpose of these appropriations is to support the VSCS and create access to higher education for Vermonters throughout the state. This policy describes the methodology by which the general fund and capital fund will be distributed across the component units (i.e. individual institutions, shared services and Chancellor's Office.)

### STATEMENT OF POLICY

#### 1. Allocation of General Fund Appropriation

##### A. Deductions prior to allocation of the General Fund Appropriation:

- (1) Allocations named to a specific purpose by state law shall be allocated solely to that purpose and assigned to the appropriate component unit
- (2) All extraordinary and one-time funding not named to a specific purpose by state law
- (3) 3% of the total base appropriation less the values of (1) and (2) above for strategic initiatives at the discretion of the Chancellor
- (4) 2% of the total base appropriation less the values of (1) and (2) above allocated to an economic stabilization fund
- (5) Budgeted retiree medical costs
- (6) Corporate functions including Chancellor, Government Relations, Board Support, and related activities.

##### B. After all deductions occurring in A above, the remaining balance shall be distributed to the member institutions to fill the gap between a three-year rolling average of actual

unrestricted Student Revenue (Net Tuition and Fees plus Room and Board) plus special purpose general fund allocations as described in A(1) above, less all Unrestricted Expenses excluding all Athletics, Camps & Conferences, and Development/Fundraising. Where the need exceeds the available general fund balance, the amount shall be shared proportionately. Under no circumstances shall an institution receive less than 15% of the available appropriation and not more than 85%.

### Example

Available general fund appropriation after application of deductions is \$18,000,000.

|                              | Institution 1  | Institution 2     |
|------------------------------|----------------|-------------------|
| All Student Revenue          | 15,000,000     | 20,000,000        |
| Gross Unrestricted Exp       | 23,000,000     | 40,000,000        |
| Athletics                    | 0              | -6,500,000        |
| Development                  | -75,000        | -300,000          |
| <u>Camps and Conferences</u> | <u>0</u>       | <u>-1,000,000</u> |
| Net Expense                  | 22,925,000     | 32,200,000        |
| Balance                      | 7,925,000      | 12,200,000        |
|                              | 39.4% of whole | 60.6% of whole    |

The total need for both institutions is the sum of the balances for each organization: \$12,200,000 + \$7,925,000 = \$20,125,000. Because the need of \$20,125,000 exceeds the available balance, of \$18,000,000, the available balance is distributed proportionately to the whole of the need. Therefore, Institution 1 would receive 39.4% (\$7,092,000) of the available general fund appropriation and Institution 2 would receive 60.6% (\$10,908,000) of the general fund appropriation.

## 2. Allocation of Capital Fund Appropriation

### A. Deductions prior to allocation of the Capital Fund Appropriation:

- (1) Allocations named to a specific purpose by state law shall be allocated solely to that purpose and assigned to the appropriate component unit
- (2) \$500,000 for emergency repairs which shall be distributed at the discretion of the Chancellor or Chief Financial Officer

### B. After all deductions in A above, the remaining balance shall be distributed proportionate to owned square footage by institution as calculated the fall before the beginning of each

State Biennium; with the expectation that not less than \$150,000 will issued to each institution regardless of proportionate value.

Signed by: \_\_\_\_\_  
Sophie Zdatny, Chancellor

| <u>Date</u>      | <u>Version</u> | <u>Revision</u> | <u>Approved By</u>            |
|------------------|----------------|-----------------|-------------------------------|
| <u>1/23/2023</u> | <u>1.0</u>     | <u>Adopted</u>  | <u>VSCS Board of Trustees</u> |
|                  |                |                 |                               |

ITEM 3:

Finance & Facility: Policy Revisions:

d) Policy 403-B, *Shared Expenses*



# Manual of Policy and Procedures

|  |  |                    |
|--|--|--------------------|
| Title<br><br><b>SYSTEM ANNUAL OPERATING BUDGET<br/>- SHARED EXPENSE ALLOCATION</b> | Number<br><br>403-B  | Page<br><br>1 of 3 |
|  | Date<br><b>F&amp;F 12/12/2022</b><br><b>BOT 01/23/2023</b> |                    |

## PURPOSE

The Vermont State Colleges System operates shared services that support universal administrative functions of the System. The allocation of these expenses is an important endeavor – the methodology selected must be predictable, well documented, transparent and efficiently created. Further, the methodology must drive strategic results, incentivize reduced costs while improving student outcomes, and balance the ease of implementation with the ability to allow Presidents the ability to make meaningful changes that manage the components of cost. This policy describes the methodology by which shared expenses will be distributed across the institutions comprising the Vermont State Colleges.

## STATEMENT OF POLICY

- Definition.** Shared Expenses are the costs associated with the operation of shared services functions for the Vermont State Colleges System. Shared services are separate and distinct from the Chancellor’s or System Office in that the former are shared functions universal to all component units of the Vermont State Colleges. The supervision of one or more of these functions may reside anywhere within the system. The Chancellor’s Office includes only the functions necessary to support successful operation of corporate functions including Chancellor, Government Relations, Board Support, and related activities. These corporate functions are allocated as part of the general fund appropriation and are not included in this calculation.
- Basis of Cost.** The basis of Shared Expenses are the service level agreements negotiated between the Shared Service areas and the Council of Presidents. Aggregate shared expenses can be decreased through the elimination, consolidation, or substitution of services through negotiation between the Shared Services unit and the Institutions receiving services. Aggregate shared expenses will increase based on the actual value of the services (tangible goods and services, wages and benefits) and through negotiated additions of services.



3. **Allocation of Expenses.** Where practicable, aggregated shared expenses will be allocated proportionately based on consumption and usage. Each year, consumption data comporting with the standard pricing measures (i.e. student headcount or full-time equivalency, number of sites served, faculty headcount) will be collected and shared with the Institutional Presidents or designees. Where not practicable, a standardized unit of measure will be applied to the costs offering a best approximation of consumption.
4. **Budgeting Process.** The budgeting process is intended to facilitate issuance of a final, or near final, budget to the institutions no later than December 31 of each year.
  - A. By September 30 of each year, Shared Services negotiations for the next fiscal year must begin with the end result modified service level agreements outlining the services to be provided by each shared services organization
  - B. By November 15 of each year, preliminary Shared Services budgets will be shared with each institution. It is expected that further negotiation regarding service levels will be necessary at this time to accommodate institutional needs.
  - C. By December 15 of each year, final shared services budgets shall be issued to the institutions for incorporation into their annual budgets.
  - D. With each pass of the system annual operating budget, the Shared Services budgets will be reviewed. If further adjustments are necessary to support the annual operating budget and may necessitate additional negotiation regarding service levels and/or unanticipated additional costs. These will be shared with each institution as required.
5. **Reporting.** As part of the standard budget monitoring process, Shared Services budget versus actual reporting shall be supplied on a quarterly and annual basis.
6. **Mid-Year Budget Modifications.** Every effort will be made to avoid mid-year budget modifications to Shared Services. However, certain factors may result in adjustments such as:
  - A. Negotiated service level changes by an institution and/or a request to expand services
  - B. Emergency situations requiring immediate action to mitigate harm to the Vermont State Colleges

Signed by: \_\_\_\_\_  
Sophie Zdatny, Chancellor

| Date      | Version | Revision | Approved By            |
|-----------|---------|----------|------------------------|
| 1/23/2023 | 1.0     | Adopted  | VSCS Board of Trustees |
|           |         |          |                        |

ITEM 3:

Finance & Facility: Policy Revisions:

e) Policy 403-C, *Student Tuition and Fees*



# Manual of Policy and Procedures

|   |  |                    |
|---|--|--------------------|
| Title<br><br><b>SYSTEM ANNUAL OPERATING BUDGET<br/>- STUDENT TUITION AND FEES</b> | Number<br><br>403-C  | Page<br><br>1 of 2 |
|   | Date<br><b>F&amp;F 12/12/2022</b><br><b>BOT 01/23/2023</b> |                    |

## PURPOSE

The Vermont State Colleges exist *for the benefit of Vermont*. The primary work of the system is to educate Vermonters in meaningful ways. Student revenues in the form of tuition, fees, room, and board are the lifeblood of each institution. This policy establishes the process by which student revenues are set, along with the procedures for receiving and managing these revenues.

## STATEMENT OF POLICY

### 1. **Published Tuition, Fees, Room, and Board.**

- A. The Board is responsible for approving not-to-exceed maximum tuition rates, room and board program charges, and selected fees based on a review of a recommendation from the Chancellor. This affirmative act occurs annually, and is required regardless of the actual size of the increase proposed.
- B. Each institution may propose individual tuition rates, room and board program charges, and selected fees at or below the approved maximum rates to the Chancellor. Each proposal will be considered in light of a supporting financial analysis presented by the institution.
- C. The actual published tuition for each institution will be included in each institution’s annual budget proposal.

### 2. **Institutional Discounting.** It is the Board’s expectation that institutional aid shall be used strategically to increase affordability, improve access to education, and maximize net student revenue. All approaches to institutional discounting should balance these needs. Where there is a conflict, maximizing net student revenue shall take precedence.

- A. For the purposes of unified understanding, institution discounting is comprised of aid not funded by institutional endowments, state or federal government, and outside agencies. This includes but is not limited to waivers and discounts occurring as reductions to revenue and expenses charged to scholarships and fellowships.
  - B. Each institution may propose waivers, merit aid programs, and need-based financial aid to the Chancellor that is best designed to maximize net student revenue and support overall enrollment. Each proposal will be considered in light of a supporting financial analysis presented by the institution and the means by which the proposal increases affordability for lower income students, improves accessibility, and maximizes net student revenue. Major changes to discounting strategies must be reviewed and approved by the Finance and Facilities Committee in advance of awarding for the upcoming fiscal year.
3. **Ownership of Student Revenue.** Each Institution will retain all student tuition & fees the Institution generates annually. During each year, student revenues available to each Institution will be as actually generated, whether below or above budgeted levels.
- A. **Under-Realized Enrollments.** Each Institution is responsible for addressing the financial impacts from under-realized budgeted student enrollments. As soon as practicable, the President shall consult with the Chancellor or Chief Financial Officer how this under-realized revenue shall be addressed.
  - B. **Over-Realized Enrollments.** Each Institution is responsible for reporting and forecasting additional revenues from over-realized student enrollments as part of the quarterly reporting process. As soon as practicable, the President shall consult with the Chancellor or Chief Financial Officer to determine how these funds can be used.

Signed by: \_\_\_\_\_  
Sophie Zdatny, Chancellor

| Date      | Version | Revision | Approved By            |
|-----------|---------|----------|------------------------|
| 1/23/2023 | 1.0     | Adopted  | VSCS Board of Trustees |
|           |         |          |                        |

ITEM 3:

Finance & Facility: Policy Revisions:

f) Policy 403-D, *Reserves, Carryover, and Miscellany*



# Manual of Policy and Procedures

|  |  |                    |
|--|--|--------------------|
| Title<br><br><b>SYSTEM ANNUAL OPERATING BUDGET<br/>- RESERVES, CARRY OVER FUNDS &amp; MISCELLANY</b> | Number<br><br>403-D  | Page<br><br>1 of 3 |
|  | Date<br><b>F&amp;F 12/12/2022</b><br><b>BOT 01/23/2023</b> |                    |

## PURPOSE

To be financially sound, the Vermont State Colleges System must maintain adequate financial reserves, fund capital equipment expenditures (information technology and facilities infrastructure), and have a sound plan for managing times of crisis. This policy establishes the minimum and maximum reserves, the procedures for addressing carry over funds, and related miscellaneous budgeted items.

## STATEMENT OF POLICY

1. **Contingency Reserve Fund.** To hedge against unanticipated shortfalls in Institutional Annual Operating Budgets, each Institution shall maintain a Contingency Reserve Fund equivalent 2.5% of budgeted unrestricted expenses for the current fiscal year. Use of Contingency Reserves is subject to approval by the Chancellor, and depletion of an Institution’s Contingency Reserves must be replenished in a timeframe determined in consultation with the Chancellor.
2. **Strategic Reserve.** The Institutions and System may reserve up to 10% of general fund budgeted expenses for the upcoming fiscal year as a Strategic Reserve. Such reserves may be budgeted as part of the system annual operating budget and with approval from the Board of Trustees.
3. **Economic Stabilization Fund.** The System shall maintain an Economic Stabilization Fund equivalent to three months (25%) of budgeted unrestricted expenses for the current fiscal year. Use of Economic Stabilization Fund is subject to approval by the Finance and Facilities Committee and depletion of the System’s Economic Stabilization Fund must be replenished in a timeframe determined in consultation with the Finance and Facilities Committee.

- A. Recognizing this is a major shift in reserve structure for the Vermont State Colleges, this provision shall be phased in over a period of **20** years. At minimum the System must have reserves equaling the amounts noted for each fiscal year unless otherwise stated by the Finance and Facilities Committee:

|             |             |             |             |             |
|-------------|-------------|-------------|-------------|-------------|
| FY24: 5.7%  | FY25: 6.7 % | FY26: 7.7%  | FY27: 8.8%  | FY28: 9.8%  |
| FY29: 10.8% | FY30: 11.8% | FY31: 12.8% | FY32: 13.8% | FY33: 14.8% |
| FY34: 15.9% | FY35: 16.9% | FY36: 17.9% | FY37: 18.9% | FY38: 19.9% |
| FY39: 20.9% | FY40: 21.9% | FY41: 22.9% | FY42: 24.0% | FY43: 25.0% |

- 4. **Information Technology Capital Fund**. Information technology equipment must be replaced on a regular basis. The VSC shall maintain a reserve equal to a minimum of one-seventh of the total replacement value of information technology equipment. Use of Information Technology Capital Fund is subject to approval by the Finance and Facilities Committee as part of the system annual operating budget process. In the event this reserve falls below one-seventh of the replacement value, a replenishment schedule shall be established in a timeframe determined in consultation with the Finance and Facilities Committee
  - A. Recognizing this is a major shift in reserve structure for the Vermont State Colleges, the system will place in reserve two-sevenths, \$5,700,000, of the total replacement value of information technology equipment, and a lump sum of \$10,000,000 for replacement of the enterprise resource management system in the fund at the time of approval of this policy. By FY28, the fund must be self-supporting through Information Technology Shared Services.
  - B. Existing reserves at the institutions for information technology shall be moved to the system-wide fund at the end of FY23.
- 5. **Construction, Renovation, and Maintenance Reserve**. The Institutions and System may reserve up to 15% of general fund budgeted expenses for the upcoming fiscal year as a Construction, Renovation, and Maintenance (CRM) Reserve. Such reserves may be budgeted as part of the system annual operating budget and with approval from the Board of Trustees.
- 6. **Carried Over Funds**. Upon the audited close of each fiscal year’s books, any Carried Over Funds available (net of encumbrances forward, commitments forward, additions to Contingency Reserve (to bring up to minimum), *maintained* Contingency, Strategic and CRM Reserves) less than or equal to 5% of current year budgeted general fund expenses, may be proposed by the President for one-time uses subject to concurrence of the Chancellor



and approval by the Board. Additions to the Strategic Reserve and Construction, Renovation, and Maintenance Reserve require approval by the Board of Trustees and may not occur unilaterally. Funds exceeding 5% of the current year budgeted general fund expenses shall be deposited in the Vermont State College Economic Stabilization Fund.

Signed by: \_\_\_\_\_  
Sophie Zdatny, Chancellor

| Date      | Version | Revision | Approved By            |
|-----------|---------|----------|------------------------|
| 1/23/2023 | 1.0     | Adopted  | VSCS Board of Trustees |
|           |         |          |                        |

ITEM 3:

Finance & Facility: Policy Revisions:

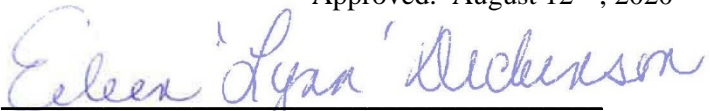
- g) Resolution 2020-014: *System-Wide Budget*

VERMONT STATE COLLEGES SYSTEMBOARD OF TRUSTEESRESOLUTION No. 2020-014Establishing a System-Wide Budget

- WHEREAS, The Vermont State College System is facing deficits in excess of \$30,000,000 for FY2021; and
- WHEREAS, The State of Vermont, the United States, and the World are facing an unprecedented pandemic; and
- WHEREAS, The current budget model and approach emphasizes autonomy of institutional budgetary performance over the performance of the Vermont State Colleges System as a whole; and
- WHEREAS, The current budget model includes few opportunities for oversight by the Chancellor; and
- WHEREAS, The Joint Fiscal Office engaged Jim Page, former Chancellor of the University of Maine System, as an external consultant, to conduct an external review of the Vermont State Colleges; and
- WHEREAS, Mr. Page's final report to JFO recommended creation of a System-wide budget model for the Vermont State Colleges System; and
- WHEREAS, A System-wide budgeting model offers the following key benefits 1) Allows VSCS institutions struggling to achieve a critical mass of human and capital resources to address the short-term and long-term issues related to the budget; and, 2) Enables multi-year comprehensive strategic planning and resource allocation; and 3) Allows the Board to exercise its full set of fiscal and audit responsibilities; and, 4) enables the System to meet the state-wide needs of Vermont.
- WHEREAS, The following policies govern the creation, management, and administration of the System-wide budget: Policy 403: *System Annual Operating Budget*, Policy 407: *Responsibility for Deficits Incurred after June 30, 1979*, and Policy 429: *Policy on Contracting for Goods and Services*; and
- WHEREAS, The Board of Trustees believes that a System-wide budget model is vital the short and long term success of the VSCS; and
- WHEREAS, Policy adjustments are necessary to support the creation, management, and administration of a System-wide budget; therefore be it
- RESOLVED, That the VSC Board of Trustees directs the Chancellor to develop a System-wide budget model in cooperation and collaboration with the Council of Presidents; and be it further
- RESOLVED, That each President is responsible for executing the budget as approved by the Board as required by Policy 407: *Responsibility for Deficits Incurred after June 30, 1979*; and be it further

- RESOLVED, That Policy 403: *System Annual Operating Budget* shall be amended as follows:
- 1) State Appropriation Formula shall be waived for all extraordinary funding such as transitional, bridge or CRF funding; and,
  - 2) The Chancellor shall review and approve all changes to tuition programs for an institution; and be it further
- RESOLVED, That Policy 429: *Policy on Contracting for Goods and Services* shall be amended to require review and approval by the Chancellor for all purchases anticipated to be greater than or equal to \$100,000 per total transaction; or, with a term greater than twelve months; and be it further
- RESOLVED, That Policy 403: *System Annual Operating Budget* and Policy 407: *Responsibility for Deficits Incurred after June 30, 1979* shall be suspended for the creation of the FY2022 budget; and be it further
- RESOLVED, That the Chancellor is directed to redraft Policy 403: *System Annual Operating Budget* and Policy 407: *Responsibility for Deficits Incurred after June 30, 1979*, with a draft supplied to the Board of Trustees on or before the final FY2022 budget is submitted for approval.

Approved: August 12, 2020

  
Eileen "Lynn" Dickinson, Chair of the Board of Trustees

ITEM 3:

Finance & Facility: Policy Revisions:

h) Resolution 2022-004: *Suspension of Policy 403 and Policy 407*

VERMONT STATE COLLEGES SYSTEM

BOARD OF TRUSTEES

RESOLUTION No. 2022-004

Suspension of Policy 403 and Policy 407

- WHEREAS, The Vermont State College System is undergoing system transformation; and
- WHEREAS, The institutions of Vermont Technical College, Castleton University, and Northern Vermont University will combine into a singly accredited institution to be called Vermont State University on July 1, 2023; and
- WHEREAS, Policy 403: *System Annual Operating Budget* and Policy 407: *Responsibility for Deficits Incurred After June 30, 1979* were suspended through the development of the FY2022 budget; and
- WHEREAS, The Vermont State Colleges must revise its financial policies to build financial sustainability, enhance its ability to serve Vermont; and
- WHEREAS, This work must be carefully calibrated to prevent unintended consequences; and
- WHEREAS, The Finance and Facilities Committee continues to receive all regular and transformation financial information and is involved in reviewing and approving practices that will support revised financial policies; therefore be it
- RESOLVED, That Policy 403: *System Annual Operating Budget* and Policy 407: *Responsibility for Deficits Incurred after June 30, 1979* shall remain suspended for the creation of the FY2023 budget; and be it further
- RESOLVED, That the VSC Board of Trustees directs the Chancellor to draft revised financial policies and bring forth proposals to the Board of Trustees in advance of the FY2024 budget cycle.

Approved: February 14, 2022



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Eileen “Lynn” Dickinson, Chair of the Board of Trustees

**ITEM 4:**  
**Finance & Facilities: System Carryover Requests**

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**SYSTEM CARRY OVER REQUESTS**

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The Vermont State Colleges has received generous support from the State of Vermont to facilitate transformation and support financial sustainability. To continue this process, the administration proposes \$31,800,000 for the following carry over activities:

**1. Economic Stabilization Fund: \$10,000,000**

As proposed in Policy 403-D, the VSCS proposes seeding the Economic Stabilization fund with \$10,000,000 from system reserves.

**2. Information Technology Capital Fund: \$5,200,000**

As proposed in Policy 403-D, the VSCS proposes seeding the Information Technology Fund with \$5,200,000, an amount equivalent to two-sevenths of the replacement value of IT equipment as of FY2023.

**3. Enterprise Resource Management System Replacement: \$10,000,000**

At the conclusion of FY2021, setting aside \$10,000,000 support replacement of the system's nearly two decade old student information was discussed. This request formalizes the proposal.

**4. VSCS Strategic Reserve: \$4,400,000**

Consistent with strategic reserves at the colleges, this project places funding aside at the system level for strategic initiatives.

**5. Vermont State University Tuition Reset: \$2,200,000**

At the September Board of Trustees Retreat, a reset of the tuition for Vermont State University was approved. This project sets aside the funds that are "at risk" associated with this tuition reset. If not needed for this purpose, we propose reverting the funds to the Economic Stabilization Fund.



ITEM 5:

Resolution 2023-001: *Resolution Honoring the Shared  
Governance Leadership of Faculty Assemblies*

VERMONT STATE COLLEGES SYSTEMBOARD OF TRUSTEESRESOLUTION 2023-001Resolution Honoring the Shared Governance Leadership of Faculty Assemblies

- WHEREAS, The moderators of the four Faculty Assemblies, Preston Garcia of Castleton, Janet Bennion of NVU-Johnson, Dan Daley of NVU-Lyndon, and Joan Richmond-Hall of Vermont Tech, have been working collaboratively since 2021 to guide transparent, inclusive work on curriculum review and governance for Vermont State University; and
- WHEREAS, The four Faculty Assembly moderators have worked effectively with the support of administration and the VSC Faculty Federation President Chris Reilly and delegate Julie Theoret; and
- WHEREAS, The four Faculty Assembly moderators have benefitted further from the expertise and extensive coordination efforts of their “leader among equals,” Joan Richmond-Hall; and
- WHEREAS, The significant effort and commitment by all these faculty leaders has resulted in increased understanding and trust across the individual faculty communities forming Vermont State University and fostered effective, coordinated action during this challenging period of transition; and
- WHEREAS, These faculty leaders have additionally led and supported the significant and coordinated efforts of the four Faculty Assembly Curriculum Committee Chairs and their members, the General Education group, and Graduate Council members, collectively a group of over 35 faculty dedicated to the work of curriculum reviews this fall; and
- WHEREAS, These faculty leaders have further established a common meeting schedule and digital communication strategies to share and support review of all optimized academic programs and general education for the future Vermont State University; and
- WHEREAS, The work of the Faculty Assemblies collectively this fall has resulted in successful, substantive reviews and approval recommendations for all programs and the foundation for Vermont State University’s Connections General Education Program; and
- WHEREAS, Notwithstanding the significant work that still lies ahead for Faculty Assemblies to establish a final unified faculty governance model for Vermont State University among other matters, the work accomplished to date is unprecedented in scope and achievement and highly deserving of recognition by the Board; therefore be it

RESOLVED, The Vermont State Colleges Board of Trustees expresses its sincere appreciation to each of these faculty members for their significant leadership efforts, as well as to all faculty for their service in support of the creation of Vermont State University's academic program, for the benefit of its thousands of students and the State of Vermont.

Be it Approved: January 23, 2023

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Eileen "Lynn" Dickinson, Chair of the Board of Trustees

ITEM 6:  
Policy 107-A, *Posthumous Degrees*



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|--|--------------------------------------|-----------------------|
| <b>Title</b><br><br>POSTHUMOUS DEGREES | <b>Number</b><br>107A                | <b>Page</b><br>1 of 3 |
|  | <b>Date</b><br><b>DRAFT 12/14/22</b> |                       |

### PURPOSE

The Vermont State Colleges seek to recognize the academic achievements of students who were enrolled at a member institution at the time of their death, and to commemorate those achievements for the benefit of their family, friends, and broader community. Thus, procedures and criteria for awarding posthumous degrees are required.

### APPLICABILITY

This policy applies solely to the award of degrees to students enrolled in degree programs at a Vermont State Colleges member institution at the time of their death. For honorary degrees, see Policy 107: Honorary Degrees.

### DEFINITIONS

#### A. Nearing Completion

An undergraduate student is “nearing completion” of their degree if they have completed 75% of the total credit hours required for their degree or 50% of the credit hours required for their major. A graduate student is “nearing completion” of their degree if they have completed 75% of the total credit hours required for their degree or if they have completed all degree requirements except for their culminating paper, project, or experience.

#### B. Good Academic Standing

A student who is in “good academic standing” is not on academic warning, probation, in jeopardy of dismissal, or suspended.

### STATEMENT OF POLICY

This policy establishes consistent criteria and procedures for awarding posthumous degrees to students who are enrolled in a Vermont State Colleges member institution at the time of their death.

#### A. Criteria for Awarding Honorary Degrees

The President of a Vermont State Colleges member institution may, at their discretion, award posthumous degrees if:

- Undergraduate Degrees:

- At the time of death, the student was enrolled in courses required for the completion of the degree and nearing completion of work required for award of the degree;
- The student was in good academic standing; and
- A favorable recommendation for award of the degree is made by the student's major department and the Chief Academic Officer.
- Graduate Degrees:
  - At the time of death, the graduate student was nearing completion of the work required for the degree;
  - The student was in good academic standing; and
  - A favorable recommendation for award of the degree is made by the student's major department and the Dean of the Graduate School.

#### B. Procedures

Any member of the Vermont State Colleges community or a family member of the deceased may recommend a student for a posthumous degree. If the request is initiated by someone outside of the student's family, a representative from the VSCS must contact the student's family before proceeding with consideration.

The request must be submitted to the Chief Academic Officer of the institution in which the student was enrolled. The CAO will verify the death of the student and investigate the student's enrollment status and progress towards degree, in consultation with the department chair of the student's major. Once these steps are complete, the CAO will submit the request to the President.

The CAO will advise the individual who made the request of the final decision. If the final decision is favorable, and the request did not originate from the family of the deceased, the CAO will also notify the family.

#### C. Time of Award

A posthumous degree will typically be awarded at the next regularly scheduled commencement ceremony and presented to a member of the student's family or their representative. The commencement program will note that the degree was awarded posthumously. A posthumous degree may also be presented to the family in a private setting by an appropriate Vermont State Colleges representative.

#### D. Extraordinary Circumstances

Requests to award degrees to students who don't meet the above criteria may be considered in extraordinary circumstances. Exceptional service to the Vermont State Colleges, a lasting impact on the VSCS community, or exceptional achievements in other arenas of the deceased student's life may be considered to supplement progress to degree.

#### E. In-Memoriam Certificate

A deceased student who does not meet the criteria for a posthumous degree may be awarded an In-Memoriam Certificate acknowledging their achievements and contributions to the VSCS community. Students may be awarded an In-Memoriam Certificate if:

- At the time of death, the student was enrolled in courses required for the completion of a degree;
- The student had completed at least one full-time semester at a Vermont State Colleges institution; and
- The student was in good academic standing.

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| Signed by:<br><hr/> Sophie Zdatny, Chancellor |
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| Date      | Version | Revision | Approved By            |
|-----------|---------|----------|------------------------|
| 1/23/2023 | 1.0     | Adopted  | VSCS Board of Trustees |

ITEM 7:

Resolution 2023-002: *Establishment of EPSL Committee Liaisons*




VERMONT STATE COLLEGES SYSTEM  
BOARD OF TRUSTEES  
RESOLUTION 2023-002

Establishment of EPSL (Education, Personnel, and Student Life) Committee Liaisons

- WHEREAS, The Vermont State College System is undergoing system transformation; and
- WHEREAS, The VSC Board of Trustees' Education, Personnel, and Student Life Committee (EPSL) has primary responsibility for the development and implementation of policies related to academic affairs, personnel, and student affairs; and
- WHEREAS, EPSL's areas of responsibility are most closely connected to the work of faculty and staff, so that establishing a formal role and supportive organizational structure for EPSL to be directly informed by faculty and staff perspectives is desirable; and
- WHEREAS, Staff and faculty participation in governance groups occurs at Community College of Vermont (CCV) via its Academic Council and College Council, and similar groups are anticipated to be established for the future Vermont State University (VTSU); and
- WHEREAS, The respective governance groups at each VSC institution can provide an appropriate mechanism for liaisons to solicit input for feedback to EPSL; therefore be it
- RESOLVED, That the VSC Board of Trustees authorizes the establishment of four EPSL Committee Liaisons (CCV staff, CCV faculty, VTSU staff, and VTSU faculty), pursuant to Article VI, Section 3 of the VSC Bylaws, to serve as *ex officio* non-voting Committee members; and be it further
- RESOLVED, That the roles and responsibilities of EPSL Committee Liaisons will include receiving materials and projected topics in advance of committee meetings, attending EPSL meetings, identifying to the EPSL Chair and Chancellor those topics of particular interest to faculty or staff for EPSL's consideration, and as appropriate to the topic, soliciting input from faculty and staff; and be it further
- RESOLVED, That the VSC Board of Trustees directs the Presidents of CCV and VTSU to identify and support the participation of staff and faculty as EPSL Committee Liaisons through their respective governance groups; and be it further
- RESOLVED, That the VSC Board of Trustees directs the Chancellor or the Chancellor's designee to ensure regular communication with EPSL Committee Liaisons on projected EPSL agenda topics in fulfillment of their role.

Approved: January 23, 2023

  
Eileen "Lynn" Dickinson, Chair of the Board of Trustees