



Meeting Minutes; Tuesday, March 10, 2015 Student Life Center, Board of Trust Room

Present

Bonner, Stacey

Boyce, Kim

Boyd, Barbara

Brady, Al

Brassil, John

Brown, Kenneth

Carlson, Robin

Carney, Kathy

Crimi, Cathy

Darling, Shelley

Dixon, Michele

Ely, Courtney

Engstrom, Steven

Foutch, Leslie

Furlong, Kara

Hamilton, David

Harrell, Rachel

Henderson, Eugene

Jeter, Wynn

Johnson, Faye

Jones, Eric

Kovash, Michelle

Latham, Vickie

Loudon, Jeff

McChesney, Bailey Garrett

McKinney, Rhonda

Miller, Jean

Morgan, Rachel

Murphy, Lori

Nelsen, Scott

Nodini, Sylvia

Parkinson, Kyle

Pepper, Ronnie

Pickert, Donald

Poynter, Lisa

Pulcini, Ally

Ramos-Lewis, Andrea

Richter, Andy

Riddle, Dawn

Sanchez, Monica

Schmittou, Lorna

Seezen, Karen

Shepherd, Justin

Siegel, Charlotte

Smith-Borne, Joell

Soren, Carol

Sridaromont, Melissa

Street, JJ

Thomas, Anna

Uson, Rae

Wall, Anne

Weisbrodt, Cathy

Williams, Dustin

Woher, Melissa

Did Not Attend

Ahler, Melissa
 Armstead, Ally
 Bailey, Christina
 Boshers, Chris
 Choate, Corey
 Clark, Maura
 Dumas, Lydia
 Gilpin, Pamela
 Hammock, Patrick
 Hammonds, Deborah
 Johnson, Judy
 King, Amanda
 Kissinger, Lauren
 Lassiter, Lynn
 Lester, Frank
 Martindale, Allie
 Nightengale, Cynthia
 O'Hara, Mark
 Piatt, Beverly
 Rager, Dottie
 Reynolds, Dana
 Rose, Susan
 Smith, Jennifer
 Stanard, Ray
 Teaford, Jeremy
 White, Lolita
 Wilson, Jonathan

Wilson, Cliff
 Young, Deirdre

Sent Regrets

Burnett, Karen
 Dean, Mary Ann
 Deike, Jan
 Moore, Stacey
 Pring, Michael
 Rider, Jill
 Roberts, Janet
 Sauer, Matt
 Smith, Susie
 Stokes, Kiley
 Williams, Tara
 Williams, Anthony

Guest/Visitors:

Brooks, Bari (HR)
 Grant, Deb (HR)
 Hicks, Chris (HR)
 Kopstain, Eric
 Lehman, Lara Beth (DAR, Past President)
 Lockett, Midori (HR)
 Napier, Alan (HR)
 Putnam, Sara (SON)
 Tromatore, Kim (MCSAC)
 Zeppos, Nick

8:31 am President, Michelle Kovash, called the meeting to order.

OLD & NEW BUSINESS ANNOUNCEMENTS

Motion to approve February meeting minutes approved.

GUEST: Rick Ohmer, HR

Remember to log in to the Fidelity system before the end of March to select your beneficiaries and/or if you need to make your own elections instead of accepting the default. Also, you do have the ability to make changes throughout the year.

Already almost 10,000 people have logged into the Fidelity system. This is a little more than half of the population of those who participate in the VU retirement system. Another mailer will be coming to homes. Targeted emails to groups that haven't logged in will also be happening through the end of March. Targeted communications to those only doing 3% contributions will happen in April.

Questions

Are there advantages to setting up your own elections vs. selecting a target fund?

Maybe, depending on how engaged you want to be in managing your investments. Target date funds have professional managers keeping an eye on the mix of your investments. They will update the mix as time goes on. You do pay a little more in expenses for those funds compared to index funds.

Can you keep the existing program that you have?

With the federal regulations that came out, we have to realign our program. The status quo really is not an option.

Comment: The gentleman that came to the law school was really helpful and informative.

The new structure we are heading to consists of many options, but none are actually Fidelity investments. We decided Fidelity is the best to deliver the services. They are here to help you during this transition. We will have an increased level of folks on campus through April. Kim Boyce has been helping us a ton on this project. Space is our biggest challenge, so if your department can give up space for a day or two, we would love to get someone there.

Are there fees involved with the target funds?

Expense ratios are higher in target funds. There are no additional fees. Each investment has its own fee structure; you can find this information on the website: <https://hr.vanderbilt.edu/secure/savingmadesimple/>. With those target date funds, they are doing more things for you.

Reminder, folks from Fidelity will be here at the end of the meeting to answer questions.

COMMITTEE REPORTS

Membership, Michelle Kovash for Anna Thomas

- **Spring elections** are coming up in April for odd-numbered groups. Think about if you are interested in being re-elected and/or if you know someone who would want to run. Nominations will be due in early April. Voting will take place in May, in hopes of inviting new members to the July kick-off meeting.
- **Happy Birthday** to those with **March** birthdays.

Staff Life, Al Brady and Andy Richter

- Two subcommittee updates: We spent time working with the subcommittee on Traffic and Parking to get some answers to questions about parking on campus. Those will be put on our FAQs on the USAC website. Our Campus Dining subcommittee also did some work on getting questions answered. We discussed the ten meals you're able to purchase around graduation. We were able to get the discounted rate to be available around winter break as well. This will be reflected on our website soon.

- Last March we put on an event to promote workplace civility with the **CARE** (Civility Appreciation and Respectful Environment) group, which consists of USAC, HR, MCSAC, Faculty Senate, and other groups. **Our next event will be Wednesday, March 25th at 12:00pm in Light Hall, Room 208.** It will be about building trust in the workplace. Some of the talking points: defining trust, trust vs. mistrust, building trust with coworkers and between employees and management. Please come and support us and talk up this event.
- The severe weather resolution has been tabled for right now while we talk with administration. We will keep you updated on that. We want to thank Plant Ops and Mark Petty for their hard work during the severe weather. Anytime there are issues about ice, etc., contact Plant Ops directly.

Events, Wynn Jeter

- CARE event volunteers will be receiving an email with instructions.
- **Happy Hour: Tuesday, April 28th from 6-8pm.** Space is limited to 50 people, so when you get the invite please RSVP.
- The LinkedIn event is scheduled for May 2015.
- *Michelle:* Thanks for everyone's help with the Share the Love food drive. We have a lot of food still in the Police HQ that will be picked up today. We will have a count very soon. Thank you again and thanks to your constituents.

Communications: Nothing to report

Rules and Administration, JJ Street

We get to celebrate the **Member of the Month**, Melissa Wocher. She has experience as a Past President of USAC and adds a lot of value to the committee.

STANDING COMMITTEES

- *Benefits:* Nothing to report.
- *Traffic and Parking:* Nothing to report.
- *Athletics:* Nothing to report.

GUEST SPEAKER: Nicholas “Nick” Zeppos, Chancellor

It is a privilege to be part of the Vanderbilt community. It is my 28th year here.

There were some questions beforehand, so I will address those, talk about some things going on and answer some more questions.

Everything in life is timing.

- Chancellor Wyatt from 1982-2000 had the strongest bull run in the stock market in American History. He had one rainout for Commencement.
- During my time, there have been four rainouts and four down years in the stock market. The economic cataclysm would have led to another Great Depression if not remedied quickly.
- No one really wants to support what we do despite it being some of the best things America does; there have been lots of cuts to higher education. But we are operating as one community, pulling together to serve the University.

I manage conservatively. I am a pessimistic optimist.

Who are we?

- We have the **happiest students in the country**. VU also has high SAT scores.
- Who we are is distinctive. We are at **#16** according to U.S. News and World Report. I've challenged our sports teams to get to that number.
- We are one of the top undergraduate teaching institutions. We also do \$3B in patient care and millions in research. That is the triple crown.
- We are building across campus. I am not a fan of debt. We have been conservative but we've managed to do strategic building such as the Warren and Moore Colleges. We also have a new engineering and science building. Our decision-makers in Washington don't want to fund research.
- When we allocate capital, first in line in the Children's Hospital. We offer world-class care for children. We are building more floors there. We've made the decision not to borrow money; these buildings are built with savings and philanthropy.

All the sources of revenue we rely upon are challenged in fundamental ways.

- The endowment is coming back from 2008-2009.
- Our revenue is not growing very fast, and cuts are being made to research, but people say not to raise tuition.
- We are ranked 22nd in tuition and other schools with larger endowments are raising their tuition more.
- We raised tuition 1.9%, 2%, and 2% over past three years. Will probably be another 2%. A lot of people want to regulate tuition like a utility. There are a lot of political pressures.

Opportunity Vanderbilt

- If you come to VU, **we will meet 100% of financial aid through scholarships.**
- This has made a huge difference at VU, especially in terms of diversity: racial, socio-, geographical, etc.
- This is affecting what people do with their lives.
 - We started a senior giving program about seven years ago.
 - We asked them to give a gift before they graduate.
 - 14% of students did the first year; last year **68-70% gave.**
 - We are giving away more scholarships and they are showing more gratitude.
 - We will have accomplished graduates that can give back.

Regulatory reform committee

- Costs are driven by benefits and compliance, not faculty and staff salaries.
- The compliance side is really a lot of money and no one focuses on it.
- We spend about 11% on it, and that is growing at 3-5% a year.

VU/VUMC Restructuring

- This is going well.
- **We are committed to one University.**
- Some things will be different, but most people will just go to work. This is my goal.
- There will be bumps, but the management team is doing a great job. This will make us much stronger.
- We went to other campuses over the summer. We are the only university that currently owns its hospitals and clinics in a university structure. No other private university does this among the top medical schools and clinics. We will be more in line with the rest of the world.
- Healthcare and college athletics are the two fastest areas of change at the university.
- Healthcare will scale up to bigger entities. 100 Oaks was the first off-campus care facility. It is easier to go there. Healthcare is going this direction. Our hospital and Children's Hospital are always full. We want to make sure they are full of people that need care at Vanderbilt. What we will get with expansion is the best care, best location and best value. We are affiliated with 50 hospitals in five states.
- Change is difficult but there will probably be less than people think.
- *ETOB*: Each Tub on its Own Bottom. RCM: Responsibility-centered management. Each unit runs its own business.
 - *Misperceptions*: Each unit will have to sink or swim. Decentralizing things that should be centralized.
- We have to figure out what for efficiency and risk-control and simplicity can be done centrally. Then everything else can be local.

Graduate education

- Provost Wentz understands graduate education. She is a partner with the new dean of Arts and Science.
- We know we are falling behind in areas like graduate stipends. We haven't increased them for inflation; this is being remedied. You will see investments in that area that are long overdue.
- Are the jobs there? It is hard to predict future job markets. We need to make sure we are right-sizing our graduate programs and creating opportunities for our students to be successful. The unemployment rate with a PhD is 2.5%.

I am trying not to stay at the desk as much. I came here to teach. I will try to get out more and see more people, and get in touch with the University side.

- There is rapid change in the makeup of the student body. We need to have a broader campus conversation about **diversity and inclusion**. We need to have **celebrations**, not just acceptance and toleration. Our society is fractured; we are society's best hope.

- I am going to **have conversations with students about sexual assaults on campus**. This is at the top of our list of the nation's challenges. We want to ensure everyone feels safe and that we will take care of them. This is our family. Students are committed to this. Project SAFE is almost too busy to meet requests. We have to keep working at that.
- I still teach a class. I am teaching a class on the Federalist Papers.
- I teach a Vanderbilt Visions section. Freshmen and babies are some of the most interesting things that happen on this campus. Through Vanderbilt Visions, we want to help these young people grow and link them to the community.

I have the best team in the country.

Questions

What are your thoughts about Governor Haslam's plan to make the first two years of college free at community college? How will that affect Vanderbilt?

- I have been in education all of my life. The single most important thing you do for someone is give them an education. You empower and validate them. So I don't care if it's community college or an M.D./Ph.D. degree, it's investing in people.
- Bad public health is because people are poor. There is a strong linkage between education and better health. If you invest in someone, they are productive, and your healthcare results will be better.
- What the governor has done is spectacular.

Who is going to college? Where do they go?

- Lots of people (25-30%) go to community college, including veterans, disabled people, people with children, etc. Are there the tools to succeed for those students?
- The next group go to state institutions, about another third.
- Lots of people go to for-profits.
- Who is going to Vanderbilt, Rice, Johns Hopkins, etc.? It is a small number. We do about 25% of all research and train 20-25% of Ph.D.s. If we put state flagships in, 55% of research, about the same of graduate education.
- Who are we? My hope and dream is that there will be about 10-15 private universities that bring in young people, graduate students and produce leaders. **Our role is distinctive.** Great universities have a long history. The state universities are in major crises with large tuition increases and cuts to funding. They are taking more out of state students to get higher tuition amounts. We can't walk away from our citizens.
- I hope these kids will graduate. Does everyone understand what it takes to help them?
- We have a lot of kids here who are poor here. Our financial aid is great, but they might not feel like they belong. These kids at Vanderbilt will graduate because they live on campus, we have RAs and Dean of Students to help them.
- The working poor going to community college won't have healthcare. Medicaid expansion was for working people. If they drop out, is it because they don't have healthcare? Doesn't this go hand in hand?

Will there be a formal leadership agreement between the university and VUMC?

- Yes. We will have an interlocking board, but autonomy will go to VUMC so they can move forward. We can't have too many directors.
- The Chancellor appoints deans and professors. Dr. Balser will be the Dean of the School of Medicine (SOM), appointed by the Chancellor. He will oversee the practice, with about 100 basic science, tenure-track professors in the SOM.
- The University will have reserve rights. VUMC will get to call themselves Vanderbilt but with fair compensation for using the name.
- The new entity will have to be an academic medical center.
- You may want to have someone come back to discuss this in more detail with you.

Our next meeting will be April 14th in the McGugin Team Room. Our guest speaker will be Coach Mason.

Meeting is adjourned at 10:02am.

For more information about the council, please visit the [USAC website](#).