

Financial Affairs Advisory Committee (FAAC)

Minutes of Meeting: 3/19/25

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Present: Sara Soderstrom (Chair), Jefferson Williams, Vilma Mesa, Gillian White, Pamela Wong, Julie Boland, Becky Peterson, Francine Dolins, Hsiao Sung, Geoffrey Chatas (VP and CFO), Vance Jackson

Absent: Daniel Nemser

Guests:

Ndu Ozor, Associate General Counsel

Tom Finholt, Senior Vice Provost for Academic and Budgetary Affairs

Bobby Hewlett, Interim Associate Vice President for Finance

Faculty Senate Office: Eric Vandenberghe, Meaghan Blanchard

9:00am: Call to Order, Approval of Agenda and Minutes, Announcements

The agenda was approved. The minutes for the January and February FAAC meeting were approved.

9:03am-9:27am: Investment Values Committee

Summary: The Chair provided a presentation and overview of the Investment Values Committee (IVC). This is the proposed standing committee dedicated to inform and advise EVP Chatas and his team of the values of the UM community regarding investments made by the university. The committee would also serve as a means of gaining community feedback.

The ad hoc committee compared UM to peer institutions to determine where it stands in terms of transparency and other relevant ethical categories. The committee found that UM is exceling with their commitment to climate divestment as well as some of the ethical investment funds they are associated with.

The ad hoc committee found that UM had opportunities to improve in several areas. These include the creation of the proposed Investment Values Committee, as well as the ability to quickly and easily find relevant materials related to the investments. Further information from the comparison is shared.

Further information on the process and timeline for the ad hoc committee is shared. The proposal of the IVC has gone through a thorough review and feedback process with review from stakeholders including SACUA, and EVP Chatas's team. Specific points of the proposal are discussed by the committee.

A member suggests that the onboarding process for new members to the IVC should be

robust, so that the members have a solid understanding of the details of the university's investment process. One of the guests, Associate General Counsel Ndu Ozor, describes some of the education regarding the endowment that currently exists, and describes instances in which these materials have been shared.

Expanding on this education conversation, another member discussed the necessity to educate and provide regular updates to the broad UM faculty community. This is noted as an important aspect to building and maintaining trust that the UM investment strategy is maintaining the values important to the community. This idea is discussed.

Discussion on this topic will continue during the next meeting.

Action: Discussion

9:27am-10:02am: Response to FAAC memo

Summary: EVP Chatas provided an overview of some of the financial changes to the university as a result of the ongoing federal changes. There is a lot of uncertainty, which can create challenges for planning. Discussion takes place on the federal budget, with relevant dates shared and briefly discussed.

AVP Hewlett provided details of some of the challenges that are being addressed by the financial team. Several projects at UM have received stop-work orders. Further discussion on this occurs. An issue that is coming up is that funding of new grants has slowed.

New requirements are discussed regarding a 1000-character justification to receive funding for each grant, new and existing. It remains to be seen how people will complete that satisfactorily. A member points out that this new requirement was not agreed to when the grants were approved and therefore cannot be required. Varying viewpoints are shared on how to best address this situation, and similar ones moving forward.

Tom Finholt, Senior Vice Provost for Academic and Budgetary Affairs, describes some of the budget issues the academic wing of the university is facing. Committee members ask questions about unit level decisions and discussion ensues.

Action: Discussion

10:02am: Adjournment

Respectfully submitted,

Eric Vandenberghe
Faculty Governance Coordinator
Faculty Senate Office