

# COLLEGE OF SAINT BENEDICT

## SUSTAINABILITY & RESILIENCE REVOLVING FUND CHARTER

### Purpose

The Sustainability & Resilience Revolving Fund (SRRF) provides financial capital to support innovative projects proposed by members of the CSB community which promote sustainability and resilience at CSB by increasing conservation and efficiency, reducing greenhouse gas emissions and the consumption of resources, and creating valuable educational opportunities. The SRRF will be self-sustaining and perpetuated through the reinvestment of the cost savings generated through its projects.

### Goals

The SRRF aims to:

- Empower students, faculty, staff, administrators, and others in the CSB community to be proactive and engaged in creating a more sustainable and resilient world.
- Provide a mechanism that CSB can use to invest in itself by capitalizing on the long-term profitability of conservation, efficiency, sustainability, and resilience projects.
- Cover the initial costs of these projects while securing the financial return they produce to fund future initiatives, making such projects increasingly more feasible over time.
- Demonstrate that investment in sustainability and resilience projects is an influential method of practicing fiscal responsibility.
- Catalyze the reduction of greenhouse gas emissions, with an ultimate goal of carbon neutrality.
- Model advantageous approaches to sustainability and resilience for other educational institutions, organizations, businesses, governmental bodies, and individuals in our local, regional, state, national, and global communities.

### Methods

Projects will be evaluated to receive funding from the SRRF according to two primary criteria: the potential to contribute to sustainability and resilience at CSB, and the ability to repay the SRRF.

Any member of the CSB community may propose a project to be funded by the SRRF. Student-initiated projects are especially encouraged, and each project should engage at least one student in the research, proposal, and implementation stages. A proposal must designate at least one person who will be primarily responsible for the implementation and subsequent monitoring of the project over the first year of its life.

Proposals are to be submitted via the CSB Sustainability website by following the template provided and including as much detail as possible. It is highly recommended that proposals be completed with guidance from the Sustainability Office and/or Facilities Management. Once a proposal is submitted, it will be reviewed by the Sustainability Office, and additional information will be requested as needed until the proposal is satisfactorily thorough and it is accepted.

Accepted proposals will be evaluated by the SRRF Committee, who will manage the fund and decide whether to approve a proposal, fund its project, and move the project into the implementation phase.

The SRRF Committee will meet four times per academic year (twice per semester) to vote on accepted proposals. The committee will not meet during the summer unless it is absolutely necessary to review a project with a deadline (i.e. a grant or state incentive). Meeting dates will be announced at the start of each semester, and proposals must be accepted at least one week prior to each meeting so that they can be sent to the SRRF Committee members for individual review. Meetings will be open to all members of the CSB community to attend.

At each meeting, SRRF Committee members will discuss each proposal and, if necessary, modify it in its implementation, management, and/or financial strategy. The primary representative for each proposal (and others on the proposal team if applicable) should be present to answer questions and participate in the discussion. Once discussion has concluded or the allotted time has been reached, the proposal will be voted on verbally, with an effort being made to reach a consensus. If a consensus cannot be reached, a two-thirds majority will be sufficient to approve a proposal.

Once a proposal is approved, implementation of the project should be planned and carried out as rapidly as possible so that the project can quickly begin to accumulate its cost savings. All projects must include communication and education within the CSB community as part of their implementation strategy.

Projects should be well documented throughout their implementation and subsequent monitoring. Reports on how the project is fulfilling its sustainability or resilience, economic, and educational goals must be submitted to the Sustainability Office once per semester until the project is deemed complete by the SRRF Committee. Once per year, the Sustainability Office will publicize a report that outlines the performance of each project and SRRF as a whole.

## **Project Guidelines**

Eligible projects include those that promote environmental, social, and/or economic sustainability and resilience at CSB. Projects may achieve those goals by, for example, reducing energy use, reducing water use, reducing the use of pollutants, reducing the consumption or purchase of materials, installing renewable energy, improving the efficiency of operations, increasing equity, improving the health of our community, or educating community members, among other possibilities.

Projects with a short term payback will be more likely to be granted funding. Projects with 5-8 year paybacks are acceptable, and projects with paybacks longer than 8 years may be less likely to be granted funding. Projects that have longer than an 8 year payback and projects that don't produce a payback will be approved by two-thirds majority provided that the project is highly visible and will promote sustainability and resilience efforts in other areas, the project provides exceptional educational opportunities, or the project will produce other highly appealing ancillary benefits.

If at all possible, projects should take advantage of local, state, and federal incentives in order to expand the cost savings generated and maximize project scope.

Funds for projects may be used for:

- Materials and products
- Professional work, installation, or design (costs should be minimized by using in-house labor whenever possible).
- Proposal development, research, and testing or monitoring equipment: if a project seems feasible but requires initial funding for a pilot, the SRRF Committee may approve funds to determine if the project is indeed feasible.

Costs should be minimized and education maximized by using students and faculty to develop the pilot's methods and collect data.

- Community education, marketing, outreach, and publicity (costs should be minimized).
- Staff and work: the SRRF Committee may approve compensation by consensus—preferably, for a student employment position—on a per-project basis should conditions merit and the added expense still yield cost savings. The fund should accept a minor loss should such a position yield dramatic benefits to campus sustainability or resilience or show promise to lead to other projects with better financial potential.

Funds should not be used for:

- Fossil fuels: Funds should never be used for any project that consumes fossil fuels, unless the project leads to a significant net decrease in the consumption of fossil fuels and a significant net decrease in greenhouse gas emissions.
- Non-renewable resources: Funds should never be used to develop projects that require the extensive use of non-renewable resources such as nuclear energy, large hydroelectric dams, or toxic building materials.
- Renewable energy credits: Funds should never be used for the purchase of green tags, renewable energy certificates (RECs), or other offsets.
- Faculty or staff compensation: Funds should never be used to cover salary or wages except in association with a specific project as approved by the SRRF Committee.
- Budget shortfalls: Funds should never be used to cover college budget shortfalls.

## Finances

The initial money in the SRRF was allotted by the Business Office from the College Repair and Replacement Fund in 2011. After the initial contribution, the fund should be self-sustaining; the fund will replenish itself as the 0% interest loans are paid back from the projects' generated cost savings. The SRRF will grow by extending the amounts paid back beyond the initial loan amounts.

Projects will pay back their loans to the SRRF by the following methods:

1. Whenever possible, the exact cost savings generated should be calculated. When extremely difficult or impossible to determine cost savings, an educated estimate should be determined and brought before the SRRF Committee for approval. The committee will determine if exact savings need to be used or if an estimate is appropriate.
2. Cost savings will be calculated in accordance with the fiscal year (July 1–June 30). Paybacks should be made once per year on July 1.
3. Inflation will be taken into account with all paybacks. The Bureau of Labor Statistics inflation calculator shall be used.
4. Cost savings will be paid back until a total of 130% of the project's original loan has been repaid.
  - 80% of all cost savings will be paid back into the SRRF annually until 120% of the project's original loan is repaid. For example: if a loan of \$10,000 is granted and the project results in \$3000 of estimated annual cost savings, \$2,400 is to be paid back to the SRRF annually until \$12,000 (adjusted for inflation) has been paid back.

- 10% of all cost savings will be paid back into the Utilities Reserve Fund (URF) annually until 10% of the project's original loan is repaid. To continue the example from above, \$300 is to be paid back to the URF annually until \$1,000 has been paid back. (The URF is intended to be used to pay for higher-than-expected energy costs in years with extreme cold or hot weather. The URF aims to provide financial resilience as a buffer against SRRF-related permanent budget reductions. If at any point the URF becomes unnecessary or is discontinued, its assets will be transferred to the SRRF.)
  - The URF will hold a maximum amount of money at any given time (to be determined by the SRRF Committee). If the URF is funded to its maximum, the 10% which would have been paid into the URF will instead be paid into the SRRF.
  - Once the SRRF and/or URF have been repaid to their combined 130%, a permanent budget reduction of 90% of the annual cost savings will occur to the budget benefiting from the cost savings. This 90% amount recognizes that cost savings are often estimated and aims to avoid over-reducing the budget.
5. The Committee may approve by consensus a finance mechanism for a particular project other than the one outlined above should the nature of the proposal or existing conditions merit such a change. The Committee may also modify existing payment plans by consensus at the request of the cost-saving budget's manager, as long as the alternative maintains the long-term financial viability of the SRRF. Requests for such plan modifications, with an alternative proposal, can be submitted to the SRRF Committee. This approach is most likely to be used for longer term payback options (8 years or more).

## **Governance**

The SRRF will be governed by this Charter, and managed by the SRRF Committee, which will include:

- The Sustainability Coordinator (chair)
- The Vice President of Finance and Administration
- The Executive Director of Facilities
- The Senior Accountant (treasurer)
- An Environmental Studies faculty member
- The St. Ben's Senate Sustainability Representative

The Sustainability Coordinator, Vice President of Finance and Administration, Executive Director of Facilities, and Senior Accountant are permanent members of the committee. The Environmental Studies faculty and the St. Ben's Senate Sustainability Representative will serve one year terms, with an option for reappointment as appropriate.

The Board of Trustees will be presented with the opportunity to seat one person as a member of the SRRF Committee for a two year term. An alumna or alumnus may also be invited to serve a two year term.

In the case that a proposal comes up where additional expertise is required, the SRRF Committee may grant a one-time invitation to a faculty member, staff member, trustee, or alumna/alumnus with relevant interests and experience (this invitation will not grant voting power on the committee).

In the case that a committee member resigns, a replacement should be chosen at the earliest available opportunity.