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Thursday, February 7, 2013
2:00 p.m. – 4:30 p.m.  AUDIT COMMITTEE
Livak Ballroom (417-419)

Friday, February 8, 2013
8:00 a.m. – 10:30 a.m.  COMMITTEE OF THE WHOLE
Silver Maple Ballroom (401)

10:45 a.m. – 11:45 a.m.  BUDGET, FINANCE AND INVESTMENT COMMITTEE
Silver Maple Ballroom, (401)

10:45 a.m. – 11:45 a.m.  EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE
Livak Ballroom (417-419)

11:45 a.m. – 12:45 p.m.  LUNCH

12:45 p.m. – 1:45 p.m.  BUDGET, FINANCE AND INVESTMENT COMMITTEE
Silver Maple Ballroom, (401)

12:45 p.m. – 1:45 p.m.  EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE
Livak Ballroom (417-419)

2:00 p.m. – 3:00 p.m.  TOUR OF RESIDENCE HALLS
Depart from Davis Center Oval

3:15 p.m. – 5:30 p.m.  COMMITTEE OF THE WHOLE
Silver Maple Ballroom (401)

6:00 p.m.  BOARD OF TRUSTEES DINNER
Billings Library

Saturday, February 9, 2013
7:30 a.m. – 8:30 a.m.  VERMONT AGRICULTURAL COLLEGE BOARD
Chittenden Bank Room (413)

7:30 a.m. – 8:30 a.m.  UNIVERSITY OF VERMONT BOARD
Boulder Society Room (411)

8:30 a.m. – 11:30 a.m.  BOARD OF TRUSTEES
Livak Ballroom (417-419)
Enclosed are materials related to next week’s Board of Trustees meeting. The Audit Committee will meet on Thursday and standing Committees of the Board will meet throughout the day on Friday. The UVM and Vermont Agricultural College Boards will meet on Saturday, followed by the Full Board meeting.

Appended to this memo is a tabular summary that offers a succinct overview of all strategic action items coming before the Board. The summary, the individual committee meeting agendas, and accompanying memos provide an excellent overview of key issues and decisions before the Board. Rather than review individual agendas, I want to draw your attention to several key University-wide strategic discussion and action items before the Board:

- **The Audit Committee** will meet on Thursday afternoon. KPMG will present the FY 2013 engagement plan and the FY 2012 A-133 Audit and NCAA Agreed-Upon Procedures. The Committee will be asked to authorize and direct the Committee Chair to retain KPMG to conduct the FY 2013 mandatory audits. The Committee will consider proposed amendments to the Trustees Conflict of Interest Policy for recommendation to the Full Board. In addition, the Committee will receive routine reports from the Chief Internal Auditor, Chief Compliance Officer, Chief Financial Officer and Information Security Officer.

- **The Committee of the Whole** will meet two times (under a single agenda with recess at time certain). Time is reserved in the morning session to consider contracts and the naming of a building. The Committee will receive an academic presentation on the Center for Teaching and Learning’s mission and programs that directly improve teaching quality and a tutorial on financial aid. An overview of the University’s technology commercialization process will be offered in follow up to questions that arose at the last meeting.

The Committee will reconvene on Friday afternoon, following a tour of residence halls. Consultants whom have been working with University staff to develop the new UVM Housing Master Plan will join Vice President Gustafson to present recommendations from the newly developed plan.
Additionally, the University has been engaging with consultants to develop a portfolio approach to campus investments intended to guide and prioritize investment into existing facilities. The consultants will join Vice President Cate in leading a presentation regarding the work completed over the past decade and provide strategies for managing future investments in UVM’s facilities portfolio. Time will be reserved for an executive session to discuss contracts with action anticipated following.

- The Budget, Finance and Investment (BFI) Committee will meet two times (under a single agenda with recess at time certain). On Friday morning, the Committee will conduct its annual review of net assets, the Debt Policy and debt ratios. The Committee will consider rescinding language in the policy reducing the debt ratio to 5% by 2017 allowing it to remain at <6% in recognition of the need for new and renovated facilities to address critical needs as outlined in the Strategic Action Plan and Capital Priorities Plan shared with the Board in November. The Committee will reconvene after lunch to discuss key budget assumptions for FY 2014 including tuition, peer comparisons and maximum cost of fees. The Committee will receive a report from the Investment Subcommittee and consider recommended action items.

- The Educational Policy and Institutional Resources (EPIR) Committee will meet two times (under a single agenda with recess at time certain). On Friday morning, the Committee will consider curricular affair action items and to be asked to approve the Addison, Rutland and Franklin County 4-H Foundations as affiliated organizations. Time is reserved for an executive session to discuss a contract. The Committee will reconvene after lunch to review proposed changes to the Gift Policy, to receive an update on the international pathways program, and to continue discussing academic quality with focus on the assessment of student learning and outcomes.

- The UVM Board and Vermont Agricultural College Board will convene first thing Saturday morning. I will attend the latter meeting to lead a discussion regarding state funding.

- At the Full Board meeting on Saturday morning, an opportunity for public comment will be offered followed by committee reports from meetings held the previous day as well as from meetings held off-cycle. The Board will elect University and Board Officers, with the exception of the Board Chair whom will be elected at a special meeting following the election of new Trustees (scheduled for March 11 at 1 o’clock). The Full Board will act on the consent agenda of recommended action items.

Chair Robert Cioffi, Leslie and I will host a dinner at the Billings Library on Friday night. Members of the senior administration, the deans of the colleges and schools, governance leaders, and committee representatives have been invited to join us for this special occasion, during which we will recognize retiring members of the Board. We look forward to seeing everyone next week.
# TABULAR SUMMARY OF STRATEGIC ACTION ITEMS

**Board of Trustees, February 7-9, 2013**

NOTE: “Strategic” in this context is defined as a matter that has significant strategic, fiduciary, or policy implications for UVM.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>COMMITTEE</th>
<th>EXECUTIVE SUMMARY</th>
<th>STRATEGIC, POLICY OR FIDUCIARY IMPLICATIONS</th>
<th>RELATED MATERIALS</th>
<th>PRESENTER(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention of External Audit Firm for FY 2013</td>
<td>Audit</td>
<td>Resolution authorizing retention of external audit firm to conduct annual audit</td>
<td>Fiduciary</td>
<td>Attachment 7</td>
<td>Chair Young</td>
</tr>
<tr>
<td>Trustee Conflict of Interest Policy</td>
<td>Audit</td>
<td>Amendments to include new definition of ‘substantial interest’ and additional policy elaboration on commercial transactions and Trustees’ employment with UVM</td>
<td>Fiduciary; Policy</td>
<td>Attachment 7; Appendix A</td>
<td>Chair Young</td>
</tr>
<tr>
<td>Naming of Building</td>
<td>Committee of the Whole</td>
<td>A resolution approving the naming of a building will be presented</td>
<td>Fiduciary</td>
<td></td>
<td>Chair Cioffi</td>
</tr>
<tr>
<td>Affiliated Organizations</td>
<td>Educational Policy &amp; Institutional Resources (EPIR)</td>
<td>Resolution approving Vermont State 4-H Foundations as affiliated organizations</td>
<td>Fiduciary; Strategic</td>
<td>Attachment 3</td>
<td>Dean Doug Lantagne</td>
</tr>
<tr>
<td>UVM/FAHC Affiliation Agreement Work Group</td>
<td>EPIR</td>
<td>Resolution re-constituting the UVM/FAHC Affiliation Agreement WG as the WG on Medical, Nursing and Health Sciences Education and Research</td>
<td>Fiduciary</td>
<td>Attachment 3;</td>
<td>Chair Sweaney</td>
</tr>
</tbody>
</table>
### TABULAR SUMMARY OF STRATEGIC ACTION ITEMS
Board of Trustees, February 7-9, 2013

NOTE: “Strategic” in this context is defined as a matter that has significant strategic, fiduciary, or policy implications for UVM.

<table>
<thead>
<tr>
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<th>RELATED MATERIALS</th>
<th>PRESENTER(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Review of Debt Policy</td>
<td>Budget, Finance &amp; Investment (BFI)</td>
<td>Resolution amending Debt Policy rescinding language reducing the debt ratio to 5% FY 2017 and approving the debt limit ratio remain 6%</td>
<td>Strategic; policy; fiduciary</td>
<td>Attachments 3 &amp; Appendix A</td>
<td>Chair McAneny; Vice President Cate</td>
</tr>
<tr>
<td>Statement of Investment Policies &amp; Objectives</td>
<td>BFI</td>
<td>Resolution amending the Statement to reflect changes to the indices used in the Target Benchmark</td>
<td>Policy; fiduciary</td>
<td>Attachments 3 &amp; Appendix B</td>
<td>Chair McAneny; Vice Chair Bain</td>
</tr>
<tr>
<td>Investment Subcommittee Charge</td>
<td>BFI</td>
<td>Resolution amending charge to include responsibilities assigned under Investment Management agreement between UVM and UVM Foundation</td>
<td>Fiduciary</td>
<td>Attachments 3 &amp; Appendix C</td>
<td>Chair McAneny; Vice Chair Bain</td>
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Thursday, February 7, 2013
2:00 p.m. – 4:30 p.m.

AUDIT COMMITTEE
Livak Ballroom, 417-419 Dudley H. Davis Center

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<tr>
<td>Call to Order</td>
<td></td>
<td>2:00 p.m.</td>
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<tr>
<td>Approval of November 7, and November 12, 2012 Meeting Minutes</td>
<td>Mark Young</td>
<td>2:00-2:02</td>
</tr>
<tr>
<td>Chief Internal Auditor Update</td>
<td>Bill Harrison</td>
<td>2:02-2:10</td>
</tr>
<tr>
<td>Chief Compliance Officer Update</td>
<td>Anna Drummond</td>
<td>2:10-2:25</td>
</tr>
<tr>
<td>Information Security Officer Update</td>
<td>Dean Williams</td>
<td>2:25-2:35</td>
</tr>
<tr>
<td>Presentation of the FY 2012 OMB Circular A-133 Audit Report, the NCAA AUP Report, and Management Response</td>
<td>Richard Cate, Renee Bourget-Place, KPMG</td>
<td>2:35-2:55</td>
</tr>
<tr>
<td>Presentation of the FY 2013 Engagement Plan</td>
<td>Renee Bourget-Place, KPMG</td>
<td>2:55-3:10</td>
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<tr>
<td>IT Security RFQ</td>
<td>David Todd</td>
<td>3:10-3:20</td>
</tr>
<tr>
<td>CFO Update (PurCard Program Review; Laboratory Safety; ERM)</td>
<td>Richard Cate</td>
<td>3:20-3:40</td>
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<tr>
<td>Trustee Conflict of Interest Policy Amendments</td>
<td>Fran Bazluke</td>
<td>3:40-4:00</td>
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<tr>
<td>Executive Session*</td>
<td>Mark Young</td>
<td>4:00-4:28</td>
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<tr>
<td>Other Business</td>
<td>Mark Young</td>
<td>4:28-4:30</td>
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<tr>
<td>Adjourn</td>
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<td>4:30 p.m.</td>
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* The Chair will entertain a motion to enter into Executive Session for the purpose of discussing civil actions, the evaluation of public officers or employees, discussion of personnel records and to receive the advice of Counsel.

Friday, February 8, 2012
8:00 a.m. –10:30 a.m.

COMMITTEE OF THE WHOLE
Silver Maple Ballroom, 401 Dudley H. Davis Center

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<td>Call to Order</td>
<td></td>
<td>8:00 a.m.</td>
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<tr>
<td>Approval of the November 7-8, 2012 meeting minutes</td>
<td>Robert Cioffi</td>
<td>8:00-8:03</td>
</tr>
<tr>
<td>Chair’s Report</td>
<td>Robert Cioffi</td>
<td>8:03-8:13</td>
</tr>
<tr>
<td>President’s Report</td>
<td>Thomas Sullivan</td>
<td>8:13-8:23</td>
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<td>Staff Council President’s Report</td>
<td>Catherine Symans</td>
<td>8:23-8:28</td>
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<tr>
<td>Student Government Association President’s Report</td>
<td>Connor Daley</td>
<td>8:28-8:33</td>
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<tr>
<td>Alumni Association President’s Report</td>
<td>Ted Madden</td>
<td>8:33-8:38</td>
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<tr>
<td>Faculty Senate President’s Report</td>
<td>Julie Roberts</td>
<td>8:38-8:43</td>
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<tr>
<td>Graduate Student Senate President’s Report</td>
<td>Kelly Swindlehurst</td>
<td>8:43-8:48</td>
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<td>Action Items</td>
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<td>8:48-9:03</td>
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<tr>
<td>• Resolution Awarding Contracts for Vehicle Rental</td>
<td>Richard Cate</td>
<td>8:48-9:03</td>
</tr>
<tr>
<td>• Resolution Approving STERIS Contract</td>
<td>Richard Cate</td>
<td>8:48-9:03</td>
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• Resolution Approving Contract Extension with University Health Plans
• Resolution Approving Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.
• Resolution Regarding Naming of Building
• Approval of 2014 Meeting Schedule

Acknowledgement of Grants and Contract Awards Report
Financial Aid Tutorial
Break
Office of Technology Commercialization Presentation
Academic Presentation
• Center for Teaching & Learning

Recess

10:45 a.m. – 11:45 a.m.

BUDGET, FINANCE AND INVESTMENT COMMITTEE
Silver Maple Ballroom, 401 Dudley H. Davis Center

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<td>Approval of the November 7-8, 2012 meeting minutes</td>
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<td>Net Assets Annual Review</td>
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<td>Debt Policy Annual Review (Action)</td>
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<td>Annual Debt Ratio Review (Discussion)</td>
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<tbody>
<tr>
<td>Debbie McAneny</td>
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<td>Claire Burlingham</td>
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<tr>
<td>Claire Burlingham</td>
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<tr>
<td>Cathy Paris</td>
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<tr>
<td>10:45 a.m.</td>
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<td>10:45-10:50</td>
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<td>10:50-11:20</td>
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<td>11:20-11:40</td>
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10:45 a.m. – 11:45a.m.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE
Livak Ballroom, 417-419 Dudley H. Davis Center

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<td>Approval of November 7-8, 2012 meeting minutes</td>
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<td>Interim Provost’s Report</td>
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<td>Q&amp;A Routine Reports</td>
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<td>Capital Projects Progress Report</td>
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<tr>
<td>Report by the Faculty Senate Curricular Affairs Committee Chair (Discussion)</td>
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<td>Action Items</td>
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<tr>
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<tbody>
<tr>
<td>Donna Sweaney</td>
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<tr>
<td>Robert Low</td>
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<td>Bob Vaughan</td>
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<td>Cathy Paris</td>
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<td>Cathy Paris</td>
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<td>Cathy Paris</td>
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<tr>
<td>Wanda Heading-Grant</td>
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<td>Doug Lantagne</td>
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<td>11:00-11:05</td>
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<td>11:05-11:20</td>
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LUNCH

BUDGET, FINANCE AND INVESTMENT COMMITTEE
Silver Maple Ballroom, 401 Dudley H. Davis Center

<table>
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<tr>
<th>Item</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tbody>
<tr>
<td>Reconvene</td>
<td></td>
<td>12:45 p.m.</td>
</tr>
<tr>
<td>Report of the Investment Subcommittee</td>
<td>Sam Bain</td>
<td>12:45-1:00</td>
</tr>
<tr>
<td>• Endowment Performance Update</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Resolution approving of revisions to the University’s Statement of Investment Policies &amp; Objectives</td>
<td>Claire Burlingham</td>
<td></td>
</tr>
<tr>
<td>• Resolution Approving revisions to the ISC Charge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Socially Responsible Investing Advisory Council Update</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comparator Institutions (tuition and fees) &amp; Maximum Cost of Fees</td>
<td>Alberto Citarella</td>
<td>1:00-1:10</td>
</tr>
<tr>
<td>FY 2014 &amp; FY 2015 Budget (Discussion)</td>
<td>Tom Sullivan Richard Cate Alberto Citarella</td>
<td>1:10-1:30</td>
</tr>
<tr>
<td>• Framing the Issue</td>
<td></td>
<td></td>
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<tr>
<td>• Key Budget Assumptions (including tuition)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vice President’s Report</td>
<td>Richard Cate</td>
<td>1:30-1:40</td>
</tr>
<tr>
<td>Other Business</td>
<td>Debbie McAneny</td>
<td>1:40-1:45</td>
</tr>
<tr>
<td>Adjourn</td>
<td></td>
<td>1:45 p.m.</td>
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</tbody>
</table>

*Executive Session as needed.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE
Livak Ballroom, 417-419 Dudley H. Davis Center

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<tr>
<th>Item</th>
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<tr>
<td>Reconvene</td>
<td></td>
<td>12:45 p.m.</td>
</tr>
<tr>
<td>Review of Proposed Revisions to Gift Policy</td>
<td>Jennifer Papillo</td>
<td>12:45-12:50</td>
</tr>
<tr>
<td>International Pathway Program Update</td>
<td>Chris Lucier Gayle Nunley</td>
<td>12:50-1:10</td>
</tr>
<tr>
<td>Academic Quality (continued discussion)</td>
<td>Brian Reed Jackie Weinstock John Ryan</td>
<td>1:10-1:40</td>
</tr>
<tr>
<td>• Assessment of Student Learning Outcomes</td>
<td></td>
<td></td>
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<tr>
<td>Other Business*</td>
<td>Donna Sweaney</td>
<td>1:40-1:45</td>
</tr>
<tr>
<td>• Review of work plan and preview of next meeting agenda</td>
<td></td>
<td></td>
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<tr>
<td>Adjourn</td>
<td></td>
<td>1:45 p.m.</td>
</tr>
</tbody>
</table>

*Executive Session as necessary.
2:00 p.m. – 3:00 p.m.
TOUR OF RESIDENCE HALLS
Depart from Davis Center Oval

3:15 p.m. – 5:30 p.m.
COMMITTEE OF THE WHOLE
Silver Maple Ballroom, 401 Dudley H. Davis Center

<table>
<thead>
<tr>
<th>Item</th>
<th>Discussion Leader</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>Reconvene</td>
<td></td>
<td>3:15 p.m.</td>
</tr>
<tr>
<td>Housing Master Plan</td>
<td>Tom Gustafson</td>
<td>3:15-4:15</td>
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<td></td>
<td>Tom Hier,</td>
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<td></td>
<td>Biddison Hier, Ltd.</td>
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<tr>
<td></td>
<td>Armand Quadrini, KSQ Architects, Inc.</td>
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</tr>
<tr>
<td>Deferred Maintenance Presentation</td>
<td>Richard Cate</td>
<td>4:15-4:45</td>
</tr>
<tr>
<td></td>
<td>James Kadamus, Sightlines</td>
<td></td>
</tr>
<tr>
<td>Executive Session*</td>
<td>Robert Cioffi</td>
<td>4:45-5:25</td>
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<tr>
<td>• Action anticipated following</td>
<td></td>
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<tr>
<td>Other Business</td>
<td>Robert Cioffi</td>
<td>5:25-5:30</td>
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<tr>
<td>Adjourn</td>
<td></td>
<td>5:30 p.m.</td>
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</tbody>
</table>

*The Chair will entertain a motion to enter into Executive Session for the purpose of discussing contracts with action anticipated.

Saturday, February 9, 2012
7:30 a.m. – 8:30 a.m.
VERMONT AGRICULTURAL COLLEGE BOARD
Chittenden Bank Room, 413 Dudley H. Davis Center

<table>
<thead>
<tr>
<th>Item</th>
<th>Discussion Leader</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call to Order</td>
<td></td>
<td>7:30 a.m.</td>
</tr>
<tr>
<td>Approval of November 8, 2012 meeting minutes</td>
<td>David Potter</td>
<td>7:30-7:35</td>
</tr>
<tr>
<td>State Funding Discussion</td>
<td>Tom Sullivan</td>
<td>7:35-7:55</td>
</tr>
<tr>
<td>Selection of Trustees</td>
<td>David Potter</td>
<td>7:55-8:25</td>
</tr>
<tr>
<td>Other Business*</td>
<td>David Potter</td>
<td>8:25-8:30</td>
</tr>
<tr>
<td>Adjourn</td>
<td></td>
<td>8:30 a.m.</td>
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</tbody>
</table>

*Executive Session as needed.

7:30 a.m. – 8:30 a.m.
UNIVERSITY OF VERMONT BOARD
Boulder Society Room, 411 Dudley H. Davis Center

<table>
<thead>
<tr>
<th>Item</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tbody>
<tr>
<td>Call to Order</td>
<td></td>
<td>7:30 a.m.</td>
</tr>
<tr>
<td>Approval of November 17, 2011 meeting minutes</td>
<td>David Daigle</td>
<td>7:30-7:32</td>
</tr>
<tr>
<td>Acceptance of Annual Wilbur Trust Grant &amp; Scholarship Awards Report</td>
<td>David Daigle</td>
<td>7:32-7:35</td>
</tr>
<tr>
<td>Wilbur Trust Update</td>
<td>David Daigle</td>
<td>7:35-7:38</td>
</tr>
<tr>
<td>Executive Session*</td>
<td>David Daigle</td>
<td>7:38-8:25</td>
</tr>
<tr>
<td>Other Business</td>
<td>David Daigle</td>
<td>8:25-8:30</td>
</tr>
<tr>
<td>Adjourn</td>
<td></td>
<td>8:30 a.m.</td>
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</tbody>
</table>

*The Chair will entertain a motion to enter into Executive Session to discuss the evaluation and appointment of public officers.
**FULL BOARD**
Livak Ballroom, 417-419 Dudley H. Davis Center

<table>
<thead>
<tr>
<th>Item</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tbody>
<tr>
<td>Call to Order</td>
<td></td>
<td>8:30 a.m.</td>
</tr>
<tr>
<td>Approval of November 8, 2012 meeting minutes</td>
<td>Robert Cioffi</td>
<td>8:30-8:35</td>
</tr>
<tr>
<td>Public Comment</td>
<td>Robert Cioffi</td>
<td>8:35-8:50</td>
</tr>
<tr>
<td><strong>Committee Reports</strong></td>
<td></td>
<td>8:50-9:20</td>
</tr>
<tr>
<td>• Educational Policy and Institutional Resources</td>
<td>Donna Sweaney</td>
<td></td>
</tr>
<tr>
<td>• Budget, Finance and Investment</td>
<td>Debbie McAneny</td>
<td></td>
</tr>
<tr>
<td>• Audit Committee</td>
<td>Mark Young</td>
<td></td>
</tr>
<tr>
<td>• Board Governance</td>
<td>Frank Cioffi</td>
<td></td>
</tr>
<tr>
<td>VT Agricultural College Board</td>
<td>David Potter</td>
<td>9:20-9:25</td>
</tr>
<tr>
<td>UVM Board</td>
<td>David Daigle</td>
<td>9:25-9:30</td>
</tr>
<tr>
<td>Election of Board and University Officers</td>
<td>Robert Cioffi</td>
<td>9:30-9:35</td>
</tr>
<tr>
<td></td>
<td>Frank Cioffi</td>
<td></td>
</tr>
<tr>
<td>Retiring Trustee Resolutions</td>
<td>Robert Cioffi</td>
<td>9:35-9:40</td>
</tr>
<tr>
<td>Approval of Consent Agenda</td>
<td>Robert Cioffi</td>
<td>9:40-9:50</td>
</tr>
<tr>
<td>Executive Session*</td>
<td>Robert Cioffi</td>
<td>9:50-11:20</td>
</tr>
<tr>
<td>Other Business</td>
<td>Robert Cioffi</td>
<td>11:20-11:30</td>
</tr>
<tr>
<td><strong>Adjourn</strong></td>
<td></td>
<td>11:30 a.m.</td>
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</tbody>
</table>

*Executive Session as necessary.*
The University of Vermont and State Agricultural College
Board of Trustees

Audit Committee

Chair Mark Young, Vice Chair Dale Rocheleau, Bill Botzow, Carolyn Branagan, Jeff Davis, Dennis Mahoney, David Potter, Representative Doug Hoffer of the State Auditor’s Office, Faculty Representative Albert Joy, Staff Representative Marie Tiemann, Student Representative Christopher Juaire, Graduate Student Representative Cornell Woodson, and Alumni Representative William Cimonetti

Thursday February 7, 2013
2:00 p.m. – 4:30 p.m.

Livak Ballroom (417-419), Dudley H. Davis Center

AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Times</th>
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<tbody>
<tr>
<td>Call to Order</td>
<td></td>
<td></td>
<td>2:00 p.m.</td>
</tr>
<tr>
<td>1. Approval of November 7, and November 12, 2012</td>
<td>Attachments 1 &amp; 2</td>
<td>Mark Young</td>
<td>2:00-2:02</td>
</tr>
<tr>
<td>2. Chief Internal Auditor Update</td>
<td>Attachment 3</td>
<td>Bill Harrison</td>
<td>2:02-2:10</td>
</tr>
<tr>
<td>3. Chief Compliance Officer Update</td>
<td>Attachment 4</td>
<td>Anna Drummond</td>
<td>2:10-2:25</td>
</tr>
<tr>
<td>4. Information Security Officer Update</td>
<td>Attachment 5</td>
<td>Dean Williams</td>
<td>2:25-2:35</td>
</tr>
<tr>
<td>5. Presentation of the FY 2012 OMB Circular A-133</td>
<td>Separate</td>
<td>Richard Cate, Renee Bourget-</td>
<td>2:35-2:55</td>
</tr>
<tr>
<td>Audit Report, the NCAA AUP Report, and Management</td>
<td>Distribution</td>
<td>Place, KPMG</td>
<td></td>
</tr>
<tr>
<td>Response</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>6. Presentation of the FY 2013 Engagement Plan</td>
<td>Attachments 6 &amp; 7</td>
<td>Renee Bourget-Place, KPMG</td>
<td>2:55-3:10</td>
</tr>
<tr>
<td>• Resolution authorizing and directing the Committee</td>
<td></td>
<td></td>
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<tr>
<td>Chair to retain KPMG LLP to conduct the FY 2013</td>
<td></td>
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<td>mandatory annual audits.</td>
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<tr>
<td>7. IT Security RFQ</td>
<td>Attachment 8</td>
<td>David Todd</td>
<td>3:10-3:20</td>
</tr>
<tr>
<td>8. CFO Update (PurCard Program Review; Laboratory</td>
<td>Attachments 9 &amp; 10</td>
<td>Richard Cate</td>
<td>3:20-3:40</td>
</tr>
<tr>
<td>Safety; ERM)</td>
<td></td>
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<tr>
<td>9. Trustee Conflict of Interest Policy Amendments</td>
<td>Attachment 7 &amp;</td>
<td>Fran Bazluke</td>
<td>3:40-4:00</td>
</tr>
<tr>
<td>• Resolution approving the amendments to the Trustee</td>
<td>Appendix A</td>
<td></td>
<td></td>
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<tr>
<td>Conflict of Interest Policy and Recommending to the</td>
<td></td>
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<tr>
<td>Board of Trustees for Approval</td>
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### AGENDA, Continued

<table>
<thead>
<tr>
<th></th>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Times</th>
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</thead>
<tbody>
<tr>
<td>10.</td>
<td>Executive Session*</td>
<td></td>
<td>Mark Young</td>
<td>4:00-4:28</td>
</tr>
<tr>
<td>11.</td>
<td>Other Business</td>
<td></td>
<td>Mark Young</td>
<td>4:28-4:30</td>
</tr>
<tr>
<td></td>
<td>Adjourn</td>
<td></td>
<td></td>
<td>4:30 p.m.</td>
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</tbody>
</table>

* The Chair will entertain a motion to enter into Executive Session for the purpose of discussing civil actions, the evaluation of public officers or employees, discussion of personnel records, and to receive the advice of Counsel.
ACTION ITEMS

I. Background: The minutes for the November 7, 2012, and November 12, 2012, meetings are included as Attachments 1 and 2.

Action: Motion to approve the minutes.

II. Background: Representatives from KPMG will present the FY 2013 engagement plan for discussion. Attachment 6

Action: Approval of resolution authorizing and directing the Committee Chair to retain KPMG LLP to conduct the FY 2013 mandatory annual audits. Attachment 7

III. Background: Vice President and General Counsel Fran Bazluke will present proposed amendments to the Trustee Conflict of Interest Policy. Attachment 7

Action: Approval of the resolution to accept the amendments to the Trustee Conflict of Interest policy and recommending to the Board of Trustees for approval. Attachment 7

DISCUSSION ITEMS

I. Chief Internal Auditor Update

Chief Internal Auditor Bill Harrison will report on internal audit activity. Attachment 3

II. Chief Compliance Officer Update

Chief Compliance Officer Anna Drummond will report on compliance activity. Attachment 4

III. Information Security Officer Update

Information Security Officer Dean Williams will report on information security activity. Attachment 5

IV. Presentation of the FY 2012 A-133 Audit and NCAA Agreed-Upon Procedures

Renee Bourget-Place of KPMG and Vice President for Finance & Administration and University Treasurer Richard Cate will present the FY 2012 OMB Circular A-133 Audit Report and the NCAA Agreed-Upon Procedures Report. Separate Enclosure
V. Presentation of the FY 2013 Engagement Plan

Renee Bourget-Place of KPMG will present the FY 2013 Engagement Plan. Attachment 6

VI. IT Security Request For Quotation (RFQ)

Chief Information Officer David Todd will provide update on the status of the RFQ to obtain an external IT vulnerability assessment and penetration testing. Attachment 8

VII. Chief Financial Officer Update

Vice President for Finance & Administration and University Treasurer Richard Cate will provide an update on the results of the Grant Thornton PurCard Program Review, the status of management’s corrective actions relating the laboratory safety issues and management’s responses, and recent ERM activity. Attachments 9 and 10

VIII. Proposed Amendments to the Trustee Conflict of Interest Policy

Vice President and General Counsel Fran Bazluke will present to the Committee proposed amendments to the Trustee Conflict of Interest Policy. Attachment 7

IX. Other Business

Time will be reserved at the end of the meeting for discussion of other business as needed and for Executive Session for the purpose of discussing civil actions, the evaluation of public officers or employees, discussion of personnel records, and to receive the advice of Counsel.
AUDIT COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Audit Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, November 7, 2012 at 10:00 a.m. in room 427A Waterman Building.

MEMBERS PRESENT: Chair Mark Young, Bill Botzow, Carolyn Branagan, Jeff Davis*, David Potter and Dennis Mahoney

MEMBER ABSENT: Vice Chair Dale Rocheleau

REPRESENTATIVES PRESENT: Don Ross on behalf of Faculty Representative Albert Joy, Staff Representative Marie Tiemann, Alumni Representative Bill Cimonetti, Graduate Student Representative Cornell Woodson and Student Representative Chris Juaire

REPRESENTATIVES ABSENT: None

PERSONS ALSO PARTICIPATING: President Thomas Sullivan, Vice President for Finance and Administration Richard Cate, Chief Internal Auditor William Harrison, Chief Compliance and Privacy Officer Anna Drummond, Information Security Officer Dean Williams, Controller Claire Burlingham, Renee Bourget-Place, Sara Timmerman, and Kristen Aulis of KPMG, and Tanya Morehouse of the State Auditor’s Office

* Participated via teleconference

Chair Mark Young called the meeting to order at 9:58 a.m.

Chair Mark Young thank President Tomas Sullivan for his attendance at the meeting. He also thanked President Thomas Sullivan, Tanya Morehouse and Rene Bourget-Place for meeting with him prior to the meeting.

Approval of Minutes

A motion was made, seconded and voted to approve the September 10, 2012, meeting minutes.

Chief Internal Auditor Update

Chief Internal Auditor William Harrison referred to his written update previously distributed to Committee members. Since the September meeting, the Office of Audit Services (OAS) has issued one report on the Center for Health and Wellbeing’s system access control and other matters. He noted the report included five recommendations.

Following up on the Committee’s request at the September meeting, Mr. Harrison reviewed his recommendations regarding additional performance metrics to be reported to the Committee on the follow-up status of internal audit recommendations. His recommended model consisted of two components 1) classifying audit recommendations as essential, significant, or useful depending on their potentially negative impacts and 2) classifying the status of audit recommendations as green,
yellow or red to indicate management’s progress towards implementation of the recommendations. A green status indicates management is on track to implement the recommendations according to their time line. Yellow indicates progress towards implementation of the recommendations however; the time line has been extended beyond the original agreed upon dates. Red would indicate a lack of progress towards implementation of recommendations. Finally, Mr. Harrison proposed providing semiannual reports to the Audit Committee at the July and February meetings; these reports would include “essential” and “significant” recommendations.

In conclusion, Mr. Harrison announced the departure of Deputy Auditor John Copoulos.

Tanya Morehouse of the State Auditor’s Office expressed her concern about using the risk assessment criteria scale and asked for clarification as to why Mr. Harrison chose to use this model rather than the one used by auditing standards, as they use different levels of impact. Mr. Harrison explained that his office deals with a variety of different issues and since the University has an Enterprise Risk Management (ERM) program, he felt it was best to be consistent with management’s ERM process. He noted the classification is based upon the audit’s scope and although “essential” findings may not have an impact on the University overall, they could on specific departments or units. Mr. Harrison provided Ms. Morehouse with an example of a recent audit report containing “essential” findings. Ms. Morehouse recommended referencing the ERM risk assessment document; if this will be the policy audit report classifications will follow.

Ms. Morehouse and Mr. Harrison addressed Trustee Bill Botzow’s questions about the differences between standard auditing practices and risk assessment criteria clarifying Mr. Harrison’s proposed process would be an internal audit policy and not a Board policy. Mr. Harrison explained the classification process is consistent with what other Internal Auditors are using to report to management and their Boards. Ms. Bourget-Place noted the context and reference the reports would provide and would keep the Committee abreast of important issues.

Mr. Harrison confirmed for Chair Mark Young that he will provide a complete audit follow-up status report at the February meeting. Additionally, he will provide the Committee with a complete list of recommendations (essential, significant, useful, and those not previously rated) so that they may evaluate the threshold and discuss the new framework.

Chief Compliance and Privacy Officer Update

Ms. Drummond offered a summary of her report previously distributed to the Committee. She began with an overview of the process; that is, the compliance risk assessment and compliance work plan provided to the Committee in July and then installment reports for each work plan item spread throughout the year. At this meeting, Ms. Drummond provided an update on the FY 2013 Compliance Work Plan efforts regarding her multi-year efforts on Privacy, Information Security, and Data Retention. Her Office has amended the Records Retention Policy to address the new risks and emerging practices that have become increasingly prevalent in the face of advancing technologies, electronic records and communications, and greater privacy concerns. The Compliance Office’s methodology included a literature review of best practices both inside and outside of higher education as well as a meeting with the Vermont State Archivist, Tanya Marshall. Ms. Marshall provided good comments on the University’s draft policy and discussed management of records over a complex organization. Additionally, the Office met with the University Archivist, the Information Security Office, General Counsel and worked with approximately thirty offices that are responsible for maintaining specific records.
Ms. Drummond explained that the revised policy gives guidance with respect to the life cycle of a record from creation, maintenance, access, sharing and destruction. The policy covers over 300 University records.

Moving on, Ms. Drummond highlighted some of the policy changes. Much effort was put into guidance surrounding the issue of ensuring electronic records cannot be manipulated to maintain the integrity of the records, that destruction requirements are met, that the appropriate people had access to the records, and that legacy systems could continue to be utilized for the life of the records. Ms. Drummond noted that special considerations for email and archival records were newly addressed in the policy. Other changes included addressing copies of records and alignment with the Privacy Policy, Information Security Policy, and Data Breach Notification Policy, which are new and did not exist with the old policy. The Office worked with each responsible department to ensure they were meeting regulatory requirements. In addition, discussions with departments were conducted concerning which regulatory requirements applied to them and whether they were consistently dealing with record destruction and maintenance.

Ms. Drummond thanked Vice President and General Counsel Fran Bazluke for the creation of the University Operating procedure addressing litigation holds which Ms. Drummond flagged as a gap. The procedure will provide greater clarity around who issues these and how they work. Additionally, issues surrounding research data will be included in a separate policy.

Other work in the area Privacy, Information Security, and Data Retention included efforts with the Chief Information Officer (CIO) and Information Security Officer (ISO) reviewing data collected last year regarding the identification of private and/or sensitive University information and its utilization. The group is working with the specific departments and Assistant Deans responsible for these documents to provide guidance on document collection and storage.

Ms. Drummond moved on to thank the President for his assistance developing a message promoting the values of integrity, transparency and fair dealing in accordance with UVM’s motto and Our Common Ground. The message also serves to set a “tone at the top” for the Compliance Office and for ethics, generally, at the University. She noted this was the first such message obtained by the Office. This message is available on the Compliance website and was delivered to all faculty, staff and officers of the University.

Continuing with her presentation, Ms. Drummond noted ongoing work regarding the International Education Office and immigration issues. She plans to report on this component of the FY 2013 Compliance Work Plan at the February meeting. The Office also continues its work with the Associate Vice President for Research Administration regarding Sponsored Project Administrations efforts to address the compliance observations identified in the Subrecipient Monitoring Audit Report #12-010. Most of the implementation effort is planned to begin in CY2013 and due to this timeline, the Office will report more fully in February.

Ms. Drummond concluded her presentation with updates on data collection and the Ethics and Compliance Reporting Help Line. With respect to consultations, the Office of Compliance Services continues to provide compliance and privacy consultations upon request or in response to new regulatory requirements. The cumulative total of independent consults is well over 200. Additionally, at the time of her report, there had been twenty-nine reports to the Ethics and Compliance Reporting Help Line, twenty-one of which have been closed.
Ms. Drummond addressed Trustee Bill Botzow’s concerns about the Records Retention policy and the University’s use of vendors providing cloud computing services. She explained the policy addresses records in the University information systems and compliance with regulatory requirements. Regarding the information security issues surrounding this topic, Ms. Drummond noted the General Counsel, the Chief Privacy Officer and the Chief Information Officer review contracts for externally hosted data. Mr. Todd explained his contract review ensured the University’s ownership of data and that all data is returned to University when contracts are terminated. He commented that the University does not have a lot of information on the cloud. Additionally, Ms. Drummond addressed separate work being performed with the ISO regarding emergency planning and backup tapes of University information system data. Trustee Bill Botzow noted the use of Gmail. Ms. Drummond commented that she is collaborating with the State Archivist to form an informal group of records management professionals from around the state to keep abreast of emerging issues related to records retention and management.

Responding to Tanya Morehouse’s question about records retention training, Ms. Drummond explained that the Office has worked extensively with the responsible offices themselves; the individual offices have the responsibility for ensuring compliance with the Records Retention policy. Additionally, and in tandem with ETS, the Office reaches out to departments or groups as needed; a recent example has involved work with the Assistant Deans.

Chair Mark Young inquired into whether Ms. Drummond was part of the work other departments were doing to address immigration and internationalization. Ms. Drummond responded that she had taken part in the Risk Management group and collaborated with the Director of International Education, but was not involved with any other groups.

Information Security Officer Update

Information Security Officer (ISO) Dean Williams provided a summary of his Office’s work since the last Audit Committee meeting. Referring to his written report provided in advance to the Committee, he began with an overview of the planning underway for an independent assessment of the University’s key information collections. This assessment would supplement the quarterly vulnerability scans conducted by Enterprise Technology Services (ETS). It has been determined that the PeopleSoft system (human resources, financials, and budgeting) will be the first area of focus. The ISO team is considering the scope and process for a preliminary vulnerability assessment as well as the rules for engagement for penetration testing. Mr. Williams explained the overall goal is not to learn whether a particular server can be compromised, but rather in what ways it might be possible to compromise the confidentiality or integrity of University information. Social engineering strategies are at least as likely to succeed, as are technical strategies such as direct attacks on networks, servers, and information systems. For this reason, more resources will be invested into carrying out tests from within the network. Realistic recommendations for effective and feasible improvements in security are expected. The next step will be to develop a Request for Proposals (RFP).

Continuing with his presentation, Mr. Williams provided a brief summary of the University’s participation in National Cyber Security Awareness Month throughout October. The ISO Team hosted five web-based presentations for audiences ranging from information technology professionals to the general population.

Mr. Williams moved on to update the Committee in the area of Payment Card Industry Data Security Standards (PCI DSS). The ISO team continues to assist UVM merchants in becoming compliant with
PCI DSS, as well as helping them document their compliance through the Self-Assessment Questionnaire (SAQ) process. Transportation and Parking Services Business Manager Anne Martin was the first merchant to be fully compliant with PCI DSS with a system within the University’s Actively Secured Private Network (ASPN). Mr. Williams thanked Ms. Martin for her efforts to complete this process. He also thanked CatCard Director Mark McKenna, the ISO team, and Patty Eldred for their efforts moving the CatCard system into ASPN in October.

In conclusion, Mr. Williams noted at least half of the University’s merchants are fully in compliance and have passed their annual SAQ’s. The SAQ for the CatCard system still needs to be completed. Additionally, the Bookstore, the University’s largest merchant, is almost completely in the ASPN environment.

Chair Mark Young inquired into when the process for penetration testing and the RFP will be done. Mr. Williams projected the first half of 2013.

Mr. Williams addressed Representative Marie Tiemann’s questions about information security education for staff. He noted that the ISO team works with Learning Services educating new employees at their orientation sessions. The team’s goal is to offer more courses through Learning Services, lead sessions at EDU @ UVM, and work with individual departments.

Trustee Bill Botzow asked Mr. Williams how large the audience was for the National Cyber Awareness Month events and how to reach out to those who did not participate. Mr. Williams acknowledged very few IT professionals participated; however, he was unsure of how many people were able to take advantage of viewing the presentations at their desks. He will continue to reach out to IT professionals so that they can assist others in making information security decisions. Mr. Williams noted that multiple strategies are needed to provide effective information security education.

Ms. Morehouse noted fifty percent of the University’s merchants are in PCI DSS compliance and inquired into the risk of non-compliance. Mr. Williams and Ms. Burlingham confirmed that banks are looking for progress towards completion and noted the other merchants are close to compliance.

Chair Mark Young questioned the volume of compliant transactions. Ms. Burlingham and Mr. Williams confirmed that both small and large merchants were working towards compliance. Overall, the merchants are making great progress. Mr. Williams noted the Bookstore, the largest merchant by dollar and transaction volume, is very close to having all of their system within ASPN and from there will need to complete their SAQ.

Presentation of the FY2012 Annual Financial Report and Management Letter findings

Vice President for Finance and Administration Richard Cate began by thanking and congratulating Controller Claire Burlingham and her team for another clean audit.

Controller Claire Burlingham presented the FY 2012 Annual Financial Report to the Committee. KPMG issued their audit opinion on October 30, 2012. The University received an unqualified opinion stating that the Financial Statements, as prepared by management, were presented fairly in all material aspects of the financial position of the University as of June 30, 2012. Ms. Burlingham noted the two audit opinions, the accounting standard and governmental, in the report.
Next, she referred to the FY 2012 Management Letter at the University. She addressed a prior year observation concerning employee benefit reconciliations and progress towards formalizing a reconciliation process. With the recent PeopleSoft upgrade, work will be done to automate the quarterly reconciliation process.

The second observation concerned the post-employment benefit liability calculation (OPEB). KPMG recommended the University work with their external actuarial firm to ensure that they are appropriately considering improvements in mortality. Ms. Burlingham noted that the University’s actuarial firm did not need to use the new standards because FY 2012 was not a full valuation year. FY 2013 will be a full valuation year and all the current standards will be used.

Ms. Burlingham moved on to discuss some highlights of the Annual Financial Report. She reviewed the required financial materials in the report, the statement of net assets including a decrease of $30 million and key contributors to the changes in net assets.

Chair Mark Young noted the transfers from the University to component units and the substantial change from 2011 to 2012. Ms. Burlingham clarified the component units’ University Medical Education Associates Inc. (UMEA) and the UVM Foundation, accounted for 1.6 million and 1.15 million respectfully.

Chair Mark Young also inquired into the reconciliation between Human Resources and Blue Cross Blue Shield of Vermont. Ms. Burlingham confirmed that Blue Cross Blue Shield had refunded $70,000 and approximately $23,000 is still being disputed.

In relation to the Financial Statements, Trustee Bill Botzow asked Ms. Burlingham if she noted any trends the Committee should be aware. Mr. Cate noted the volatility of the market and its impact on the endowment. He also suggested improvements to facilities to offset depreciation.

Chair Mark Young questioned if post-retirement benefits are affected as much as Mr. Cate suggests they will ten years out, why they did not show in the University’s liability. Ms. Bourget-Place explained that the amortization period does not show the full impact of these benefits. Mr. Cate noted the large savings not having the benefit accrue to new employees.

Chair Mark Young expressed his gratitude for the opportunity to review the Financial Statements, Management’s presentation and KPMG’s presentation prior to the committee meeting.

**KPMG Report to the Audit Committee**

Renee Bourget-Place of KPMG provided the Committee with a presentation of the audited FY 2012 financial statements. She first outlined KPMG’s audit objectives. The first objective was to conduct an independent audit of the University’s financial statements in accordance with generally accepted auditing standards and Government Auditing Standards. The second objective was to provide the Board of Trustees with independent audit assurance as to whether the FY 2012 financial statements are presented fairly, in all material respects, in accordance with U.S. Generally Accepted Accounting Principles. The last was to provide the Board additional information regarding the audit and the University’s accounting and financial reporting processes as required under SAS 114. She emphasized that the audit opinion is unqualified. The byproduct of this audit is the management letter. The audit resulted in no material weaknesses or significant deficiencies.
Ms. Bourget-Place confirmed for Trustee Bill Botzow that the observations in the management letter are not considered findings. These suggestions are not categorized as material weakness or significant deficiencies.

Ms. Bourget-Place next discussed the control environment. KPMG noted there were no matters involving the internal control structure and its operation that they consider to be material weaknesses or significant deficiencies. In general, KPMG looked at broad programs as well as certain areas. In looking at fraud, there are required elements as listed in the Statement of Auditing Standards No. 99. More importantly, KPMG brainstorms as a team and then works with management.

Ms. Bourget-Place moved on to the areas of significant risk. She noted that there were no significant changes to the original audit plan. She turned the presentation over to Kristen Aulis, KPMG Manager. Ms. Aulis discussed areas of risk including: investments, contributions/split interest agreements, revenue, expenses (including capital and debt), personnel costs, and other areas including a high level review of the IT environment at the University.

Vice President Richard Cate confirmed for Chair Mark Young that once the UVM Foundation takes over the endowment, its changes in value would have a smaller impact on the University’s financial statements.

Trustee Bill Botzow asked Ms. Bourget-Place if she felt the University’s level of materiality was appropriate. Ms. Bourget-Place noted the level of materiality has been the same for several years and has not changed drastically over the past ten years. The materiality methodology is consistent with other Universities. She confirmed that management is not made aware of the audits level of materiality.

Ms. Bourget-Place next moved on to discuss the Management Letter. Ms. Bourget-Place noted Ms. Burlingham had addressed the first observation concerning employee benefit reconciliations. She commented on a new recommendation concerning the post-employment benefit liability calculation (OPEB). KPMG felt the University’s actuary firm should supply management with information so that they may choose to use the new regulations in off cycle years. Ms. Bourget-Place confirmed for Mr. Cate that adjustments are possible in off cycle years.

The remaining observations concerned Information Technology (IT). Ms. Bourget-Place noted the list of observations included recommendations from the prior year and managements follow up responses. The observations included the use of the Mann Hall data center, password management, periodic reviews of network access, the need for policies and procedures that describe the requirements for making changes to information systems, external penetration testing, an updated computer disaster recovery plan, a consistent and timely internal reporting system to provide key enterprise wide information and metrics to the CIO, and a centralized IT asset inventory system.

Referring to the Mann Hall facility, Chair Mark Young questioned why the University chooses to grow its data centers on campus rather than the industrial park. Mr. Todd explained redundant servers and storage on campus serve as back up for the industrial park site.

Continuing on, Ms. Bourget-Place commented on two corrected adjustments; reclassification between realized and unrealized gains/losses for $1.2 million and adjustments to the cost basis of Partnerships for $3.7 million.
To conclude her presentation, Ms. Bourget-Place referred the Committee to the Top to-do’s for Higher Education Audit Committees and the 2012 Higher Education Outlook Survey included in the materials. The Survey identifies topics that are being addressed by the University such as Compliance and ERM.

President Thomas Sullivan noted in the 2012 Higher Education Outlook Survey’s key finding a statement that one third of the respondents, public and private, said that they would cut costs by implementing new cloud strategies. At the President’s request, Ms. Bourget-Place will follow up with specific information as to how other institutions are utilizing the cloud to reduce costs.

Ms. Bourget-Place responded to Trustee Bill Botzow’s inquire into the University’s progress toward implementing initiatives such as ERM and information security noting the ERM program was in the middle of the pack for higher education. What she has not seen is the governance piece of the ERM program.

**Recommendation of the FY 2012 Audited Financial Statements to the Board of Trustees for Acceptance**

At the conclusion of the previous discussion, the following resolution was presented for approval:

**Acceptance of Fiscal Year 2012 Audited Financial Statements**

WHEREAS, the books and accounts of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2012, have been audited by KPMG LLP, Certified Public Accountants and the report of such audit published in detail in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Audit Committee hereby accepts and recommends to the Board of Trustees for acceptance the FY 2012 Audited Financial Statements.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

**Enterprise Risk Management (ERM) and Laboratory Safety Updates**

Vice President for Finance and Administration Richard Cate provided the Committee with a brief summary of ERM activities since the April 2012 Audit Committee meeting. He noted that the Audit Committee will be presented with recommendations as to the ERM process by which the Board will be engaged. The Committee will also be given an opportunity to review a shorter list of strategic risks and opportunities and compare it to the full list so that they may ensure the Board is presented with the most pertinent issues.

Mr. Cate concluded his presentation by noting UVM’s first Preliminary Risk Inventory had been finalized following a review by senior management and the ERM Advisory Committee. The Provost and Chief Risk Officer have assigned risks and opportunities to responsible officials. ERM staff have provided education and training to responsible officials and their designees on how to conduct a risk assessment using the Office’s Guide to Conduct a Risk Assessment. The risk assessments are on track to me completed shortly.
Laboratory Safety

Vice President Cate began by referring to his summary of remaining laboratory safety issues and Management’s actions. He noted many of the issues are related to the chemistry laboratories in the Cook Physical Science building as they are out dated and need to be replaced. Issues are addressed piecemeal but, with the large number of issues, the best way to fully rectify them is with either a complete renovation or new construction of chemistry laboratories on campus.

Mr. Cate is pleased with the improvements in the area of laboratory safety. He noted a position being filled dedicated to maintaining laboratory equipment and working with laboratory owners. He commented on the implementation of the LabCIIQ software that will help manage inventory and PeopleSoft will be utilized to track training.

Mr. Cate clarified that the Board will have the opportunity to tour the Cook facility later in the day.

Speaking more broadly on the topic of laboratory safety, President Thomas Sullivan noted the Education Policy Committee meeting being held Thursday, November 8 at 9:00 a.m. would address the topic of strategic capital plans.

Mr. Cate clarified for Trustee Carolyn Branagan that the chemistry laboratories in the Cook Physical Science building, used for research and teaching, were out of date. Trustee Carolyn Branagan questioned how the University could continue to be a competitive research institution with outdated laboratory facilities. President Thomas Sullivan encouraged the Trustees to participate in the tour of the Cook building. Trustee David Potter commented on the nature of laboratory safety being a continually evolving part of risk management.

Ms. Morehouse noted she found management’s laboratory safety updates helpful and suggested the Compliance Office, at some point, adopt a validation process similar to the one used by Audit Services for their recommendations.

Chair Mark Young questioned if there has been any involvement by the labor industry. Mr. Cate confirmed that the labor industry does get involved in fire protection and lifesaving codes issues and the Department of Environmental Conservation (DEC) may become involved in new inspections. Ms. Drummond noted the DEC had performed an inspection of the labs and partly for that reason laboratory safety had been included in the Compliance Work Plan.

Purchasing Card Program Review

Vice President Cate provided an update on the Grant Thornton review of the purchasing card program. Mr. Cate and Controller Claire Burlingham have requested additional work from the firm and anticipate that a final report will be ready for the February Audit Committee meeting. At Chair Mark Young’s request, Mr. Cate clarified the review of the purchasing card program was not an audit and was done on management’s behalf to expand upon the audit activity that happens within the Controller’s office. They were also seeking consulting advice on processes.

Other Business

At 11:30 a.m., a motion was made, seconded and approved to go into executive session for the purpose of discussing civil actions and the evaluation of public officers or employees. For the first
item, all in attendance were excused from the meeting with the exception of Trustees, President Thomas Sullivan, Vice President and General Counsel Fran Bazluke, Chief Internal Auditor William Harrison, Chief Compliance and Privacy Officer Anna Drummond, and Tanya Morehouse of the State Auditor’s Office. For the second item, Chief Compliance and Privacy Officer Anna Drummond was excused.

At 12:43 p.m., the Committee voted to return to open session (At 12:43 p.m., the first of two Executive Session signs (south side of room) was removed. The second sign (north side of the room) was removed at 12:44 p.m., as a motion regarding the reporting structure of the compliance program passed. As a result, the two persons who were outside the second door were not present in the room during the reading of the motion).1

Following a brief discussion, a motion was made, seconded, and approved to:

1. Endorse the Administration’s proposal to restructure the compliance function to report directly to the Chief Internal Auditor and to have access and present reports and updates through the Chief Internal Auditor to the Board Audit Committee.

2. Request that the Chief Internal Auditor provide at a future meeting his specific plan with recommendations regarding the restructuring of the University’s compliance function to the Board Audit Committee for its consideration and approval.

Chair Mark Young then requested that Mr. Harrison update the Audit Committee on his progress at the February 2013 Board meeting.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Mark Young, Chair

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1 The sequence of events was communicated publicly by the Audit Committee Chair at a meeting of the Committee of the Whole the following day. To provide an opportunity for comment on the motion by governance representatives to the Committee and others, and to re-submit the motion to the Committee for ratification, the Audit Committee noticed a follow-up meeting, which occurred on November 12.
AUDIT COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Audit Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, November 12, 2012 at 3:00 p.m. in room 351 Waterman Building.

MEMBERS PRESENT:  Chair Mark Young Bill Botzow*, Vice Chair Dale Rocheleau, Jeff Davis*, David Potter* and Dennis Mahoney

MEMBER ABSENT:  Carolyn Branagan

REPRESENTATIVES PRESENT:  Faculty Representative Albert Joy*, Staff Representative Marie Tiemann and Student Representative Chris Juaire

REPRESENTATIVES ABSENT:  Alumni Representative Bill Cimonetti and Graduate Student Representative Cornell Woodson

PERSONS ALSO PARTICIPATING:  President Thomas Sullivan, Board Chair Robert Cioffi*, Vice President for Legal Affairs and General Counsel Francine Bazluke, Vice President for Executive Operations Gary Derr, Chief Internal Auditor William Harrison and Chief Compliance and Privacy Officer Anna Drummond

* Participated via teleconference

Chair Mark Young called the meeting to order at 3:03 p.m.

Restructuring Proposal

Chair Young explained that following last Wednesday's executive session discussions, the Committee entertained and accepted an unanticipated motion regarding a proposal by the administration for a restructuring of the Office of Compliance Services. Today’s meeting was scheduled to allow an opportunity for Committee representatives who were not present once the Committee resumed open session to review and comment on the proposal. He invited President Sullivan to offer comments on the restructuring.

President Sullivan reported that he accepted a recommendation from the General Counsel to reassign the oversight of the compliance services from the Office of the General Counsel to the Office of Audit Services. He noted that although several research universities use our current model, the most common practice among research universities that have a centralized compliance services is integration with internal audit. The revised approach will enable internal audit to provide advisory compliance services as well as audit services to management. It will also render compliance independent of management because the Chief Compliance and Privacy Officer will report to the Chief Internal Auditor who has a direct reporting line to the Audit Committee Chair. He noted that Audit and Compliance currently share an office suite and support staff and that titles, salaries, staffing and office location of Compliance Services Office personnel will remain the same.
Chair Young offered an opportunity for questions by Committee members. Marie Tiemann, staff representative, inquired about the process followed for making these types of decisions. Vice President Derr responded that management reviews and reevaluates the function of particular offices to determine the best reporting line taking into consideration best practices at other institutions. Vice President Bazluke, the President, and the Chair of the Audit Committee were engaged in the process.

Albert Joy, faculty representative, expressed a concern around the independence of the two positions and referred to the Freeh report issued following the Penn State debacle earlier this year that recommended the Offices of Internal Audit and Office of Compliance Services be independent and both report to the Board of Trustees.

Vice President Bazluke shared that she has been reviewing best practices for the past three years, researching over 200 Carnegie research universities and found that half of the universities do not have centralized Compliance Services Offices and that those that do predominantly situate compliance with internal audit. She further noted that higher education has not settled on a generally accepted best practices model yet.

Chair Young reported that in addition to the Committee’s endorsement of the proposed restructuring last week, the Committee requested that the Chief Internal Auditor provide a specific plan with recommendations to the Audit Committee for consideration and approval at a future meeting. The Chair stated that this is a first step in a process and that the Chief Internal Auditor will offer an update to the Committee on his progress at the next meeting in February.

Anna Drummond, Chief Compliance and Privacy Officer, was invited to offer comments. She noted that three years ago a subcommittee was formed to address this issue and at that time it was determined that the best practice was for Compliance to be an independent office, reporting to the General Counsel with a dotted line to the Audit Committee. She cited research which continues to support that best practice and stated she does not believe anything has changed to warrant the restructuring. She noted three institutions (Ohio, Penn State and University of Miami) have recently recruited for Chief Compliance Officers with a direct reporting line to the Board of Trustees. She further noted that to date she has not been invited to be part of the process.

Trustee Botzow asked the following questions: Who is responsible for ensuring compliance and making compliance decisions. President Sullivan responded that he has fiduciary responsibility to the Board of Trustees and to the citizens of Vermont which include management of compliance. He noted he has several years of experience having served on Audit Committees and has worked with Chief Internal Auditors and Chief Compliance Officers. He believes the restructuring will bring greater harmony to both offices. Since coming to UVM, at the direction of the Board, he has been looking at all offices to determine how to become most efficient and effective. He believes the proposed restructuring is best for the University at this time and for the talent we have presently.

Chief Compliance and Privacy Officer Drummond inquired whether risk assessments, reports and work plans, under her ownership, would continue to be made at Audit Committee meetings. President Sullivan replied that compliance reports to the Board will be made at the discretion of the
Chief Internal Auditor. Mr. Harrison responded that he does not see any reason for not continuing to offer those reports.

Chair Young reiterated that this is a step in a process and that the University will continue to track its peers and react when appropriate for UVM.

There being no further discussion, Chair Young offered the motion as presented last Wednesday for ratification:

To:

1. Endorse the Administration’s proposal to restructure the compliance function to report directly to the Chief Internal Auditor and to have access and present reports and updates through the Chief Internal Auditor to the Board Audit Committee.

2. Request that the Chief Internal Auditor provide at a future meeting his specific plan with recommendations regarding the restructuring of the University’s compliance function to the Board Audit Committee for its consideration and approval.

Chair Mark Young further reported that Mr. Harrison will offer an update to the Audit Committee on his progress at the February 2013 meeting.

A motion was made, seconded, and unanimously voted to ratify the motion as presented.

Adjournment

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Mark Young, Chair
Office of Audit Services
Status Report
February 7, 2013

Report to the Audit Committee of the Board of Trustees of the University of Vermont
William Harrison
Chief Internal Auditor
## Summary of Internal Audit Reports Issued

### Table 1:
**Internal Audits and Other Reports and Products**

<table>
<thead>
<tr>
<th>Report Number</th>
<th>Report Title</th>
<th>Date Issued</th>
<th>Number of Recommendations</th>
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<tbody>
<tr>
<td>13-009</td>
<td>Gift and Endowment Expenses</td>
<td>02/06/13</td>
<td>24</td>
</tr>
<tr>
<td>13-008M</td>
<td>Travel Expenses</td>
<td>01/11/13</td>
<td>2</td>
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<td>13-007</td>
<td>Ethics-Point Report No. 24</td>
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<td>13-006M</td>
<td>Center for Health &amp; Wellbeing System Access Control and Other Matters</td>
<td>11/06/12</td>
<td>5</td>
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<td>13-005</td>
<td>Ethics-Point Report No. 13</td>
<td>09/07/12</td>
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<td>13-004M</td>
<td>PeopleSoft Access Control</td>
<td>09/07/12</td>
<td>2</td>
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<td>13-003</td>
<td>FY 2012 Performance Report</td>
<td>08/29/12</td>
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<td>General IT Control Self-Assessment Questionnaire</td>
<td>07/06/12</td>
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<td>12-014</td>
<td>Departmental Expenses</td>
<td>07/05/12</td>
<td>15</td>
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</table>
Summary of Internal Audit Results

1. Report No. 13-009 Gift and Endowment Expenses

Based on our audit, we determined that 25 of the 34 expense items reviewed were consistent with donor intent or other governing documents. For the remaining 9 items reviewed we were unable to form an opinion due to incomplete and/or contradictory documentation. We also identified opportunities for UVM to strengthen its planning, spending, monitoring, and system access control procedures consistent with our donor stewardship obligations. In the report, we made specific recommendations for management's consideration. Nevertheless, it is critically important that UVM align its planning, operating, and access control procedures to the requirements of the MOU between UVM and the UVM Foundation, which will help to ensure that institutional priorities related to continued growth in financial aid and scholarship opportunities for students and financial sustainability are achieved.

In the report, we noted the following opportunities:

- Gift and endowment funds are not subject to the same rigorous planning, reporting, and quarterly certification procedures as are unrestricted general funds. Further, preparation of gift and endowment unit spending plans is sporadic and is not coordinated on an institution-wide basis. An inclusive budget planning process that includes all institutional resources would allow the university to use what it has more effectively.

- UVM does not have a standard operating procedure concerning the stewardship of gift and endowment spending. As a result, we identified deficiencies or ineffective practices relating to the awareness of donor restrictions, the preparation of complete spending plans and expense documentation, monitoring and periodic certification of expenses, record retention, and the timely resolution of inter-departmental disputes.

- Data access rights given UVM Foundation staff in the UVM Banner and PeopleSoft systems was not always turned off in a timely manner when UVM Foundation staff ended their employment. This issue does not appear to be limited to Foundation staff but to other affiliated entity employees, independent contractors, and temporary employees given system access rights. In addition, the process for ensuring the data access rights are consistent with MOU requirements is informal and poorly documented.

- For 9 of the 34 spending items reviewed, we were unable to form an opinion due to incomplete or contradictory source documentation. Four of the 9 transactions related to a University of Vermont affiliated organization, University Medical Education Association (UMEA), for which there is no documented affiliation agreement.
2. **Report No. 13-008M Travel Expenses**

   On September 6, 2011, the Office of Audit Services (OAS) issued Report 12-001, Travel and Expense and Catering Audit, recommending several changes to University travel authorization, documentation, and approval procedures. During a recent limited review of foreign travel expenses, we continued to observe the same University practices.

   Specifically, we found that travel authorization forms and certain travel expenses were not always approved by the traveler’s supervisor. To determine whether UVM’s travel authorization requirements are consistent with the practices followed by UVM peers, aspirants, and other private institutions, we reviewed each institution’s travel policy requirements. Overall, we found that most of the 28 institutions surveyed require authorization prior to both domestic and international travel. Therefore, in our report we recommended that management update the Travel Policy to (1) require that all travel on University business be authorized in advance by an appropriate Vice President, Dean, Department Chairperson, or Director and to consider using the PeopleSoft system to document this process, and (2) specifically describe a supervisor’s roles and responsibilities regarding the authorization, review and approval (both electronic and paper) of University travel and related expenses.

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### Office of Compliance and Privacy Services Restructuring

   The Office is currently researching compliance program models used at other institutions of higher education. The research population consists of those institutions classified as Research University/Very High and Research University/High by the Carnegie Foundation for the Advancement of Teaching.¹ The objective is to identify current and best practices at other institutions of higher education and to learn from the experiences of others. Our goal is to present a draft compliance program structure at the April meeting.

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### Change to the FY 2013 Internal Audit Plan

   IT Governance review: As noted in a PwC guide to board directors, “overseeing … information technology (IT) activities is a significant concern for boards of directors. The pace of change in this area is rapid, the subject matter is complicated, and the highly technical jargon used to describe emerging and evolving risks makes this a challenging area.”

   IT Governance is how an organization oversees and manages IT operations and IT projects to ensure alignment between these activities and the organizations strategic plan.²

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¹ Carnegie Classification of Institutions of Higher Education. UVM is classified as a Research University/High.

² Institute of Internal Auditors Global Technology Audit Guide – Auditing IT Governance.
Internal audit professional standards require that "the internal audit activity must assess whether the [IT] governance of the organization supports the organization's strategies and objectives." Therefore, we are currently planning for the review.

Recruitment Activity

Recruitment action for Deputy Internal Auditor posted 01/08/13.

Status of Recommendations Tables - Definitions

1. Classification of Audit Recommendations

- Essential – implementation of the recommendation(s) would help to avoid a probable and potentially critical negative impact involving financial, operational, health and safety, information technology, compliance, and reputational risks or non-compliance with institutional policies and procedures.

- Significant – implementation of the recommendation(s) would help to avoid a possible and potentially significant negative impact involving financial, operational, health and safety, information technology, compliance, and reputational risks or non-compliance with institutional policies and procedures.

- Useful - implementation of the recommendation(s) would help to improve University processes and internal controls. These recommendations may be in writing or communicated orally to unit management at the exit conference.

2. Status of Audit Recommendations

- Green – the management update indicates that there has been progress towards implementation of the recommendation(s); the time line for implementation is still within the agreed upon completion dates.

- Yellow – the management update indicates that there has been progress towards implementation of the recommendation(s); however, the time line for implementation has been extended beyond the original agreed upon completion dates.

- Red – the management response or update is incomplete or indicates that there has been a lack of progress towards implementation of the recommendation(s).

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Table 2: Internal Audit Recommendations as of 12/31/12

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<td>09-003</td>
<td>Payment Card Industry Standards</td>
<td>10/14/09</td>
<td>E 0 S 0 U 6 NR 6</td>
<td>10/30/12</td>
</tr>
</tbody>
</table>

E = Essential; S = Significant; U = Useful; NR = Not Rated
<table>
<thead>
<tr>
<th>Report Number</th>
<th>Report Title</th>
<th>Date Issued</th>
<th>Number of Recommendations</th>
<th>Projected Final Action Date</th>
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</thead>
<tbody>
<tr>
<td>13-008M</td>
<td>Management Internal Control Memorandum - Travel</td>
<td>01/11/13</td>
<td>0</td>
<td>N/A</td>
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<tr>
<td>13-006M</td>
<td>Center for Health &amp; Wellbeing</td>
<td>11/06/12</td>
<td>2</td>
<td>08/02/13</td>
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<tr>
<td>13-005</td>
<td>Ethics-Point Report No. 13</td>
<td>09/07/12</td>
<td>1</td>
<td>01/18/13</td>
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<tr>
<td>13-004M</td>
<td>PeopleSoft Access Control</td>
<td>09/07/12</td>
<td>2</td>
<td>06/30/14</td>
</tr>
<tr>
<td>12-014</td>
<td>Departmental Expenses</td>
<td>07/05/12</td>
<td>4</td>
<td>06/30/14</td>
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<tr>
<td>12-010</td>
<td>Subrecipient Monitoring</td>
<td>04/27/12</td>
<td>14</td>
<td>01/31/14</td>
</tr>
<tr>
<td>12-004</td>
<td>Print and Mail Center</td>
<td>09/09/12</td>
<td>0</td>
<td>10/30/12</td>
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<tr>
<td>12-003</td>
<td>CATcard Service Center</td>
<td>09/09/12</td>
<td>2</td>
<td>02/28/13</td>
</tr>
<tr>
<td>12-001</td>
<td>Travel and Expense and Catering Audit</td>
<td>09/06/12</td>
<td>2</td>
<td>09/30/13</td>
</tr>
<tr>
<td>11-009</td>
<td>Banner Student Information System</td>
<td>09/07/11</td>
<td>3</td>
<td>05/31/13</td>
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<tr>
<td>11-007</td>
<td>Vermont Genetics Network</td>
<td>03/17/11</td>
<td>2</td>
<td>05/31/13</td>
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<td>11-001</td>
<td>Fair Labor Standards Act</td>
<td>12/15/10</td>
<td>1</td>
<td>06/30/14</td>
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<td>10-003</td>
<td>Temporary Employees</td>
<td>06/29/10</td>
<td>1</td>
<td>08/31/13</td>
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<tr>
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<td>Payment Card Industry Standards</td>
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Table 4: Status of Open Recommendations as of 12/31/12

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<tbody>
<tr>
<td>Management Internal Control Memorandum - Travel (No. 13-008M; Responsible Official: Richard Cate; Claire Burlingham)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Update the Travel Policy to require that travel on University business be authorized in advance by an appropriate Vice President, Dean, Department Chairperson, or Director. Consider using the PeopleSoft system to document this process. To assist in determining whether travel plans are reasonable and necessary and to aid in the budget encumbrance monitoring process include an estimate of travel costs in PeopleSoft.</td>
<td>12.06.12 Update: Currently the travel policy requires travel authorization for international travel. This requirement was inserted into the policy more for risk management purposes than for financial. Given the way PeopleSoft is configured and approval levels the Dean, Vice President, Chair or Director may not be the approver in the system set the approvers are based on department number not supervisor. This would require tremendous technical resources to reconfigure both EPM and HCM to ensure that workflow routed the authorization to the correct university official. If travel authorizations are not approved in a timely manner (before the trip dates) then they cannot be approved at all. General accounting would be required to cancel all of those travel authorization in order to remove them from the system as they are now not useable. This would be in direct conflict with the concept of budget encumbrance monitoring, and would create incorrect budget balances and have a negative impact on year end results of operations, financial statements and reappropriation. To compensate for this, many departments utilize internal processes within the department to request and approve travel. Management will not be implementing the recommended change.</td>
</tr>
</tbody>
</table>
### Table 4: Status of Open Recommendations as of 12/31/12

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<tbody>
<tr>
<td>01/11/13</td>
<td></td>
<td></td>
<td>U</td>
<td></td>
<td>Update the Travel Policy (and related PurCard procedures) to specifically describe a supervisor’s roles and responsibilities regarding the authorization, review and approval (both electronic and paper) of University travel and related expenses.</td>
<td>12.06.12 Update: Travel policy section I.6 states: “All travelers, delegates and approvers are responsible for understanding and complying with the Travel Policy.” Supervisor roles and responsibilities are outlined in their position descriptions with respect to budgetary, financial or supervisory responsibility. The PeopleSoft Travel &amp; Expense manual contains a detailed section regarding approver responsibilities (pages 57-65). In addition the Purchasing Card online manual contains a section about supervisor responsibilities: <a href="http://purcard.uvm.edu/?page=manual/supervisor.html">http://purcard.uvm.edu/?page=manual/supervisor.html</a></td>
</tr>
</tbody>
</table>

**Center for Health & Wellbeing (No. 13-006M); Responsible Official: Jon Porter**

| 11/06/12 | 08/02/13 | Complete | E | Review the requirements of the University’s Privacy policy, Information Security Policy – Interim, and Information Security Procedures -Interim. | Completed 10/19/12 |
| 11/06/12 | 08/02/13 | E | Work with the Office of Compliance and Privacy Services and Enterprise Technology Services to create and document departmental access control procedures. | CHWB is working to secure an outside consultant to review current policies and procedures related to information security in the context of its electronic health record (EHR). Any proposal given serious consideration will be reviewed by the Director of Enterprise Technology Services. A target date of 01/18/13 has been set for entry into a signed agreement. The Office of Compliance and Privacy Services is aware of this timeline revision. |
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<tbody>
<tr>
<td>11/06/12</td>
<td>12/01/12</td>
<td>Complete</td>
<td>S</td>
<td>Complete</td>
<td>Identify all CHWB employees with time-approver access rights. Restrict access to include only those employees whose duties require access to the data.</td>
<td>Completed 10/26/12 - CHWB time-approval access rights have been reviewed and revised to insure that only supervisors have rights to time approval.</td>
</tr>
<tr>
<td>11/06/12</td>
<td>12/01/12</td>
<td>Complete</td>
<td>S</td>
<td>Complete</td>
<td>Develop regular monitoring procedures to ensure that inappropriate, unnecessary, or erroneous access rights are identified and corrected in a timely manner.</td>
<td>Completed 10/26/12 - Protocol revised to insure that time-approval access rights are reviewed in January and June each year to insure accuracy.</td>
</tr>
<tr>
<td>11/06/12</td>
<td>01/18/13</td>
<td></td>
<td>E</td>
<td></td>
<td>In coordination with Human Resource Services, identify the source of certain negative staff perceptions and take specific actions to reduce the likelihood that the perceptions will persist in the future.</td>
<td>CHWB is working to retain an organizational development consultant to work the Medical Director and Operations Director in the medical office in identifying and resolving important issues. The consultant has met with the CHWB director and with the Medical and Operations Directors. Based on these conversations, an agreement outlining specific goals with appropriate timelines will be developed by January 18, 2013.</td>
</tr>
</tbody>
</table>

**Ethics-Point Report No. 13 (No. 13-005); Responsible Official: Jon Porter**

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<tbody>
<tr>
<td>09/07/12</td>
<td>01/18/13</td>
<td></td>
<td>E</td>
<td></td>
<td>The Department should work with its HRS representative to identify and correct, if necessary, certain records.</td>
<td>The CHWB business manager has reviewed records as appropriate in conjunction with HRS. HRS will revise the appropriate records by 01/18/13.</td>
</tr>
</tbody>
</table>

**PeopleSoft Access Control (No. 13-004M); Responsible Official: Barbara Johnson**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>09/07/12</td>
<td>06/30/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Restrict time-approver access rights consistent with the Information Security Policy – Interim, Information Security Procedures – Interim, and the “model of least privilege.”</td>
<td>12/7/12 Update: The PeopleSoft upgrade is now complete and this issue will be scheduled for consideration and implementation in relation to other PeopleSoft post-system upgrade projects.</td>
</tr>
</tbody>
</table>
## Table 4:
**Status of Open Recommendations as of 12/31/12**

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<tr>
<td>09/07/12</td>
<td>06/30/14</td>
<td>NR</td>
<td>NR</td>
<td></td>
<td>In coordination with departments and units, develop central monitoring procedures to ensure that inappropriate, unnecessary, or erroneous access rights are identified and terminated or corrected in a timely manner.</td>
<td>12/7/12 Update: The PeopleSoft upgrade is now complete and this issue will be scheduled for consideration and implementation in relation to other PeopleSoft post-system upgrade projects.</td>
</tr>
</tbody>
</table>

**Departmental Expenses (No. 12-014); Responsible Official: William Falls**

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>An authorization including an estimate of the planned travel expenses should be prepared and approved by the employee’s supervisor in advance of all travel. The purchase of alcoholic beverages should be pre-approved by the Provost or appropriate Vice President.</td>
<td>Complete 09/30/11</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>The person who prepares the PurCard report should not be the same person that approves the journal entry. In most cases, the journal entry approver should be the cardholder’s supervisor.</td>
<td>Complete 09/30/11</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>PurCard journal entries should be signed and dated by the journal entry preparer, the cardholder, and the cardholder’s supervisor. Original itemized receipts should be obtained and provided to Procurement Services for all expenses. The business purpose of the travel, business meal, or other expense should be clearly documented by the cardholder so that someone with no prior knowledge of the transaction can reasonably determine the benefit to the University.</td>
<td>Complete 09/30/11</td>
</tr>
</tbody>
</table>
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<tr>
<td>07/12/12</td>
<td>10/30/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>All Department staff involved in the PurCard preparation, review, and approval processes attend refresher training to recall and reinforce awareness of UVM policies, procedures, and guidelines.</td>
<td>Complete 02/22/12</td>
</tr>
<tr>
<td>07/12/12</td>
<td>10/30/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>A consulting agreement, purchase requisition, and Employee vs. Independent Contractor Status Determination Form should be prepared in advance of the procurement action. The total cost or financial obligation of a procurement action over the duration of the contract should be determined to ensure required methods of purchasing are followed.</td>
<td>Complete 09/19/12</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>The person who prepares the consulting agreement, the purchase requisition, and the Employee vs. Independent Contractor Status Determination Form should not be the same person that approves the documents.</td>
<td>Complete 09/19/12</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Consulting arrangements and payment requests should be reviewed and approved by someone who has supervisory authority over the person making the request. For faculty, this is most commonly the Department Chair; for sponsored projects this is most commonly the principal investigator.</td>
<td>Complete 09/19/12</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>When necessary, delegations of authority from the Department Chair to subordinates should be detailed in writing and provided to Procurement Services</td>
<td>Complete 09/30/11</td>
</tr>
<tr>
<td>Report Date</td>
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<tr>
<td>07/12/12</td>
<td>10/30/12</td>
<td>NR</td>
<td></td>
<td></td>
<td>All Department staff involved in the consultant payment preparation, review, and approval processes attend refresher training to recall and reinforce awareness of UVM policies, procedures, and guidelines.</td>
<td>The Departmental business manager is currently enrolled in the Financial Management Certification Series. The Department chair and business staff will seek out refresher training from Procurement Services each Fall.</td>
</tr>
<tr>
<td>07/12/12</td>
<td>9/30/11</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Maintain a record of its PurCard monitoring process to include the specific journal entries reviewed, the exceptions noted, and the ultimate disposition of any exceptions.</td>
<td>Complete 12/05/12 Update: Procurement Services is currently auditing 100% of the PurCard journals submitted. A log of issues noted is maintained which includes follow up activities and resolution to issues.</td>
</tr>
<tr>
<td>07/12/12</td>
<td>01/31/13</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Ensure that when a supervisor does not sign the PurCard journal entry, there is a documented delegation of authority on file; the delegation should be authorized for individuals who have sufficient authority over the initiator of the transactions.</td>
<td>Complete 12/05/12 Update: The Supervisor responsibility form with designate signature has been in place since early 2011.</td>
</tr>
</tbody>
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<td>01/31/13</td>
<td>12/31/13</td>
<td>NR</td>
<td></td>
<td>Ensure that when there is a documented delegation of authority, the Dean, Director, or Department Chair has established internal controls, such as sampling or reviewing reports, to periodically validate that the delegation is functioning as intended.</td>
<td>12.05.12 Update: A new banking partner for the PurCard program has been identified. Once contract negotiations are complete the university will be able to implement a more enhanced software program. The reporting functionality with the new vendor will allow business managers, card holders, audit services and the PurCard team to review transactions on a daily basis if so desired. This new reporting software tool will have greater capabilities for all PurCard managers and users. New PurCard implementation will begin in the Spring 2013 and it is expected that the university will be fully converted to the new banking partner by end of 2013.</td>
</tr>
<tr>
<td>07/12/12</td>
<td>10/30/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Modify Employee vs. Independent Contractor Status Determination Form to provide space for both the preparer and the certifying official to sign and date the Form.</td>
<td>Completed November 2012. The employee vs. independent contractor status determination form has been modified to include a signature of the individual preparing the report. The revised form has been posted in the policy link section of the Procurement website as of November 2012.</td>
</tr>
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<td>NR</td>
<td></td>
<td>In coordination with General Counsel, develop a standard form consulting agreement(s) for use by the UVM community.</td>
<td>12.05.12 Update: The Contract Analyst in Procurement Services and the Office of General Council continue their efforts to create a standard template for consulting services if the vendor does not provide one. The completion of the template is anticipated for Spring 2013 and the form to be implemented by October 1, 2013.</td>
</tr>
<tr>
<td>07/12/12</td>
<td>06/30/13</td>
<td>06/30/14</td>
<td>NR</td>
<td></td>
<td>Examine its procedures and controls related to the procurement of professional services. Areas for potential emphasis include: PeopleSoft work flow to ensure segregation of duties and supervisory approval of all requisitions; Controls related to the identification of unsuitable delegations of authority and of procurement actions that over time exceed required policy thresholds; Supervisory approval of payment invoices.</td>
<td>12.05.12 Update: While the contract workflow and three-way match feature within PeopleSoft continues to be on the Controller’s work plan for FY13, due to the reassignment of technical resources for the PeopleSoft 9.1 upgrade, the revised completion target for this initiative is June 30, 2014. The Controller will continue to work with the BPRT and ETS teams to establish priorities for modifications and enhancements to the PeopleSoft finance system.</td>
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</table>

Subrecipient Monitoring (No. 12-010); Responsible Official: Ruth Farrell
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<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td>NR</td>
<td></td>
<td></td>
<td>Update contracting procedures to ensure that higher risk subaward contracts are subject to more comprehensive documented reviews and to a more robust approval process such as one involving predetermined dollar limits.</td>
<td>12/14/12 Update: During the month of November, SPA researched best practices and methodologies to address the recommendations in the audit report. SPA surveyed and reviewed policy and business practices of over a dozen institutions of higher education, two national organizations (National Association of College and University Business Officers and National Council of University Research Administrators), and reviewed in detail the A-133 compliance supplement. SPA also combined the recommendations and our response to the audit report into a more comprehensive and clear project plan, which is a tool SPA will use throughout the next year. The tool will evolve over the next several weeks, as we use our research to determine best practices for UVM, and it will be organized based on the lifecycle of a subaward, from proposal through closeout. To date, we have reviewed current UVM processes throughout the subaward lifecycle and are comparing that to our research of other institutions in order to identify what best practice might look like for us. We are well on track to complete this phase of the project by February 15, as planned in our response to the audit.</td>
</tr>
<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td>NR</td>
<td></td>
<td></td>
<td>Improve procedures to ensure all subrecipients of federal funds have met the audit requirements of A-133 and update the Subrecipient Monitoring Policy to reflect the revised procedures.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
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<td></td>
<td>NR</td>
<td></td>
<td>Provide written notification to the University's pass-through entities for federal awards that UVM is in compliance with A-133 audit requirements.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
</tr>
<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Modify the current subrecipient monitoring approach to assess the risk of all subrecipients based on program complexity, percentage passed through, amount of awards, history of non-compliance, etc. Monitoring procedures should be based on the level of risk associated with the subrecipient.</td>
<td>01.13.13 Update: Monitoring of subrecipients in the current fiscal year to date has been broader than in the past; more information is collected from the subrecipient prior to entering into an agreement, which informs future monitoring throughout the year. Additionally, those subrecipients that are higher risk, for example those with past A-133 audit findings, non-profit organizations, and foreign institutions, will be monitored in FY13. This process is also evolving and is likely to continue to change upon conclusion of our research and full implementation of the recommendations.</td>
</tr>
<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Consider obtaining and assessing for risk, the latest complete A-133 report or the latest financial statements for subrecipients not subject to A-133 prior to signing a subaward agreement with a new subrecipient of Federal funds.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
</tr>
<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Enhance documented procedures for monitoring subrecipient audit findings to include SPA’s conclusion of whether the subrecipient takes appropriate and timely corrective action to audit findings and supervisory review of the conclusion.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
</tr>
<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>Complete</td>
<td></td>
<td>Consider verifying the accuracy of the information provided by the subrecipient on the certification form via the Federal Audit Clearinghouse.</td>
<td>08.17.12 Update: Complete</td>
</tr>
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## Table 4: Status of Open Recommendations as of 12/31/12

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<tr>
<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Document information reviewed during the assessment of the subrecipient on the Subrecipient Monitoring Checklist in a more consistent manner.</td>
<td>01.13.13 Update: Complete</td>
</tr>
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<td>04/27/12</td>
<td>01/31/14</td>
<td></td>
<td>NR</td>
<td></td>
<td>Continue to provide training to Principal Investigators to ensure they are aware of their responsibility to review and approve subrecipient invoices.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
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<td>04/27/12</td>
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<td>NR</td>
<td></td>
<td>Update the SPA Invoice Review document to include verification that all invoices relating to federal awards include a certification regarding truth and accuracy, and that other invoices for nonfederal awards contain appropriate certifications.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
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<tr>
<td>04/27/12</td>
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<td>NR</td>
<td>Complete</td>
<td>SPA should continue to coordinate with relevant offices to ensure conflict of interest management plans involving subawards are updated when necessary and followed.</td>
<td>08.17.12 Update: Complete</td>
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<tr>
<td>04/27/12</td>
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<td>Ensure that the most current FDP template and all FDP suggestions including those relating to foreign subawards receive documented consideration. Ensure procedures enhance internal controls relative to Export Control, Anti-Terror, Foreign Currency, Governing Law, and Dispute Resolution language. Implement a checklist or other documented self-assessment process to improve subaward agreement completeness and accountability.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress. SPA has already implemented use of the most current FDP templates.</td>
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Table 4: Status of Open Recommendations as of 12/31/12

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<td></td>
<td>Supplements to FDP templates should be considered in areas such as the following: (1) the development of supplemental insurance requirement language (in coordination with UVM Risk Management) for any subrecipients that are engaged in high-risk activities particularly if the subrecipient might not have the financial wherewithal to fulfill FDP template contractual responsibilities, (2) required A-133 research and development reporting that is not currently part of the FDP template, (3) more specific subrecipient technical monitoring, (4) additional access to subrecipient records, and (5) timely billing requirements.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress. SPA has already implemented use of the most current FDP templates.</td>
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<tr>
<td>04/27/12</td>
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<td>NR</td>
<td></td>
<td>For subaward agreements not involving federal funds, a template should be considered (with due consideration of all best practices incorporated into FDP templates and related FDP template supplements).</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
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<td>04/27/12</td>
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<td>Check subrecipient names against EPLS or some similar database prior to executing subrecipient agreements to strengthen preventive controls related to contracting with inappropriate parties.</td>
<td>01.13.13 Update: The research and identification of best practices, as described above, will inform the methods of implementing this recommendation, both in terms of process and policy changes. This work is in progress.</td>
</tr>
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<td>04/27/12</td>
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<td></td>
<td>SPA should continue to collaborate with the Offices of General Counsel, Compliance Services, Learning Services, and/or Risk Management to review the scope of the existing SPA training programs. In addition, at least one representative from SPA should be scheduled to attend the National Council for Research Administrators technical conference, or any equivalent in depth technical conference.</td>
<td>01.13.13 Update: Complete</td>
</tr>
<tr>
<td>09/09/11</td>
<td>10/30/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Develop and implement a plan to promptly ensure PCI-DSS compliance</td>
<td>Complete 12.04.12 Update: P&amp;M terminals are within ASPN</td>
</tr>
<tr>
<td>09/09/11</td>
<td>10/31/12</td>
<td>01/31/13</td>
<td>NR</td>
<td></td>
<td>Develop and implement a plan to promptly ensure PCI-DSS compliance. A QSA needs analysis might be obtained through a collaborative exercise with ETS. As part of a broader risk management exercise including not only PCI-DSS, but also consideration of applicable laws such as the Family Educational Rights and Privacy Act, it may also be prudent to obtain or prepare a cost/benefit analysis related to the procurement of an independent auditor's SSAE 16 or AT Section 101 report over the Service Center's non-financial controls.</td>
<td>10.19.12 Update: CATcard/MICROS are within ASPN; ASPN Report on Compliance (ROC) is scheduled for mid-January 2013.</td>
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<tr>
<td>09/09/11</td>
<td>03/30/12</td>
<td>02/28/13</td>
<td>NR</td>
<td>Complete</td>
<td>Incompatible duties should be divided among different personnel. If such segregation of duties is not possible, compensating controls such as documented processes for monitoring of &quot;SuperCAT&quot; users by each other, and by the smart card software vendor, should be implemented to ensure improved oversight for actions under the control of any one employee. Regardless, routine monitoring of all duties performed that have a direct impact on the access rights to the CATcard system, the data residing in the system, or any other key matters should be regularly performed and documented.</td>
<td>11.26.12 Update: Scope of report request defined and sent to the vendor sales team to determine final cost. Report expected completion by Feb 4, 2013, (4 weeks after PO is issued).</td>
</tr>
<tr>
<td>09/09/11</td>
<td>10/31/12</td>
<td>Complete</td>
<td>NR</td>
<td>Complete</td>
<td>Perform a formal and documented CATcard system risk assessment. Document remedial actions. Implement risk reduction measures. Increase collaboration between the CATcard Service Center and ETS on potential security issues. Resolve all issues identified in the ETS vulnerability scan, schedule a subsequent scan to verify vulnerabilities have been addressed, and establish a schedule and regularly perform vulnerability scans. Document results and actions.</td>
<td>Complete 10.19.12 Update: ASPN and SIEM operational. ETS defining potential threats.</td>
</tr>
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Travel Expense and Catering Audit (No. 12-001); Responsible Official: Richard Cate; Claire Burlingham
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<tr>
<td>09/06/11</td>
<td>08/31/12</td>
<td>09/30/13</td>
<td>NR</td>
<td></td>
<td>To ensure that appropriate institutional reviews occur, discontinue or limit the practice of commingling employee and non-employee travel expenses on employee issued Purchasing Cards or employee expense reimbursement requests.</td>
<td>12.05.12 Update: The draft revised Business Meals policy is currently under review by the President's Senior Leadership. Once comments and revisions from the PSL are incorporated into the policy statement it will be circulated to other governance groups for comment. This review process is expected to continue through the Spring 2013 semester.</td>
</tr>
<tr>
<td>09/06/11</td>
<td>08/31/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>Explore the feasibility of (1) establishing a relationship with a travel agency or agencies to assist UVM travelers in making business travel arrangements and (2) issuing an employee-liability travel credit card to UVM travelers.</td>
<td>Completed 12.05.12 Update: As stated above, the University had contracted with local travel agencies in the past. At this time the administration does not intend to require the use of a travel agency to assist in making travel arrangements but will continue to maintain a relationship with a local travel agent if the traveler so chooses to utilize these services. After extensive research and consideration, the University has decided to continue using a single purchasing card for travel and other expenditures. 01.10.13 Update: The use of a personal liability card for travel would necessitate the issuance of many travel advances and related reconciliations for those who would not be deemed eligible for such a card and significant additional administrative workload. In cases where travelers are en route for an extended period of time, it would be difficult for them to file the travel reimbursement request before their personal credit card payment was due.</td>
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<td>08/31/12</td>
<td>Complete</td>
<td>NR</td>
<td></td>
<td>If employee-liability travel credit cards are issued to UVM travelers, discontinue or limit the use of employee PurCards for the payment of travel expenses; ensure travel expenses by trip are separately reported.</td>
<td>Completed 01.10.13 Update: This research has been completed and the University has decided not to issue personal liability travel cards for the reasons described above. It should be noted that, with the upcoming issue of new PurCards with a new banking partner, the credit limits on purchasing cards will be set based on need and fewer cards will be issued, thereby further reducing the University’s overall liability.</td>
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<td>09/06/11</td>
<td>Complete</td>
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<td></td>
<td></td>
<td>Develop a mandatory travel/business meal expense training workshop to ensure that employee’s and their supervisors are fully aware of University requirements</td>
<td>Completed 12.06.12 Update: The Travel and Expense Module training for the Financial Operations Certificate program has been offered several times during FY 12 and FY13; over 100 individuals participated in the training. The PurCard online questionnaire has been updated and now includes several questions related directly to provisions within the Travel Policy. The University Controller’s office is currently working with Learning Services to offer training sessions on the Travel and Expense module outside of the Financial Operations certificate program. Requiring mandatory training of all faculty and staff prior to traveling would have to come from the Provost office and is to a certain extent unenforceable.</td>
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<td>To ensure that appropriate control activities exist surrounding the authorization and approval of University events, planned activities and budgets should be documented and approved in advance. Actual expenses should be reconciled to budget and reviewed and approved by a responsible knowledgeable official.</td>
<td>12.06.12 Update: As part of a larger initiative, Conference and Event Services updated their event and room reservation software to Events Management Software. With the implementation of this new software all catering requests university wide will be required to order food service through this new tool. The system utilizes certain control mechanisms to ensure the proper charging of funds based on department codes and user and netIDs. Chartfields to be charged for catering services are limited based on the preparer’s netID and department they are assigned to. In addition there are email notifications that are sent to the web user, the contact person and the 2nd contact person must be identified as the budget manager for the department making the request. In the case of student clubs as the requestor the Club advisor will receive the notification. This new system is scheduled to go live in January 2013.</td>
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Banner Student Information System (No. 11-009); Responsible Official: David Todd
Table 4: Status of Open Recommendations as of 12/31/12

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<td>09/07/11</td>
<td>06/30/12</td>
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<td></td>
<td>Limit access for IT personnel so proper segregation of duties is achieved. In lieu of limiting security rights, put mitigating controls in place to ensure that proper checks and balances are in place for all changes made to any area of Banner.</td>
<td>01.07.13 Update: The Database Team continued to have one vacancy during the fall semester and didn’t have staff capacity to implement the change logging or assume cataloging responsibility in Q2FY13. Hiring process has restarted. Implementation deadline reset to March 31, 2013.</td>
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<td>09/07/11</td>
<td>06/30/12</td>
<td>05/31/13</td>
<td>NR</td>
<td></td>
<td>Develop a set of formal policies to document the key IT support functions. These policies should cover responsibilities and high-level requirements for &quot;what&quot; IT does. While this audit is specific to Banner, it is strongly suggested that the Policies cover all Enterprise Technology Services (ETS) support functions, thus encompassing Banner in the process (i.e., Account Access Management, including Annual Access Review; Physical Security and Access to Data Centers; System Life Cycle Management; Network Device and Server Configuration; Anti-Virus and Anti-Spyware; Backup and Restoration; Information/Data Protection; Logging and Monitoring; Asset Management; Problem and Security Incident Management; Third Party Management). Develop a set of formal procedures to implement the recommended ETS policies. These procedures would document &quot;how&quot; the key IT support functions are performed. Where applicable there should be a procedure to support each of the policies outlined above.</td>
<td>01.07.13 Update: ETS departmental Account Access Management policy and associated procedures drafted and being reviewed by data stewards. Consolidation of Information Security and Information Privacy policy elements into a separate document has not begun but will likely be formulated as a document referencing appropriate sections of those existing, approved policies.</td>
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<td>09/07/11</td>
<td>06/30/12</td>
<td>01/31/13</td>
<td>NR</td>
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<td>Enhance the annual access review process to ensure that access membership to all classes, including highly privileged user accounts is reviewed and documented by appropriate individuals and that post-review follow-up by the EAS Banner team is also documented. Maintain these records for one year to ensure the documentation is available for audit purposes.</td>
<td>01.07.13 Update: Reviews initiated as planned; 3 of 5 client departments completed by end of Q2FY13; the remaining clients will be complete by January 31, 2013.</td>
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VGN Expense Reallocation (No. 11-007); Responsible Official: Ruth Farrell
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<td>03/17/11</td>
<td>05/31/13</td>
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<td>Discontinue using the PurCard reallocation process to allocate specific invoices.</td>
<td>01/13.13 Update: SPA and Cost Accounting Services met with VGN in October. Based on that meeting, VGN planned to prepare their annual business plan and analysis of costs for the Microarray Facility throughout the fall. Upon conclusion of that work, SPA, Cost Accounting Services, and VGN will meet again to review the costs and business plan and continue future planning. Additionally, SPA and VGN plan to meet in the first week of February 2013 to review the Microarray Facility and work to date on the annual business plan.</td>
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<tr>
<td>03/17/11</td>
<td>05/31/13</td>
<td>NR</td>
<td></td>
<td></td>
<td>Obtain approval for the annual business plan from an independent university official and document approval.</td>
<td>01/13.13 Update: SPA and Cost Accounting Services met with VGN in October. Based on that meeting, VGN planned to prepare their annual business plan and analysis of costs for the Microarray Facility throughout the fall. Upon conclusion of that work, SPA, Cost Accounting Services, and VGN will meet again to review the costs and business plan and continue future planning. Additionally, SPA and VGN plan to meet in the first week of February 2013 to review the Microarray Facility and work to date on the annual business plan.</td>
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*Fair Labor Standards Act (No. 11-001); Responsible Official: Barbara Johnson and Claire Burlingham*
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<td>12/15/10</td>
<td>06/30/13</td>
<td>06/30/14</td>
<td>NR</td>
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<td>In consultation with HRS consultants, liaisons, and Business Officers, explore efficient and effective solutions to ensure that departments, where necessary, have established appropriate additional controls over compliance in this area.</td>
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<td>12/15/10</td>
<td>Complete</td>
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<td>NR</td>
<td></td>
<td>Ensure the display of the FLSA poster and other required notifications are adequate.</td>
<td>Complete: Information is posted at UVM’s Human Resource Services office at Room 228 of the Waterman Building, 85 South Prospect Street as well as maintained online.</td>
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Temporary Employees (No. 10-003); Responsible Official: Barbara Johnson
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<tr>
<td>06/29/10</td>
<td>10/30/10</td>
<td>08/31/13</td>
<td>NR</td>
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<td>The University does not have adequate controls in place to review the hiring of temporary employees particularly in relation to the hiring of permanent staff (i.e., position details, staff position description, strategic justification, proposed salary and organization chart, appropriate management reviews, backgrounds checks, and training). Once a temporary employee is hired there are no centrally documented controls for reviewing expenditures outside of the regular budget constraints. Our review found 242 instances where temporary employees worked more than 1000 hours in a fiscal year. There were 21 instances where a temporary employee averaged more than 37.5 hours per week (1950 hours) in the three years reviewed. A review of documentation stored in the University’s document imaging system found that temporary employment forms were not always submitted annually. The University does not monitor the length of employment for temporary employees or a process for evaluating what would substantiate creation of a permanent position from a long term temporary hire.</td>
<td>12.07.12 Update: Our goal is to implement the Temporary Employee UOP by September 1, 2013, through a managed project involving the University Business Council, HRS Operations, UFS Payroll Services, and the Business Process Reengineering Team. We are unable to commit to a “go live” date for the new procedure until we can verify adequate systems support from PeopleSoft HCM.</td>
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PCI DSS (No. 09-003); Responsible Official: David Todd, Claire Burlingham
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<td>10/14/09</td>
<td>12/31/10</td>
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<td>Merchants have not evaluated their payment card systems/data to determine their self assessment questionnaire (SAQ) requirements and have not completed the annual SAQ.</td>
<td>12.10.12 Update: Evaluations are complete and approximately half of UVM merchants have completed SAQs and are compliant; most of the remaining merchants have SAQs in progress. Work continues on SAQ D provisions, particularly in the areas of procedure documentation and annual risk assessment.</td>
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University of Vermont
Office of Compliance Services

Report to the Audit Committee of the
Board of Trustees of the
University of Vermont

Anna Drummond
Chief Compliance and Privacy Officer

Report Date: December 17, 2012
Description of Activities

This document reports on the activities conducted by the Office of Compliance Services (the Office or Compliance) since the last Audit Committee meeting.

1. Compliance Work Plan Efforts

International Education

Introduction and Background

As you are aware, the Office of Compliance Services (Compliance) conducts a compliance risk assessment on an annual basis. This risk assessment takes into account numerous factors and uses a modified COSO framework in order to prioritize compliance risk for the University based upon an assessment of probability and impact. The Compliance risk assessment is used to inform an annually created work plan for the Office which is reported to the Audit Committee. In addition, as each item is completed, the Office reports on management’s compliance with respect to the specific area within which the item resides. The Compliance work plan for FY13 included international education compliance issues with a focus on immigration issues. This came about through the risk analysis work performed by the Office, as well as through discussions prompted by the Director of the Office of International Education (OIE). The Director of OIE, Kim Howard, proactively engaged with the Chief Compliance Officer in order to obtain the services of the Office to assist OIE in meeting its compliance responsibilities. The Office commends Kim Howard, her staff and the VP for Enrollment Management to which they report, not only for the proactive engagement of the OIE, but for their commitment to enhancing compliance and advocating for a culture of compliance at UVM, through action as well as words.

The work conducted by the Office for this matter included, assessment, analysis and planning. Specifically, Compliance worked with the Director of the OIE to determine how best to target its work to meet OIE needs in light of recent operational changes within that office, including new personnel and recently in-sourced activities. After discussing current program activities and researching available materials for assistance in reviewing these activities for compliance purposes, the offices jointly determined that the work would concentrate on J-1 visitors. J-1 visitors are a subset of international visitors that cross many categories. J-1 visitors are students (undergraduate, graduate and non-degree), short and longer-term scholars, professors, researchers, and specialists, among others. It was felt that focusing on the J-1 program would allow Compliance to review certain OIE processes that overlap with other types of visitors (e.g. F-1, H1-B), as well as allowing for a review of OIE use of SEVIS\(^1\) and the software used by OIE, I-Office, while at the same time including a large cross-segment of several types of visitors.

\(^1\) SEVIS is the Internet-based system established by the Department of Homeland Security. SEVIS is administered by Student and Exchange Visitor Program (SEVP), which is a program of the U.S. Immigration and Customs Enforcement (ICE) agency. SEVP monitors students and exchange visitors within the United States. The SEVIS system contains information on SEVP-certified schools, as well as the international students who come to the United States to study in F or M status and attend those schools. SEVIS also maintains information on Department of State(DoS)-designated visitor program sponsors and J-1 visa exchange visitor program participants.
Scope and Methodology

The scope of the assessment work included reviewing J-1 program activities for both the sponsor level general requirements (UVM is the program sponsor), as well as the individual requirements specific to each type of the J-1 visitor category that UVM is approved to sponsor and that are currently active (i.e. existing visitors). For guidance in performing this assessment, the Office utilized a sample audit program developed by the University of North Florida, the NAFSA Advisor’s Manual, and the relevant federal regulations, in order to create an assessment tool and accompanying review documents that applied to the University’s program activity. The on-line NAFSA Advisor’s Manual is a tool that is used extensively by the OIE office, as it provides both clear procedural guidance and explanations of key concepts, as well as citations to regulations and agency interpretive guidance of these regulations.

Our work focused primarily on the specific regulatory requirements and OIE’s related internal controls to meet compliance. For the most part, we did not address other areas of internal controls (e.g. information security) although, when appropriate, Compliance communicated to OIE personnel about how our work might differentiate from an internal or external audit and provided guidance to that office regarding how to prepare for the latter in areas that generally fell outside of the scope of our work.

Process and Results

Our work included conducting numerous interviews and reviewing significant documentation provided by OIE. With respect to interviews, Compliance conducted lengthy interviews with Kim Howard, the Director of OIE, Rajan Eapen, International Scholar Advisor, and Emma Swift, Assistant Director, International Student Services, amongst others at the University. In terms of documentation, our review extended to OIE program materials, internal procedures, annual reports, re-designation materials and other University materials related to international visitors where relevant (e.g. University of Vermont Catalog).

While certain program requirements apply to all J-1 visitors, each category of visitor has additional unique restrictions related to such things as employment and length of stay. Accordingly, our work included reviewing documentation related to an example of each category of current J-1 visitor hosted by the University against that specific category’s requirements.  

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2 NAFSA’s formal name is NAFSA: Association of International Educators. NAFSA's original name was based on the acronym for the National Association of Foreign Student Advisors.


4 We reviewed the general program requirements, uniform J-1 visitor requirements and the identified relevant specific visitor categories, all enumerated below. General program requirements, included: sponsor eligibility, annual reports, program re-designation, reciprocity, cross cultural activities, selection of exchange visitors, pre-arrival information/representations and disclosures, orientation, monitoring of exchange visitors, and records retention. With respect to J-1 visitor requirements applicable to all J-1 categories, our review included: English language proficiency, insurance requirements and employment restrictions. Finally, with respect to specific visitor category requirements approved at UVM, we reviewed the requirements for these categories through work applied to an example of visitor within each category, including an undergraduate student, a graduate student, a non-degree students, a specialist, a short term scholar, a research scholar, a professor and a student intern.
Through this process and working together with OIE staff, we jointly identified a number of compliance enhancements that would provide greater compliance assurance for several requirements. These enhancements generally pertained to developing new documentation, adding additional or required content to existing documentation, creating new processes, and increasing monitoring controls. In general, the OIE staff appeared to be knowledgeable, eager to not only work with Compliance but to learn more about their area of responsibility, forthright in their responses and communications with the Office, and open to considering ways to improve or enhance compliance and documentation goals. Upon conclusion of the assessment portion of its work and the creation of enhancement recommendations, Compliance also worked with OIE to prioritize the identified compliance enhancements and create a draft work plan and time line for improvements to occur. Specific areas of enhancement are more fully described below.

(1) Increased documentation of office processes, generally, including implementing a Shared Calendar for prompting of periodic required government filings. Other areas of recommended increased documentation included cross-cultural activities, the English language screening processes and the guidance provided to departments regarding sponsoring visitors.

(2) Enhanced materials, processes and documentation related to orientation, as well as enhanced content and materials for pre-arrival materials for non-student visitors and prospective visitors.

(3) Enhanced processes and/or documentation surrounding monitoring of visitors, including visitor employment, and clearer guidance to relevant stakeholders.

(4) Strengthened controls related to confirming visitor and dependent insurance requirements.

2. Audit/Compliance/Management Interaction on Audits

The Office has continued to meet with the AVP for Research Administration regarding the Sponsored Project Administration (SPA) efforts to address the compliance observations identified in the Subrecipient Monitoring Audit Report #12-010. SPA has formed an internal workgroup that will be developing and implementing management actions in response to the report recommendations. Their action plan is proceeding according to the anticipated timeline set forth by them in the Audit Report. We will continue to report more fully on these compliance initiatives at a later date.

The Office has begun meeting with the Director of the Center for Health and Well Being, Dr. Jon Porter, concerning a compliance/privacy observation identified in Audit Report #13-006M.

3. Compliance Survey and Communications

a) Background

The Office of Compliance Services repeated our compliance awareness survey for the third year in October 2012. On October 10th, invitations were emailed to all 3,684 permanent employees of the University requesting their completion of the survey. Results from management (Deans, Chairs, Directors, Officers), faculty and staff were accumulated separately. Our overall

5 This was the first year that the non-management cohort was separated between faculty and staff.
response rate was 38%. While not as successful as previous years in terms of response rate, our current response rate still surpasses the average completion rate for other UVM surveys. As part of the survey, participants were provided with information regarding President Sullivan’s message on the Compliance Services Office, as well as links to learn more about compliance at the University. Analysis of the survey results and the comments received will serve to direct our future communication and training efforts and evidences awareness of the Help Line and compliance function.

b) Results Summary

In addition to promoting awareness of the Compliance Office, Code of Business Conduct and the Ethics and Compliance Reporting and Help Line, goals of the compliance survey are to both measure the change in awareness of the Compliance Office and its core programs since the original “benchmark” survey, as well as to take a snapshot of indicators that reflect UVM’s culture in relation to compliance i.e. a “culture of compliance”. We are pleased to report that the survey results have demonstrated improvement in all awareness measures for the second year in a row. We attribute this success in large part to our communication efforts, outreach activities and our ongoing program activity. While greater awareness was demonstrated, there still exists opportunities for improvement and the Office will continue in its communication efforts.

The survey questions that were a reflection of University culture also showed improvement from prior years. This is particularly encouraging since last year the results on these measures were essentially stagnant. These questions measured, (1) respondents agreement with the statement that UVM fosters a “Culture of Compliance”, (2) whether respondents felt protected from retaliation, and (3) whether respondents had observed misconduct. The first step in the process of creating a better culture of compliance is, in fact creating awareness and the improvements, as noted above, have been encouraging. This awareness is also reflected in a decrease in the number of individuals responding, “I don’t know” to the above three questions.

In previous years surveys, the audience was divided into two cohorts, management and non-management. Since the prior years’ comments indicated a variance in perspective between faculty and staff, these two groups were surveyed separately this year in order to further analyze the responses. The survey results reflected this anticipated difference. In general, faculty demonstrated lower awareness than either management or staff regarding the Compliance Office and its core programs. However, faculty responses indicated similar levels of agreement on questions addressing culture. Management led among the three groups with both greater compliance awareness and greater agreement with questions addressing compliance culture, as might be anticipated.

Charts showing more detailed results by subgroup are attached as Exhibit A.

c) Survey Comment Analysis

The survey provided an opportunity for respondents to comment on compliance, in general, or any other specific issue that they wanted to address. We then distilled “themes” that were represented by multiple comments. While we received numerous appreciative and supportive comments, as well as comments focused on specific compliance issues, we did not summarize
these types of comments for this report. Rather, our intent is to highlight themes that reflect on the cultural perceptions of compliance by respondents. These themes help to form a picture of the “culture of compliance” at UVM.

Themes

- There was some expression of a belief that employees in different groups are held to different standards/enforcement; these groups generally aligned with the three cohorts separately surveyed. Respondents demonstrated recognition that the compliance leadership within departments or colleges is critical.
- The Compliance culture varies widely from department to department or college to college; there is no single organizational culture.
- There continued to be a lack of strong confidence that whistleblowers will be protected from retaliation despite the aforementioned improvements in cultural measures.
- There is concern that as compliance obligations expand with new regulations, resources do not follow. Concerns regarding the ability to comply given the resources were raised.
- While there was some expression of a belief that the compliance culture and the focus on compliance has been improving, there was also some expression that compliance is becoming too burdensome. The latter may be related to the concern about available resources.

d) Communication

Social marketing campaigns; that is, campaigns that attempt to build awareness of social issues and ultimately to change behaviors, require repeated messaging to the target population. Creating a “culture of compliance” is a type of social marketing. For this reason, the survey was designed to interface with the University community multiple times. In addition to the President’s message, each full time employee received: (i) an invitation to complete the survey, (ii) an automatically generated reminder (if they hadn’t completed it), (iii) acknowledgment upon completion of the survey, and (iv) a thank-you email with links to the information provided in the survey.

In keeping with the above, the survey invitation included a link to the page within the Compliance Services’ website hosting the new Presidential message on compliance. This page received approximately 1,350 visits during the survey period. The positive impact to the community was reflected in the survey comments that were received including the following example, “It is refreshing to have President Sullivan support/foster an environment of compliance.”

Other communications initiatives include a recent republication of the Office’s Code of Conduct brochure. This brochure is distributed at new employee orientation, available in employee high-traffic locations on campus and is available as an online “flip” brochure on the Office’s website. The new brochure includes an excerpt of the President’s message on compliance and other edits to greater promote a culture of compliance at UVM.
4. Data Collection

In addition to our ongoing compliance and privacy services responsibilities, the Office provides compliance and privacy consultations upon request or in response to new regulatory requirements. The Office of Compliance Services has performed fourteen distinct compliance and privacy consultations for the period September 27th through December 17th, 2012, and since our previously reported cumulative data. This brings the cumulative total to 227 independent consults. These consultations include requests from numerous departments across campus for advice on specific compliance or privacy topics. The importance of providing this information to you is that it tracks the number of self-generated requests that the community brings to the Office.

In addition to these consultations, the CCO performed outreach activities during the period. Some of these were related to records retention and privacy, as more fully described below. With respect to strict compliance activities in terms of outreach, the Office met with the Dean of Dean of the College of Arts and Sciences. These outreach activities are an opportunity for the CCO to provide an overview of the Compliance and Privacy Office programs and resources available, as well as to survey these individuals for their areas of interest or perception of compliance risk as applies to them.

5. Exit Interviews

An additional best practice adopted by the Office is to hold exit interviews with departing employees who held positions with significant compliance responsibilities. Compliance has conducted five such interviews since its prior report on these activities, including individuals at the level of Director and above.

6. Ethics and Compliance Reporting and Help Line

The Office administers the Ethics and Compliance Reporting and Help Line. As of the date of this report, five reports have been received since our prior report to the Audit Committee. There have been a total of thirty-four reports made to date, twenty-four of which have been closed. Of the open reports, five have been referred to Audit Services and the remainder have been referred to management or other responsible offices.

7. Privacy Program

The Office is continuing to work with the CIO and ISO in reviewing data collected last year regarding the identification of private and/or sensitive University information and its utilization. This group has held two meetings with the AVP of Human Resource Services and her staff regarding Human Resources records and forms and one meeting with the Director of Admissions. These meetings have been productive and the respective departments are moving forward with plans to limit where possible, as well as protect, sensitive information gathered and maintained by their offices. We will continue reporting on the results of these efforts at future meetings.
The Office has also met regarding the new Records Retention policy and schedule with groups and departments including the Academic Business Managers and the staff (including coaching staff) of the Athletics Department. The CIO and CISO also attended these meetings. These meetings were both aimed at providing information about new policies, but also at gathering information. Any issues identified at the meetings are being followed-up on to address privacy and security issues.

The Office receives reports of data security incidents. In evaluating these incidents, the Office works with the ISO who investigates the incidents and stops any continued security issues, and consults with the OGC and other University departments to determine whether a data breach occurred and to ensure that the appropriate University response is taken. As of the date of this report, the Office has responded to three privacy incidents since the prior Audit Committee meeting. The Breach Notification Policy, covering both breaches as well as incidents that do not rise to the level of a breach, was followed in each of those cases.

8. Policy Administration

With respect to ongoing policy administration, the Office has distributed to responsible officials, the preliminary list of policies and university operating procedures for the next academic year that are: (i) scheduled for periodic review, (ii) outstanding from prior year’s scheduled review, or (iii) identified to be developed or substantially revised. This notice is in accordance with the University’s policy process for which the CCO is the responsible official.
Compliance Awareness Survey Results

1. Please indicate your awareness, before today, of the University's Office of Compliance Services.

### Combined

<table>
<thead>
<tr>
<th>Awareness Level</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Aware</td>
<td>5%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>12%</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Somewhat Aware</td>
<td>23%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>23%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Unaware</td>
<td>10%</td>
<td>16%</td>
<td>29%</td>
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</table>

### Management

<table>
<thead>
<tr>
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<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Aware</td>
<td>5%</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>12%</td>
<td>13%</td>
<td>18%</td>
</tr>
<tr>
<td>Somewhat Aware</td>
<td>23%</td>
<td>28%</td>
<td>33%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>23%</td>
<td>25%</td>
<td>24%</td>
</tr>
<tr>
<td>Unaware</td>
<td>10%</td>
<td>16%</td>
<td>29%</td>
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</table>

### Non-Management (Faculty and Staff)

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<tr>
<th>Awareness Level</th>
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<th>2011</th>
<th>2012</th>
</tr>
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<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>9%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Somewhat Aware</td>
<td>17%</td>
<td>22%</td>
<td>28%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>21%</td>
<td>25%</td>
<td>31%</td>
</tr>
<tr>
<td>Unaware</td>
<td>11%</td>
<td>17%</td>
<td>31%</td>
</tr>
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</table>
2012

<table>
<thead>
<tr>
<th>Awareness Level</th>
<th>Staff</th>
<th>Management</th>
<th>Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Aware</td>
<td>11%</td>
<td>25%</td>
<td>44%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>5%</td>
<td>17%</td>
<td>30%</td>
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<td>Somewhat Aware</td>
<td>6%</td>
<td>16%</td>
<td>36%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>9%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Unaware</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Please indicate your awareness, before today, of the University’s Code of Business Conduct.

### Combined

<table>
<thead>
<tr>
<th>Level</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Aware</td>
<td>8%</td>
<td>11%</td>
<td>20%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>25%</td>
<td>29%</td>
<td>37%</td>
</tr>
<tr>
<td>Somewhat Aware</td>
<td>16%</td>
<td>19%</td>
<td>24%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>12%</td>
<td>16%</td>
<td>24%</td>
</tr>
<tr>
<td>Unaware</td>
<td>9%</td>
<td>12%</td>
<td>19%</td>
</tr>
</tbody>
</table>

### Management

<table>
<thead>
<tr>
<th>Level</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Aware</td>
<td>21%</td>
<td>21%</td>
<td>27%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>27%</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td>Somewhat Aware</td>
<td>11%</td>
<td>18%</td>
<td>27%</td>
</tr>
<tr>
<td>Minimally Aware</td>
<td>5%</td>
<td>10%</td>
<td>27%</td>
</tr>
<tr>
<td>Unaware</td>
<td>4%</td>
<td>7%</td>
<td>19%</td>
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### Non-Management

<table>
<thead>
<tr>
<th>(Faculty and Staff)</th>
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<th>2011</th>
<th>2012</th>
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<tbody>
<tr>
<td>Extremely Aware</td>
<td>9%</td>
<td>9%</td>
<td>7%</td>
</tr>
<tr>
<td>Very Aware</td>
<td>9%</td>
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<td>Somewhat Aware</td>
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<td>28%</td>
<td>38%</td>
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<tr>
<td>Minimally Aware</td>
<td>13%</td>
<td>25%</td>
<td>38%</td>
</tr>
<tr>
<td>Unaware</td>
<td>9%</td>
<td>9%</td>
<td>17%</td>
</tr>
</tbody>
</table>
2012

- **Extremely Aware**
  - Staff: 11%
  - Management: 27%
  - Faculty: 32%

- **Very Aware**
  - Staff: 5%
  - Management: 32%
  - Faculty: 38%

- **Somewhat Aware**
  - Staff: 17%
  - Management: 18%
  - Faculty: 43%

- **Minimally Aware**
  - Staff: 14%
  - Management: 5%
  - Faculty: 24%

- **Unaware**
  - Staff: 5%
  - Management: 4%
  - Faculty: 10%

Unaware

Minimally Aware

Somewhat Aware

Very Aware

Extremely Aware
3. Do you know how to confidentially report violations of the Code of Business Conduct, law, regulation or University policy?

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Combined</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>12%</td>
<td>19%</td>
<td>28%</td>
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<tr>
<td>No</td>
<td>88%</td>
<td>81%</td>
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<table>
<thead>
<tr>
<th></th>
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<tbody>
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<td>76%</td>
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<td>47%</td>
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<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Management</strong> <em>(Faculty and Staff)</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>11%</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td>No</td>
<td>89%</td>
<td>83%</td>
<td>75%</td>
</tr>
</tbody>
</table>
4. Are you confident that you would be protected from retaliation if you reported a violation?

Combined

- Extremely Confident: 6%, 15%, 22%
- Very Confident: 7%, 21%, 27%
- Somewhat Confident: 14%, 41%, 43%
- Minimally Confident: 13%, 39%, 37%
- Not at all Confident: 4%, 9%, 7%

Management

- Extremely Confident: 10%, 12%, 28%
- Very Confident: 12%, 15%, 31%
- Somewhat Confident: 9%, 10%, 35%
- Minimally Confident: 11%, 10%, 35%
- Not at all Confident: 4%, 6%, 7%

Non-Management

- Extremely Confident: 5%, 12%, 22%
- Very Confident: 7%, 21%, 27%
- Somewhat Confident: 14%, 18%, 39%
- Minimally Confident: 13%, 17%, 42%
- Not at all Confident: 12%, 10%, 12%
5. Please indicate your level of agreement with the following statement: The University of Vermont fosters a “Culture of Compliance”.

![Combined Agreement Chart]

- **Strongly Agree**: 11% (2010), 12% (2011), 17% (2012)
- **Agree**: 57% (2010), 60% (2011), 60% (2012)
- **Disagree**: 2% (2010), 3% (2011), 7% (2012)
- **Strongly Disagree**: 2% (2010), 3% (2011), 2% (2012)
- **Don’t Know**: 14% (2010), 22% (2011), 21% (2012)

![Management Agreement Chart]

- **Strongly Agree**: 16% (2010), 25% (2011), 25% (2012)
- **Agree**: 59% (2010), 57% (2011), 60% (2012)
- **Disagree**: 12% (2010), 8% (2011), 8% (2012)
- **Strongly Disagree**: 1% (2010), 4% (2011), 1% (2012)
- **Don’t Know**: 6% (2010), 6% (2011), 12% (2012)

![Non-Management Agreement Chart (Faculty and Staff)]

- **Strongly Agree**: 11% (2010), 11% (2011), 16% (2012)
- **Agree**: 56% (2010), 56% (2011), 60% (2012)
- **Disagree**: 2% (2010), 8% (2011), 8% (2012)
- **Strongly Disagree**: 2% (2010), 2% (2011), 2% (2012)
- **Don’t Know**: 14% (2010), 22% (2011), 23% (2012)
6. Have you experienced or observed misconduct (i.e. a violation of the Code of Business Conduct, law, regulation or University policy) within the last 12 months?

Combined

- Yes: 10% (2010), 11% (2011), 13% (2012)
- No: 63% (2010), 64% (2011), 69% (2012)

Management

- Yes: 17% (2010), 16% (2011), 12% (2012)
- No: 65% (2010), 69% (2011), 80% (2012)
- Don’t Know: 17% (2010), 15% (2011), 8% (2012)

Non-Management

(Faculty and Staff)

- Yes: 9% (2010), 11% (2011), 13% (2012)
- No: 63% (2010), 63% (2011), 68% (2012)
- Don’t Know: 28% (2010), 26% (2011), 19% (2012)
2012

- **Yes**: 14% Staff, 12% Management, 9% Faculty
- **No**: 66% Staff, 80% Management, 73% Faculty
- **Don't Know**: 20% Staff, 18% Management, 8% Faculty
Information Security and Identity Management

Report to the Audit Committee
of the Board of Trustees
of the University of Vermont

February 7, 2013

Dean Williams
Information Security Officer
Enterprise Technology Services

Information Security Assessment
Audit Services, Enterprise Technology Services, and the Information Security Operations Team have continued work toward a security assessment and penetration test of the PeopleSoft system. Chief Information Officer David Todd will report on this effort in greater detail.

Information Security Education
January is Data Privacy Month. The Office of Compliance and Privacy Services and the ISO Team are collaborating to present three online seminars:

- January 9: Are You Smarter Than Your Phone?
- January 16: Scalable Privacy: An NSTIC Pilot Program for the Identity Ecosystem
- January 30: It's Not Just Facebook!—What Every College Student Should Know About Online Privacy

We continue to solicit and receive invitations to speak with University departments about information security. For example, the Information Security Office, Compliance and Privacy Services, and the Registrar’s Office collaborated on a presentation for Athletics personnel covering privacy and information security, with an emphasis on the University’s responsibilities under FERPA. In addition, the ISO Team has proposed to offer three educational sessions for participants in UVM’s annual staff in-service day, edu@UVM. Taking a risk-based approach to information security education, the Information Security Officer and the Information Security Engineer have been developing flexible educational material that we expect to use in a variety of situations. And the Information Security Engineer has initiated a series of monthly, informal talks on various topics, geared toward IT professionals as well as general audiences.

Payment Card Industry Data Security Standard (PCI DSS)
The ISO Team has continued its work with the Controller’s Office and with merchants in supporting compliance with PCI DSS. The CatCard servers and associated payment stations (CatCard, Print and Mail Center, and Sodexo) were moved onto the Actively Secured Private Network (ASPN) in December, while server software was upgraded to compliant versions. The CatCard system subsequently passed an independent external vulnerability scan. The Bookstore has continued working to bring all equipment into ASPN. Other merchants, working on their own or with support from the Controller’s Office and the ISO Team, continue to address PCI DSS requirements and completion of their annual Self-Assessment Questionnaires (SAQs). The task of completing documentation required by the SAQ process will continue; the ISO Team has
prepared guidelines for merchants showing which items the team will address and which items each merchant will address.

**Other Projects**
Work continues on numerous projects, including the following:

- Privacy, Information Security, and Data Retention: This collaboration between Compliance and Privacy Services and Enterprise Technology Services continues to focus on reducing risks associated with Social Security numbers, including their past use as an identifier.
- Decentralized Information Systems: The Office of Audit Services and Enterprise Technology Services continue to work with decentralized information system managers on appropriate system security and controls.
- Secure system implementation: The Information Security Operations Team is working with Conference and Events Services to verify the security of the new Event Management System.
- Proposals and contracts: The Information Security Office has worked with Procurement Services, the Office of the General Counsel, University departments, and vendors to evaluate several new information systems, with the goals of ensuring that appropriate security provisions are in place and that the University is contractually protected against liability for any vendor data breaches.
- Control systems: The ISO Team and ETS Network Services are working with Physical Plant personnel on highly secure access to building control systems.
- Investigations: The Information Security Office continues to conduct or assist with investigations as needed in support of Compliance and Privacy Services and Police Services.

**Account Services Specialist Recruitment**
Congratulations are in order for Sharon Provost of ETS Account Services, who will retire from the University at the end of January. Enterprise Technology Services received a good response to our posting for her replacement, and we are currently conducting interviews.
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- KPMG’s Audit Methodology
- Audit Plan
  - Audit Timetable & Deliverables
  - Fraud Risks
  - Significant Accounts & Disclosures
  - Accounting Policies
  - Audit & Accounting Matters
- A-133 Major Programs
Engagement Team

University of Vermont Board of Trustees

Audit Committee

Renee Bourget-Place
Engagement Partner

Sara Timmerman
Senior Manager

Katherine Palardy
Audit Senior

Subject Matter Professionals – Audit Support

Rick Hannmann
Information Risk Management (IRM) Partner

Geoffrey Clarke
IRM Manager

Robert Mishler
Employee Benefits Actuary

Marilyn Farley
Exempt Organizations Tax Managing Director
Audit Objectives and Responsibilities

The audit of the financial statements does not relieve management or the Audit Committee of their responsibilities

Management is responsible for:
- Adopting sound accounting policies
- Establishing and maintaining internal control
- Fairly presenting the financial statements in conformity with generally accepted accounting principles
- Compliance with laws and regulations

The Audit Committee is responsible for:
- Oversight of the financial reporting process and internal control over financial reporting
- Setting the proper tone/culture/ethics
- Promote continuous improvement

KPMG is responsible for:
- Forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the Audit Committee are presented fairly, in all material respects, in conformity with generally accepted accounting principles.
- Conducting an audit in accordance with professional standards.
- Planning and performing an audit with an attitude of professional skepticism.
- Communicating all required information, including significant matters, to management and the Audit Committee.
## KPMG’s Audit Methodology

### Four-phase audit workflow

<table>
<thead>
<tr>
<th>Phase</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Planning</strong>&lt;br&gt;- Perform risk assessment procedures and identify risks&lt;br&gt;- Determine audit strategy&lt;br&gt;- Determine planned audit approach&lt;br&gt;- Evaluate the design and implementation of entity level controls</td>
</tr>
<tr>
<td>2</td>
<td><strong>Control Evaluation</strong>&lt;br&gt;- Understand accounting and reporting activities&lt;br&gt;- Evaluate design and implementation of selected controls&lt;br&gt;- Test operating effectiveness of selected controls&lt;br&gt;- Assess control risk and risk of significant misstatement</td>
</tr>
<tr>
<td>3</td>
<td><strong>Substantive Testing</strong>&lt;br&gt;- Plan substantive procedures&lt;br&gt;- Perform substantive procedures&lt;br&gt;- Consider if audit evidence is sufficient and appropriate</td>
</tr>
<tr>
<td>4</td>
<td><strong>Completion</strong>&lt;br&gt;- Perform completion procedures&lt;br&gt;- Perform overall evaluation of financial statements and disclosures&lt;br&gt;- Form an audit opinion</td>
</tr>
</tbody>
</table>

**Preliminary** decision on controls or substantive approach for each audit objective

**Confirm** decision on controls or substantive approach for each audit objective
# Audit Plan – Audit Timetable & Deliverables

<table>
<thead>
<tr>
<th>February – June</th>
<th>August – October</th>
<th>November – December</th>
<th>January – February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct planning meeting with</td>
<td>Perform remaining audit procedures</td>
<td>Meet with Audit Committee to discuss</td>
<td>Issue report on OMB A-133</td>
</tr>
<tr>
<td>management and Audit Committee</td>
<td>Form audit conclusions</td>
<td>financial statement audit results</td>
<td>Meet with Audit Committee to discuss results</td>
</tr>
<tr>
<td>Perform risk assessment</td>
<td>Issue opinion on the financial statements</td>
<td>Perform remaining audit procedures related</td>
<td>of OMB A-133, NCAA, and audit plan for</td>
</tr>
<tr>
<td>procedures and identify risks</td>
<td>Issue report on Compliance and on Internal</td>
<td>to OMB A-133</td>
<td>upcoming year</td>
</tr>
<tr>
<td>Finalize audit strategy</td>
<td>Control in Accordance with Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evaluate entity level controls</td>
<td>Auditing Standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understand accounting and</td>
<td>Review preliminary management letter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>reporting activities</td>
<td>comments</td>
<td></td>
<td></td>
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<tr>
<td>Evaluate design and implementation of selected controls, including IT related controls</td>
<td></td>
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<td></td>
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<tr>
<td>Test operating effectiveness of selected controls</td>
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<tr>
<td>Plan substantive procedures</td>
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<tr>
<td>Determine preliminary assessment of major programs to be audited (OMB A-133)</td>
<td></td>
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<tr>
<td>Perform certain compliance testwork related to OMB A-133</td>
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<td></td>
<td>Perform remaining audit procedures</td>
<td>Meet with Audit Committee to discuss</td>
<td>Issue report on OMB A-133</td>
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<tr>
<td></td>
<td>Form audit conclusions</td>
<td>financial statement audit results</td>
<td></td>
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<tr>
<td></td>
<td>Issue opinion on the financial statements</td>
<td>Perform remaining audit procedures related</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Issue report on Compliance and on Internal</td>
<td>to OMB A-133</td>
<td></td>
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<tr>
<td></td>
<td>Control in Accordance with Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Auditing Standards</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Review preliminary management letter</td>
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<td>comments</td>
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<tr>
<td>Year round liaison with the University’s Audit Committee and management</td>
<td>Continuous identification and resolution of key risks and issues</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Audit Plan – Fraud Risks

Identification of fraud risks

- Perform risk assessment procedures to identify fraud risks, both at the financial statement level and at the assertion level
- Discuss among the engagement team the susceptibility of the entity to fraud
- Perform fraud inquiries of management, the Audit Committee and others
- Evaluate the University’s broad programs/controls that prevent, deter, and detect fraud

Response to identified fraud risks

- Evaluate design and implementation of anti-fraud controls
- Test effectiveness of anti-fraud controls
- Address revenue recognition and risk of management override of controls
- Perform specific substantive audit procedures (incorporate elements of unpredictability)
- Evaluate audit evidence
- Communicate to management and the Audit Committee
# Audit Plan – Accounting Policies

<table>
<thead>
<tr>
<th>Policies</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial selection of or changes in policies</td>
<td>We are not aware of any significant changes in or new accounting policies adopted by the University in FY 2013, except implementation of GASB 63.</td>
</tr>
<tr>
<td>Significant or unusual transactions</td>
<td>The UVM Foundation’s investment into the University’s endowment and other transactions between the University and the Foundation.</td>
</tr>
<tr>
<td>Emerging/critical areas</td>
<td>No significant emerging or critical issues.</td>
</tr>
</tbody>
</table>
We identify audit and accounting matters that could have a material impact on the University’s financial statements. We then consider these matters when developing our audit approach and tailor our procedures to address these risks.

<table>
<thead>
<tr>
<th>Critical Audit Areas</th>
<th>Significant Areas/Estimates</th>
<th>Non-Routine Transactions</th>
<th>Information Technology Matters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation of investments</td>
<td>Estimates</td>
<td>UVM Foundation funds invested in the University’s endowment</td>
<td>General information technology environment</td>
</tr>
</tbody>
</table>
| Valuation of post-retirement benefit obligation | - Valuation of accounts and loans receivable  
- Valuation of certain liabilities |                                                                                           | - Security  
- Program changes  
- Logical/physical access                                                |
| Classes of Transactions   | - Tuition, fees, auxiliary revenue and accounts receivable  
- Contribution revenue and receivables  
- Gift and spending transactions between the University and the Foundation  
- Federal and state funding (Grant and Contract compliance)  
- Compensation and benefits  
- Other operating disbursements  
- Issuance and repayment of debt and related compliance with covenants  
- Capital assets and related depreciation |                                                                                           |                                                                     |
## Audit Plan – Significant Accounts and Disclosures

<table>
<thead>
<tr>
<th>Significant Accounts and Disclosures</th>
<th>Risk of Fraud</th>
<th>Inherent Risk Assessment – Error</th>
<th>Planned Audit Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition, fees and auxiliary revenues and related receivables</td>
<td>Low</td>
<td>Low</td>
<td>Controls/Substantive</td>
</tr>
<tr>
<td>Gifts and spending transactions between the University and the Foundation</td>
<td>Low</td>
<td>Moderate</td>
<td>Controls/Substantive</td>
</tr>
<tr>
<td>Federal and state funding</td>
<td>Low</td>
<td>Moderate</td>
<td>Controls/Substantive</td>
</tr>
<tr>
<td>Investments and related investment income</td>
<td>Low</td>
<td>Moderate</td>
<td>Controls/Substantive</td>
</tr>
<tr>
<td>Compensation and benefits expenses and related accruals</td>
<td>Low</td>
<td>Moderate (with respect to accruals/estimates)</td>
<td>Controls/Substantive</td>
</tr>
<tr>
<td>Other operating expenses and related accruals</td>
<td>Low</td>
<td>Low</td>
<td>Controls/substantive</td>
</tr>
<tr>
<td>Issuance and repayment of debt and related compliance with covenants</td>
<td>Low</td>
<td>Low</td>
<td>Substantive</td>
</tr>
<tr>
<td>Capital assets – purchases, sales and related depreciation</td>
<td>Low</td>
<td>Low</td>
<td>Control/Substantive</td>
</tr>
</tbody>
</table>
### Determination of Major Programs:

- **Type A programs determined** – greater than $3m
- **High risk Type A program** based on the following:
  - If the program was audited in the two most recent years
  - There were prior year audit findings and the significance of those findings
  - Deemed high risk in the OMB compliance supplement
  - Other risk factors present – such as complexity of regulations, or turnover in key staff

<table>
<thead>
<tr>
<th>Major Programs</th>
<th>Year Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Research and Development Cluster</td>
<td>X (1)</td>
</tr>
<tr>
<td>Smith Lever Cluster</td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid Cluster</td>
<td>X</td>
</tr>
<tr>
<td>Medicaid Cluster</td>
<td></td>
</tr>
<tr>
<td><strong>Total number of programs expected to be audited</strong></td>
<td>2</td>
</tr>
</tbody>
</table>

**KEY**

(1) Required mandatory high risk program, must be audited every year due to the size and complexity of the program

* Evaluation of Type B programs to determine if any are high risk.
AUDIT COMMITTEE

February 7, 2013

Resolution Authorizing Retention of External Audit Firm for FY 2013

RESOLVED, that the Committee authorizes and directs the Committee Chair to retain KPMG LLP, Certified Public Accountants, to conduct the mandatory annual audit of the financial statements and compliance audits for the fiscal year ending June 30, 2013, in accordance with the fee schedule set forth in KPMG’s proposal for services dated December 23, 2008. The annual audits shall be conducted in compliance with the requirements of the University Bylaws and state and federal law.

Approval of Amended Trustee Conflict of Interest Policy

WHEREAS, the Trustee Conflict of Interest Policy has been revised to include a new definition of “substantial interest” and additional policy elaboration on commercial transactions and Trustee employment with UVM; and

WHEREAS, the Committee on Board Governance endorsed the revisions to the Trustee Conflict of Interest Policy on December 17, 2012;

BE IT RESOLVED, the Audit Committee hereby approves the amended Trustee Conflict of Interest Policy appearing as Appendix A to this document and recommends it to the Board of Trustees for approval.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

CONFLICT OF INTEREST POLICY

Policy Statement

University Trustees work in service to the institution and the public trust and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and its members individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the University, and with due regard for the University’s reputation. It is therefore the policy of the University and this Board that Trustees have an affirmative duty to identify, disclose and manage conflicts in conformance with this Policy and the law.

Definitions

Conflict of interest. A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Trustee’s private interests and his or her fiduciary duties as a University Trustee. Conflicts may affect non-financial as well as financial Trustee interests. The Trustee may be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the University is dealing, or have a family relationship with a person or entity with which the University is engaged.

For purposes of this Policy, a conflict of interest arises where the relevant material facts affect a Trustee, a member of his/her immediate family, or an affiliate, as herein defined. In the case of conflicts involving a member of the immediate family or an affiliate of a Trustee, the Trustee is obligated to make disclosure when he or she knows or reasonably should know of a conflict.

An apparent conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s ability to discharge his or her duties as a Trustee, as summarized in the Policy Statement above, are compromised by personal interest.

A member of the immediate family of a Trustee includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership (wherever residing), person claimed as a dependent for federal income tax purposes partnership (wherever residing), and any relative residing in the same household as the Trustee. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.
An **affiliate** includes a business, association, corporation, or other legal entity in which a Trustee or a member of his/her immediate family is a director, trustee, officer, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or a controlling interest. In addition, an affiliate is an entity from which the Trustee or a member of his/her immediate family otherwise annually receives or has the right to receive $10,000 or more compensation, income, or other financial consideration or value.

A **“substantial interest”** means an interest in “business” “with which the Trustee is associated” in the manner and to the extent described in this paragraph. A “business” is any of the following organized for profit: a. Association; b. Business trust; c. Corporation; d. Enterprise; e. Joint venture; f. Organization; g. Partnership; h. Proprietorship; i. Vested trust; j. Every other business interest, including ownership or use of land for income. A business “with which the Trustee is associated” means a business in which the Trustee or any member of the Trustee’s immediate family: a. Is an employee; b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of interest owned; c. Owns a legal, equitable, or beneficial interest of five percent (5%) or more of the business, other than as a trustee on a deed of trust.

**Policy Elaboration**

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. In general, Trustees may not use their positions or confidential information to which they become privy as Trustees for the gain of themselves or others. Below are examples of situations presenting potential, actual or apparent conflicts.

1. **Commercial transactions.** The University will consider engaging in commercial transactions, such as contracts for goods or services, with a Trustee or any business entity in which a Trustee has a substantial interest only if the proposed transaction has undergone the customary conflict of interest disclosure and University procurement processes and, after review, the Board Audit Committee determines that the transaction is in the best interests of the University, following which the Board must take action on the Audit Committee’s recommendations. Examples of when such a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University. Commercial transactions between a Trustee and the University are not **per se** barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is strict adherence to disclosure and recusal protocols. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the University considers alternative competitive proposals; and (c) the
University determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict.

2. **Confidential, Proprietary or Privileged Information.** Except as required by law, no Trustee shall, without proper Board or institutional authorization, give or release University information or data (“Information”) of a confidential, proprietary or privileged nature, or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Trustees during and after their University service relative to Information acquired in the course of their Trusteeship.

3. **Business Opportunities.** No Trustee shall divert from the University for private gain of self or others a business opportunity in which the University would foreseeably engage in furtherance of its mission, unless the University has been offered, and through an authorized official declined, a right of first refusal.

4. **Trustee Employment at UVM.** Except under extenuating circumstances as determined by a two-thirds (2/3) majority of the Board, no Trustee may enter into compensated employment with the University while the individual is a Trustee and for a period of one year after leaving the Board. This prohibition does not apply to student trustees who wish to engage in part-time University employment during their trusteeship, subject to the conflict of interest disclosure rules otherwise state in this Policy.

5. **Employment or Retention of Immediate Family Members or Affiliates.** No Trustee may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the University of an immediate family member or an affiliate.

56. **Remuneration, Honoraria, Gifts, and other Consideration**

   a. **From External Parties.** No Trustee shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the University, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Trustee’s influence with the University has been exchanged for such consideration. This prohibition applies without limitation to vendors, contractors, sponsors, donors, and job or admissions applicants.

   b. **From the University.** It shall not be considered a conflict of interest for a Trustee to accept from the University (1) gifts or other items of value in consideration of his/her service or retirement from University service; (2) customary *honoraria*; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with
University Trusteeship pursuant to applicable University policy and procedures; or (4) complimentary tickets for a Trustee and his/her guest at University functions or events when the presence of the Trustee is deemed to serve the best interests of the University.

c. From External Parties or the University. No Trustee shall solicit or accept any fee or honorarium offered in return for a speech or appearance or article made or written in the individual’s official capacity as a Trustee. Reasonable and necessary expenses reimbursed to the Trustee for participation in such an event are permissible subject to the filing of a conflicts disclosure form. Any such appearance shall be subject to the provisions of the Statement of Trustee Responsibilities, and in particular the requirement that a Trustee recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board and that, when a Trustee engages in communications with University personnel, students, the citizenry, and the media on an individual basis, the Trustee shall be guided by the duty of loyalty as set forth in the Statement of Trustee Responsibilities.

67. Employment of University Personnel. A Trustee wishing to employ or retain a University officer of administration for private consulting or other non-University purposes must first obtain from the General Counsel an opinion as to whether such engagement does, or may, give rise to a conflict of interest. If the General Counsel concludes that a conflict does, or may, arise, the Trustee shall disclose the proposed employment or consulting arrangement to the Board Chair. The Board Chair will either authorize or decline to authorize the proposal, conferring with the Executive Committee in his/her discretion. If the proposal is authorized, the Chair shall communicate the authorization in writing to the Trustee, with a copy to the General Counsel. The Trustee’s Conflict of Interest Disclosure Form shall then be amended to reflect the affiliation. In the case of proposed employment of other University personnel, the Trustee should consider whether such employment might reasonably result in a conflict of interest and, if so, he/she should thus amend the Conflict of Interest Disclosure Form.

78. Testimony. A Trustee who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when s/he is speaking on the matter as a University representative. Trustees shall obtain authorization to speak on behalf of the University by means of customary governance protocols.

89. Political or Appointive Office. The constituency of each Trustee is the University, regardless of the source of appointment. Trustees whose service on the Board is incidental to elective or appointive office shall engage in such service with due regard for the fiduciary duties of a Trustee, and in a manner consistent with this Policy.
Summary of Protocol

Upon commencement of Board service, Trustees file Conflicts Disclosure Forms, amending them no less than once annually and otherwise as circumstances dictate.

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict to the Committee Chair (and/or to the Board Chair if the conflict will arise during a Board meeting). The Trustee, Committee Chair, or Board Chair may request an opinion on the existence of a conflict from the General Counsel. In the event that a Board Chair or a Committee Chair conflict is in issue, the disclosure shall be made to the Vice Chair, who may also request a legal opinion from the General Counsel.

Once having disclosed the conflict, the Trustee may him/herself decide to decline to participate in discussion of, and any vote upon, the matter as to which a conflict exists. In such instances, the meeting record shall reflect his/her self-recusal and abstention.

If the Trustee does not her/himself decline to participate in discussion of the matter as to which a conflict exists, the Committee (or Board) Chair shall, prior to consideration of the matter, and in open session, identify the conflict. In the event that a Board Chair or Committee Chair conflict is in issue, the Vice Chair shall identify the conflict. The Trustee as to whom a conflict is identified may participate in open session discussion of the matter if a majority of the members of the Committee or the Board authorize such participation by majority vote; if such authorization is given, the Trustee shall nonetheless abstain from voting on the matter. The Trustee shall be excused from any portion of an Executive Session devoted to the matter as to which a conflict arises.

A Trustee who recuses from participation in discussion of, and/or voting upon, a matter before a Committee or the Board shall not be counted toward a quorum.

Protocol

Disclosure Forms

Each Trustee shall file a Trustee Disclosure Form at the time of initial appointment and by March 1 of each subsequent year of service. The Form will require the Trustee to acknowledge his/her review of the Policy and to agree to disclose on the Form and as otherwise required by the Policy any matter as to which a conflict does, or may, exist. The Trustee shall update the Form during the year as circumstances dictate. Forms will be filed with the Trustee Coordinator, and maintained by the Assistant Secretary of the Board, with a copy to the General Counsel.

Disclosure Obligation

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict and all relevant material facts to the Committee (or Board) Chair. If the Trustee with
such conflict is the Committee or Board Chair, the conflict shall be disclosed to the Vice Chair, who shall instead preside for the agenda item as to which the matter arises.

Relevant material facts may include the benefits that could inure to the Trustee; the extent to which, if any, the Trustee is participating in a competitive process to enter into a transaction or business affiliation with the University; whether the Trustee is privy, in his or her capacity as a Trustee, to proprietary or other non-public University information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and/or if the University would be likely to enter into the proposed transaction or relationship in the absence of the Trustee’s University affiliation.

A Trustee may elect, following such disclosure, to self-recuse from participation in discussion of the matter as to which disclosure is made. Alternatively, if a Trustee submits a disclosed conflict for consideration by a Committee or the Board, when the item arises on the agenda the Chair shall, for the record, identify to the Committee or the Board the conflict and the material facts relating thereto. (If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be identified by the Vice Chair, who shall preside for the agenda item as to which the matter arises.)

The Trustee shall request authorization from the Committee or the Board to participate in any discussion of the agenda item that takes place in open session, and shall be recused from any portion of an Executive Session devoted to the matter as to which a conflict arises. If the Committee or Board by majority vote authorizes the Trustee’s participation in such public discussion, the Trustee shall nonetheless abstain from voting on any such item.

In all instances, the determination as to whether to permit the Trustee to participate in discussion of the agenda item as to which a conflict arises shall be made following full disclosure by the Trustee of the nature of the conflict, and on the basis of whether, in the considered judgment of the Committee or the Board, the University’s interests will be best served by participation of the Trustee notwithstanding the conflict.

**Role of the University General Counsel**

Prior to each Committee and Board meeting, the General Counsel shall review the agenda in relation to Trustee Disclosure Forms to determine whether a conflict may, or will, arise. If a conflict is identified, the General Counsel shall contact the Trustee and the Committee (or Board) Chair regarding the relevant agenda item. The Trustee and the Chair shall otherwise proceed as described in the first section of this Protocol (“Disclosure Obligation”).

Upon request of the Trustee and/or the Committee or Board Chair, the General Counsel shall provide an opinion as to whether a conflict of interest arises as to such Trustee. All such opinions shall be subject to applicable privileges under law.
Approval of a Conflict of Interest Transaction

If a conflict is identified for the first time subsequent to any action by the Board in which a conflicted Trustee participated, such action shall be voidable by the Board in accordance with the Vermont Nonprofit Corporation Act and otherwise applicable procedures relating to Board meetings and action.

Notwithstanding the preceding paragraph, a conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if the transaction (a) was fair at the time it was entered into or (b) is approved in advance by vote of the Board or a Committee if (i) the material facts of the transaction and the Trustee’s interest are disclosed or known to the Board or Committee; and (ii) Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the University. Any approval must receive an affirmative vote of a majority of the Trustees on the Board, and any Trustee who recuses from participation in discussion of, and/or voting upon, a matter before the Committee or Board shall not be counted toward a quorum.

In cases in which the Board or a Committee considers approval of a conflict of interest transaction, its review of the material facts and its resulting decision shall be documented in the meeting minutes.

Post-Transaction Challenge Procedure

Complaints of non-compliance with this Policy shall be filed promptly and in writing with the Chair of the Board, with copies to the Secretary and Assistant Secretary of the Board. Disposition of such complaints shall be handled in the same manner as proposed or approved transactions under this Policy and, and as to a non-compliant Trustee, under relevant provisions of the University Charter, Bylaws and Vermont Nonprofit Corporation Act.

Governing Law

This Policy incorporates by reference any obligations imposed upon the University, the Board, and/or a Trustee by federal or State law.

Adopted by the Board of Trustees: February 12, 2005
Amended by the Board of Trustees: February 4, 2012
Amended by the Board of Trustees: November 8, 2012
Amended by the Board of Trustees:
Development of a Systematic
Enterprise Services Penetration Testing Methodology

Report to the Audit Committee of the Board of Trustees
of the University of Vermont

David Todd
Associate Vice President/Chief Information Officer
Enterprise Technology Services
February 7, 2013

Motivation
UVM has invested considerable effort attempting to secure its information systems from break-ins. How successful have we been? Where are our greatest vulnerabilities and what can we do to mitigate them?

Organizations address those questions by engaging in “penetration testing”, or “pen testing”, in which an internal or external service scans network-connected systems for open ports, sysadmin passwords that were not changed after installation, weak sysadmin passwords, etc. Such gaps in security could leave systems open to external break-ins, with the potential that either critical information could be stolen or modified or that systems could be used for inappropriate purposes.

UVM has conducted its own internal pen testing against core enterprise systems for at least 7 years, and core systems covered by PCI DSS have been tested by external firms for at least 5 years. Much of UVM’s information infrastructure is open by design, and UVM’s external, inter-network, and internal firewall systems are designed to protect critical systems against “brute force” external threats.

But increasingly the threat is that internal personal computer systems, compromised by external hackers, could be used to probe enterprise systems from within the campus network. With an estimated 30,000 to 40,000 network devices on campus, the cost of comprehensive pen testing across campus would be enormous and the cost and complexity (especially on personal devices) of remediating would be unacceptable. We believe we can improve the security of our core systems by developing the discipline of routinely and systematically engaging external penetration testers to examine for vulnerabilities across an expanding range of core enterprise systems and then address any identified gaps.

Factors and Considerations
A comprehensive penetration test could involve:

- Network scans of open ports across all IP addresses
  - Potentially disruptive of campus services because of the volume of network traffic
  - Likely to set off alarms on some servers that monitor for such activity – could be interpreted as a denial-of-service attack
- Social engineering: targeted attempts to convince members of the UVM community to provide passwords or grant access to intruders
  o Could compromise the trust of campus constituents for ETS staff
  o Most critical for staff who have elevated access privileges – high-risk users
  o Could minimize pen-tester time by providing basic self-service account (no privileges) to allow pen testing without breeching trust of most campus clients

We concluded that in the first phase of pen testing, we should take a risk-based approach and start with a limited scope in order to minimize costs, develop an understanding to techniques and results, and develop comfort with the vendor (or decide to select another) before making a substantial financial commitment. We focus first on high-risk systems with limited scope and will expand as we’ve gained experience.

**Planned Approach**

We plan to start pen testing with a scope limited to just a few critical core enterprise systems and then expand the scope once we have experience with the pen tester and a better understanding of the trade-offs among options. We’ve outlined the elements of an Request for Quotation (RFQ) to solicit bids for this initial scan.

- **Scope:** PeopleSoft Financials, Human Resources, Budgeting
  o Focus on these systems initially but identify other systems that might be considered “in scope” as a result of interfaces and common services
  o Components include: Web front end, database servers, applications servers
  o We will need to identify the ranges of IP addresses for the servers and have a count of IP addresses for the RFQ
  o RFQ should query:
    ▪ What methods would you use to conduct the scan?
    ▪ How would you prioritize tests to maximize actionable information given finite time and budget?

- **Process:**
  o Develop RFQ, borrowing liberally from other universities and defining initial limited scope carefully
  o Release RFQ and select vendor based on capabilities, comprehensiveness of response, cost, and references
  o Seek advice from selected vendor about community communications and pen testing methodologies
  o Engage testing
  o Assess results
    ▪ Vulnerabilities found
    ▪ Levels of risk of exploitation
    ▪ Recommendations for remediation
    ▪ Estimate cost & time for remediation
    ▪ Implement, as feasible
  o Assess pen testing process and vendor, expand scope and engage vendor or re-issue revised RFQ
• Pre-Engagement Phase
  o Communicate with client community about the initiative
  o Identify those who might be included in the social engineering phase
• Engagement
  o Interact with daily planning and debriefing
  o Perform black-box testing
    ▪ Non-production systems first
      • Plant items to find in order to validate vendor?
      • Initially non-disruptive tests
      • When comfortable, open to potentially disruptive
    ▪ First: physical network port on campus or VPN into campus (providing credentials) depending on vendor bids
    ▪ Second: off-campus without credentials
  o Full-knowledge testing
    ▪ If vendor proves competence in Phase I, give PS credentials for basic self-service and permit pen testing from within system
  o Social engineering
    ▪ Test only highest-risk users
    ▪ Provide physical access, for example, to developer’s workstations?
• Deliverables: As required by RFQ, a written report with
  o Vulnerabilities found
  o An assessment of the levels of risk of exploitation of those vulnerabilities in areas of:
    ▪ Exposure of personally identifiable information (risks to individuals, risks to University)
    ▪ Damage to University’s reputation
    ▪ Noncompliance with legal and regulatory requirements
    ▪ Business continuity
    ▪ Compromised data integrity
    ▪ Intentional or accidental data destruction
    ▪ Loss or exposure of intellectual property
  o Recommendations for near- and long-term remediation steps and security enhancements
    ▪ Vulnerability
    ▪ Associated risk
    ▪ Likelihood of exploitation
    ▪ Recommended priority
    ▪ Feasibility, relative level of difficulty, and resources needed to correct
  o An assessment of the adequacy of current controls
  o Any evidence of prior intrusions or compromises
  o What did vendor not have time or authority to test, think would be valuable, and would recommend in next phase?
Schedule
The RFQ has been drafted and the ISO Team has been identifying potential vendors. The planned schedule is:

3 Feb Release RFQ
10 Feb Close vendor question period
21 Feb Vendor responses due
8 Mar Responses scored and vendors ranked
15 Mar Vendor selected, begin contract negotiations
29 Mar Contract negotiated
15-19 Apr Target dates for pen testing
6 May Target date for report from vendor

Estimated Cost
The estimated cost of the limited-scope initial pen testing is $10K-$15K.
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<th>Issue Statement</th>
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<tbody>
<tr>
<td>1</td>
<td>Lack of air conditioning in Cook results in 80-90 degree temperatures, and higher humidity impacting researchers, and storage of certain chemicals leading to corrosion and leakage.</td>
<td>High temperatures has resulted in: a number of summer classes being cancelled; researcher reluctance to wear lab safety coats, long pants and shirts and enclosed shoes; and could lead to chemical combustion. Also can lead to defeating the chemical containment system when lab windows are opened for ventilation</td>
<td>Refer to Liebert Engineering report 2009 recommending infrastructure upgrade. 10/18/2009: Survey, Inspection, Baseline and Defining Upgrade Concepts for the University of Vermont’s Cook Physical Science Building.</td>
<td>Capital Planning</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 6-7, Liebert Engineering Report 2009</td>
<td>STEM Center initiative under review by BOT, President Sullivan and deans. Chemistry Department had two labs on 3rd floor renovated in 2012 and include air conditioning. About 50% of Chemistry research labs and 0% of the class labs have A/C.</td>
<td>Dec-12</td>
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<td>2</td>
<td>Inadequate lab housekeeping campus-wide. Emeritus faculty has been recurring problem in Chemistry; COM faculty member recently has significantly cleaned up cluttered lab, after 2yrs.</td>
<td>May increase the potential of explosion, chemical spills, fire hazard</td>
<td>Behavioral changes in the labs;</td>
<td>Risk Mgt &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 8; Historical Campus Wide inspections/audits</td>
<td>Housekeeping continues to be part of lab self-inspections, lab audits and fire department inspections. This on-going issue will continue to be managed through the laboratory safety plan. We expect to continue to see gradual but continuous improvement.</td>
<td>12-Dec</td>
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<td>3</td>
<td>Training tracking by Risk Mgmt. &amp; Safety consists of documenting who attends in-class or on-line training; no central system in place to identify required training for certain classes of employees; no method to verify that only trained lab users enter labs day-to-day; no remedial training for lab personnel involved in accidents or incidents; PI and faculty do not generally require students to take this training.</td>
<td>Difficulty verifying researchers and students have the required safety training</td>
<td>Activate PeopleSoft Safety &amp; Health Compliance training module; individual employee PeopleSoft record should indicate required training needed; Supervisors need to mandate training provided centrally and that which is specific to the job, which the Department needs to handle. Processes for reconciliation, enforcement, remedial training needed</td>
<td>Department Heads</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 8, p. 23-24, historically identified by Risk Management as a campus wide issue</td>
<td>In Fall of 2011, a work-group was formed to assess training needs/PeopleSoft capabilities; Discussed on 2/7/12 how best to keep project on track re: mandatory training tracking. PeopleSoft training module is being configured to track training for employees and will be piloted in a Department in Jan/Feb 2013. Tracking the training of non-employees (students) is being developed ad hoc. Delivery of training continues to be developed on-line, in-person and through outside vendors.</td>
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<td>4</td>
<td>No system in place to identify employees needing certain types of medical monitoring as required by OSHA, DOT, EPA regulations. Vendor is in place to provide the medical surveillance, but not all employees are directed by their supervisors for such surveillance;</td>
<td>Difficulty verifying employees who need medical monitoring</td>
<td>Include in the employee record in PeopleSoft the type of medical surveillance required for certain job codes (e.g. bus drivers; laboratory workers, etc.)</td>
<td>Department Heads</td>
<td>OSHA, DOT, EPA, Best Practice</td>
<td>Needs to be incorporated into training tracking system (see #3 above)</td>
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<td>5</td>
<td>Accuracy of lab space inventory in real time or on periodic updates. State requires UVM to keep an inventory of labs with chemicals in order to know where to audit/inspect. Campus Planning maintains a laboratory inventory, as does PIV through FAMIS, as does Risk Management &amp; Safety. In each case &quot;labs&quot; are defined differently and some are/may be inaccurate at any point in time.</td>
<td>Unverifiable info for routine inspections and emergency response. Iowa State has developed a lab safety inventory system, that FAMIS Corporation is planning to add as a module available to its customers for purchase. ETS is looking into this option for us. When 2 new lab safety staff come on board in April 2012, plan to have them physically verify location of labs</td>
<td>Academic Deans &amp; Chairs</td>
<td>Physical Plant, Campus Planning, RM &amp; Safety</td>
<td>OSHA, EPA</td>
<td>UVM's own lab registry is part of lab self-inspections and lab audits and identifies laboratory spaces. This on-going issue will continue to be managed through the laboratory safety plan. We expect to continue to see gradual but continuous improvement.</td>
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<td>6</td>
<td>Lack of a regularly maintained, current list of PIs responsible for each lab. Ensure one PI per space.</td>
<td>Inaccurate list of lab owners affects accountability and emergency response. Colleges need to maintain such a list; Risk Mgmt &amp; Safety have a web-based inventory for PIs to record labs they are responsible for and the hazardous agents in their labs, but only 50-60% comply with providing this data</td>
<td>Academic Deans &amp; Chairs</td>
<td>Risk Mgt &amp; Safety</td>
<td>Best Practice; EPA</td>
<td>UVM's own lab registry is part of lab self-inspections and lab audits and requires a lab supervisor for each lab. This ongoing issue will continue to be managed through the laboratory safety plan. We expect to continue to see gradual but continuous improvement.</td>
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<td>7</td>
<td>UVM is required to maintain chemical inventories to comply with SARA Title III and the Select Agent Rule. While RM &amp; Safety offers a web-based system to record this information (see item 6) above, only 50-60% of labs comply with this.</td>
<td>Non-compliance if UVM reports inaccurate information to regulators. Deans, Chairs need to enforce the input of data into existing web-based system.</td>
<td>Academic Deans &amp; Chairs</td>
<td>RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 11; OSHA &amp; EPA regulations</td>
<td>UVM's own lab registry is part of lab self-inspections and lab audits and requires a hazardous chemicals of concern inventory (HCOC). This ongoing issue will continue to be managed through the laboratory safety plan. We expect to continue to see gradual but continuous improvement.</td>
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<td>8</td>
<td>More resources needed to develop on-line, web-based training. Web-based training is the most efficient means of offering regulatory training. UVM currently offers on-line training concerning biological and chemical hazards, but there are other hazards and exposures in labs.</td>
<td>Non-compliance with regulatory standards; untrained individuals at risk of injury.</td>
<td>Internal web support needed</td>
<td>RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 23; OSHA/EPA training standards</td>
<td>RM&amp;S continue to develop on-line and in-person trainings to meet some needs. Workshop safety trainings for art department went online in September 2012. Risk Management to provide priority list of web-based training needs and cost to develop.</td>
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<td>9</td>
<td>Cook Building's aging infrastructure. HVAC and electrical systems need to be upgraded to deal with a) environmental comfort &amp; safety b) indoor air quality and c) high energy consumption rates.</td>
<td>Impacts air quality, room temperature, occupant comfort and HVAC system ability to remove pollution and particulates from the air; Impacts electric consumption which is high.</td>
<td>Significant renovations; implement recommendations from Libert Report</td>
<td>Capital Planning</td>
<td>Engineering Consultant Reports 2005-2009; Liebert Engineering report October 2009; Lab Safety Report: Cook Physical Science Building, p. 14, p. 16-17; RM&amp;S indoor air quality reports; reported incidents</td>
<td>STEM Center initiative under review by BOT, President Sullivan and VP Grasso. Chemistry Department had two labs on 3rd floor renovated in 2012. About 1/3 of Chemistry research labs and none of the class labs have been renovated in last 10 years.</td>
<td>Dec-12</td>
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<td>Maintenance needs and priorities in Cook Building and other scientific buildings cannot be sustained with current resources; some building/equipment requests are specific to a lab's operations and Physical Plant does not have the expertise or resources to maintain.</td>
<td>Disagreement over responsible party results in aging protective systems and equipment from being replaced.</td>
<td>Create laboratory master plan and specific laboratory deferred maintenance reserve.</td>
<td>Best practice; ongoing RM &amp; Safety concern</td>
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<td>The Provost has provide resources to benefit and renovate individual labs but the only long term solution is a major renovation of the building or create a new lab facility.</td>
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<td>Fumehoods are not on a regular maintenance program; in addition, there are many different models of fumehoods on campus with different operating instructions, making it difficult for users; Fumehood energy use and affect on building air handling balance is a challenge.</td>
<td>Safety of fumehood use if compromised; energy consumption costs high.</td>
<td>Full-time fumehood maintenance FTE in PPD; long term strategy to standardize fumehood models. met w/Bill B and Sal C 2/14/2012 to discuss funding fumehood maintenance mechanic.</td>
<td>Physical Plant, RM &amp; Safety</td>
<td>best practice; ongoing RM&amp;S concern</td>
<td>Physical Plant and Risk Management are developing scope of work for fumehood maintenance program in PPD. Expect to complete in January 2013. A dedicated staff member is being trained to perform this work.</td>
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<td>12</td>
<td>Lack of accountability by supervisors, chairs, PIs, faculty to assure safe operations in their labs.</td>
<td>Potential for injury, improper disposal of hazardous materials; non-compliance</td>
<td>Improved oversight procedures are in progress; identifying liaisons within depts who are safety contacts would help to support culture of safety.</td>
<td>Academic Deans &amp; Chairs</td>
<td>RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 8-9; ongoing RM&amp;S concern</td>
<td>Oversight procedures tightened and provided as link to new Lab Safety policy @ <a href="http://esf.uvm.edu/uvmemp/procedures/20compoveryight.html">http://esf.uvm.edu/uvmemp/procedures/20compoveryight.html</a>. Risk Management met with Deans of COM, CALS, A&amp;S &amp; CEMS in 2012 to discuss this subject.</td>
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<td>13</td>
<td>Overcrowding of some teaching labs in Cook are in violation of occupancy allowances in the fire code.</td>
<td>maximum occupant capacity in a 1,000 gross square foot research lab is 10 occupants; maximum occupant capacity in a 1,000 gross square foot teaching lab is 20 occupants; typically we have 20-22 students in teaching labs.</td>
<td>Registrar’s office needs to take over reserving lab space; unintended consequence of not being able to accommodate all teaching lab requirements without investing in more TAs, faculty. Mary followed-up with Keith Williams, Registrar’s office, to inquire about taking over the enrollment in labs and response was that lab space use is locally controlled.</td>
<td>Registrar office, Chemistry Dept, C&amp;ES, Campus Planning &amp; RM &amp; Safety's fire marshal</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 7, p.17; NFPA codes</td>
<td>Campus Planning Services, Conference &amp; Events Services and UVM’s Fire Marshall all have a role in determining and maintaining room occupancy data using FAMIS and the new Events Mgt System. The registrar uses those occupancy data, as well as projected occupancy, course needs, individual accommodations and other data to determine course enrollment. The registrar does not have room occupancy info for department scheduled rooms (such as labs) at this time. C&amp;ES is currently developing the most comprehensive “seat count” for general purpose as well as department controlled spaces. Their data will feed both EMS and FAMIS.</td>
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<td>14</td>
<td>Lack of clarity within Chemistry as to the type and frequency of lab safety inspections and assigning responsibility for conducting them.</td>
<td>Failure to inspect or correct deficiencies can result in injury, property damage, fines.</td>
<td>RM&amp;S staff impact labs using a risk based approach; labs are supposed to conduct monthly self-inspections; Cook stockroom employees annually inspect all Cook labs, as do RM&amp;S staff; Dept chairs, PIs need to adhere to oversight responsibilities and recommendations made</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 8-9; EPA; UVM’s Environmental Management Plan</td>
<td>Lab self-inspections and lab audits are part of UVM’s laboratory safety plan. RM&amp;S will audit lab compliance in 2013.</td>
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<td>15</td>
<td>Department of Chemistry Chemical Safety Committee authority over departmental operations questioned.</td>
<td>Lack of response/correction of safety issues</td>
<td>Chair of Chemistry needs to empower committee to act.</td>
<td>Chair RM&amp;Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 10; ongoing frustration for RM&amp;S staff</td>
<td>The Chemistry Safety Committee works in support of the Chemistry Department Chair. The next Committee meeting is January 2013.</td>
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<td>16</td>
<td>Communications need improvement between safety personnel “on the ground” with PIs, Chairs, Deans who need to be informed of unacceptable lab safety practices and adverse events.</td>
<td>Not all safety recommendations are implemented; lab safety staff need to repeatedly return to labs to get “action”.</td>
<td>New oversight policy; empower lab safety staff; RM&amp;S working on electronic audit tracking system.</td>
<td>RM&amp;Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 10</td>
<td>RM&amp;S began using LabClq audit and reporting software system in October 2012. System verification has delayed widespread roll-out which is expected in January 2013. Pilot projects of lab audits show the system to be useful.</td>
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<td>17</td>
<td>“Openness” of campus leads to security issues resulting in access to buildings and labs.</td>
<td>Malicious or unintended consequences when anyone can access a lab.</td>
<td>Expand cattrand system; PIs need to close lab doors when unoccupied</td>
<td>RM&amp;S and UVM police ongoing concern</td>
<td>LabClq access will be expanded over time. In many but not all labs.</td>
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<td>18</td>
<td>Expansion of BSL2+ and BSL3 research results in the need for stricter safety protocols, containment and security standards</td>
<td>More potential for research dollars, but higher regulatory scrutiny and potential for exposure to infectious agents</td>
<td>SOPs for employee safety, biohazard containment through safe work practices and financial investment in sophisticated HVAC systems;</td>
<td>COM &amp; RM &amp; Safety</td>
<td>NIH, CDC guidelines</td>
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<td>19</td>
<td>Cook Chemistry stockroom fire door needed to negate the negative impact of a potential fire/explosion has not been installed; new flash arrestors are needed on flammable storage cabinets.</td>
<td>Increases risk for spread of a fire.</td>
<td>Chemistry needs to submit work order. Flash arrestors scheduled for replacement during Spring break 2012; magnetic door holder on door from stockroom to office in dispute – rom air/ventilation balancing perspective door should be kept shut.</td>
<td>Chemistry, PPD &amp; RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 11; NFPA codes</td>
<td>PPD installed new flash arrestors on flammable storage cabinets and installed a magnetic door hold-open in the stockroom. Stockroom is negative to hallway when the door is kept closed.</td>
<td>Dec-12</td>
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<td>20</td>
<td>ANR August 2010 alleged violation: 8a. Several rooms (Cook Rs 215, 231; Given # 329; Jeffords # 104, 116) had multiple containers that were not marked with the words “laboratory waste” or other words describing the specific contents contrary to the EMP, Laboratory Standard Operating Policies and Procedures, Part III, and Procedure 5; in violation of VHWMR §7-109(c) and 40 CFR §262.104(a).</td>
<td>Minor risk of injury: technical fine</td>
<td>Minor violation of UVM’s Environmental Management Plan (EMP) and EPA regs; UVM has asked DEC to change citation to state “several” (instead of “multiple”) containers</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection and NOAV; Lab safety report: Cook Physical Science Building, p. 12</td>
<td>Containers were properly labeled as of Sept 2010</td>
<td>11/28/2011</td>
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<td>21</td>
<td>ANR August 2010 alleged violation: 8b. Two rooms (Cook Rs 215, 233) had containers stored on the floor without any secondary containment and therefore not managed in a manner to avoid leaks contrary to EMP, Laboratory Standard Operating Policies and Procedures, Part III, and Procedure 5; in violation of VHWMR §7-109(c) and 40 CFR §262.104(a)(2).</td>
<td>Minor risk of injury: technical fine</td>
<td>Minor violation of UVM’s Environmental Management Plan (EMP) and EPA regs; UVM has asked DEC to change citation to state “several” (instead of “multiple”) containers</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection and NOAV; Lab safety report: Cook Physical Science Building, p. 12</td>
<td>Secondary containment put in place as of September 2010</td>
<td>11/28/2011</td>
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<td>22</td>
<td>ANR August 2010 alleged violation #9</td>
<td>Respondent’s EMP contains procedures for audits of all XL Project laboratories. As indicated in its 2003 Project XL progress report, Respondent determined that a combination of routine and “for-cause” audits is the most efficient and effective procedure for assurance activity related to laboratory safety. At the time of the August 2010 inspection, staff acknowledged that the Laboratory Compliance Oversight Procedure had changed but the EMP had not been revised to reflect the change. Respondent therefore did not conduct laboratory audits in strict adherence to the EMP, Administrative Policies and Procedures, Part III, and Procedure 10; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(15). By September 22, 2010, Respondent had amended the EMP to include this change.</td>
<td>Failure to audit labs can result in unsafe conditions being addressed</td>
<td>UVM’s response to State: UVM has determined that a combination of routine and “for-cause” audits is the most efficient and effective procedure for assurance activity related to laboratory safety. At the time of the August 2010 inspection, staff acknowledged that the Laboratory Compliance Oversight Procedure had changed but the EMP had not been revised to reflect the change. Respondent therefore did not conduct laboratory audits in strict adherence to the EMP, Administrative Policies and Procedures, Part III, and Procedure 10; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(15). By September 22, 2010, Respondent had amended the EMP to include this change.</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection and NOAV; Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>UVM responded to State as per “Proposed Response” column in this report.</td>
<td>11/28/2011</td>
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<td>23</td>
<td>ANR August 2010 alleged violation #10</td>
<td>Respondent’s EMP contains provisions for conducting monthly laboratory self-inspections and maintaining records of inspections. The inspection revealed that of the laboratories inspected, some rooms (Cook Rs 215, 217, 231, 233, 243, 244; Given Rs 319, 321, 329, 332, 340; Stafford Rs 202, 220, 222; Marsh Rs 104, 113, 117) had not consistently maintained records of recent self inspections contrary to the EMP, Laboratory Standard Operating Policies and Procedures, Part V, and Procedure 7; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(15).</td>
<td>Failure to audit labs can result in unsafe conditions being addressed.</td>
<td>By September 22, 2010, all labs noted had conducted their self-inspections.</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection and NOAV; Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>By September 22, 2010, all labs noted had conducted their self-inspections.</td>
<td>11/28/2011</td>
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<td>24</td>
<td>ANR August 2010 alleged violation #11</td>
<td>After reviewing Respondent’s records of ESF oversight audits of Cook laboratories conducted in each of the previous three years, which detailed whether corrective actions were taken following audit results, the inspector determined the following: a. Based on a review of 2007 ESF oversight audit records (12/17/08 report date), twenty-four Cook laboratories that were audited received results requiring corrective actions (including room Rs 104, 105, 113, 118, 120, 122, 217, 230, 231, 233, 238, 315, 317, 318, 326, 328, 329, 334), however corrective actions were insufficiently documented contrary to the EMP, Administrative Policies and Procedures, Part III, and Procedure 10; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(15).</td>
<td>Failure to audit labs can result in unsafe conditions being addressed.</td>
<td>Audit scores over these three years show continuous improvement and therefore implementation of corrective actions, however these actions were insufficiently documented.</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection &amp; NOAV; Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>All Cook labs involved in the DEC inspection were audited, corrective actions were implemented, and all received passing audit scores by September 22, 2010. Another round of audits by RM&amp;S staff is planned by year end 2011. Also, UVM has promulgated, as part of its comprehensive Laboratory Health and Safety Policy, procedures for enhanced oversight and corrective action following ESF findings of noncompliance.</td>
<td>11/28/2011</td>
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<td>No.</td>
<td>Issue Statement</td>
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<td>Proposed Response</td>
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<td>25</td>
<td>b. Based on a review of 2008 ESF oversight audit records (12/21/09 report date), thirteen Cook laboratories that were audited received results requiring corrective actions (including rooms 217, 233, 238, 315, 318), however corrective actions were insufficiently documented contrary to the EMP, Administrative Policies and Procedures, Part III, and Procedure 10; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(16).</td>
<td>Failure to audit labs can result in unsafe conditions being addressed</td>
<td>Audit scores over these three years show continuous improvement and therefore implementation of corrective actions, however these actions were insufficiently documented.</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection &amp; NOAV- comments are related to Cook only; Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>11/28/2011</td>
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<td>All Cook labs involved in the DEC inspection were audited, corrective actions were implemented, and all received passing audit scores by September 22, 2010. Another round of audits by RM&amp;S staff is planned by year end 2011; also, UVM has promulgated, as part of its comprehensive Laboratory Health and Safety Policy, procedures for enhanced oversight and corrective action following ESF findings of noncompliance.</td>
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<td>26</td>
<td>c. Based on a review of 2009 ESF oversight audit records (8/9/10 report), eight Cook laboratories that were audited received results requiring corrective actions (including rooms 212, 233, 329, 334), however corrective actions were insufficiently documented contrary to the EMP, Administrative Policies and Procedures, Part III, and Procedure 10; in violation of VHWMR §7-109(c) and 40 CFR §262.105(b)(16). Audit scores over these three years show continuous improvement and therefore implementation of corrective actions, however these actions were insufficiently documented.</td>
<td>Failure to audit labs can result in unsafe conditions being addressed</td>
<td>Audit scores over these three years show continuous improvement and therefore implementation of corrective actions, however these actions were insufficiently documented.</td>
<td>RM &amp; Safety</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection &amp; NOAV- comments are related to Cook only; Lab Safety Report: Cook Physical Science Building, p. 13</td>
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<td>27</td>
<td>During its inspection in August 2010, ANR noted in lab 215 in Cook, two researchers who utilize the lab could not agree on who was responsible for compliance with EMP; both researchers felt the other was responsible.</td>
<td>Lack of accountability can result non-compliance</td>
<td>Chair needs to assign primary responsibility for this lab</td>
<td>Chair</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection &amp; NOAV- comments are related to Cook only; Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>11/28/2011</td>
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<td>One of the researchers was formally appointed as the Laboratory Supervisor in 2010; UVM contacted DEC for cancellation of RSO separate ID number and assignment of the primary hazardous waste ID number to all on campus operations.</td>
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<td>28</td>
<td>ANR inspection revealed a supply of mercury, approx. 1/2 gallon, in a cabinet in room 207 Cook; According to the researcher, the mercury had been stored there since 1980s</td>
<td>Considered to be storage of inherently waste-like material due to age, and, thus an EPA violation</td>
<td>remove for hazardous waste disposal</td>
<td>RM &amp; Safety</td>
<td>UVM contacted DEC for cancellation of RSO separate ID number and assignment of the primary hazardous waste ID number to all campus operations.</td>
<td>11/28/2011</td>
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<td>29</td>
<td>During its inspection in August 2010, ANR noted that even though UVM’s Radiation Safety Office is located on the main campus, the two rooms of the RSO is assigned a unique EPA waste ID number as a hazardous waste generator.</td>
<td>Technical violation of EPA rules</td>
<td>UVM contacted DEC for cancellation of RSO separate ID number and assignment of the primary hazardous waste ID number to all campus operations.</td>
<td>RSO</td>
<td>Agency of Natural Resources Waste Management Division August 24-26, 2010 Inspection &amp; NOAV- Lab Safety Report: Cook Physical Science Building, p. 13</td>
<td>11/28/2011</td>
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<td>resolved September 2010; UVM contacted DEC for cancellation of RSO separate ID number and assignment of the primary hazardous waste ID number to all campus operations.</td>
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<td>30</td>
<td>Behavior related incidents in Cook: discovered hazardous waste containers improperly stored in teaching labs (March 2007); significant chemical spill in A310 (Aug 2009); sealed bag of discarded chemicals and supplies in trashcan outside of A315 (March 2010); graduate student discarded paper towels used to wipe a chemical spill into trash bags and his lunch box (Aug 2010); 10 tagged laboratory waste groups and seven potentially hazardous chemicals were found in labs A230, A231, A238, and A243 (Apr 2009)</td>
<td>Potential environmental contamination, injury, non-compliance</td>
<td>Unknown if any disciplinary action was undertaken by Chemistry Department; Chem Dept needs to take lead to document and report remedial actions to RM&amp;S; educate chemistry faculty, grad students, and undergrad students regarding hazardous waste management, and initiate clean outs of labs, and conduct exit interviews of departing lab users to ensure chemicals are not taken from the labs on departure, and develop a standard labeling system to improve hazardous chemicals of concern reporting for research labs and storage areas.</td>
<td>Chair</td>
<td>RM &amp; Safety</td>
<td>Risk Management Incident report as outlined in the L Lab Safety Report: Cook Physical Science Building, p. 20-21</td>
<td>RM&amp;S personnel had to clean up labs and remove hazardous chemical waste</td>
<td>11/28/2011</td>
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<td>31</td>
<td>Facility related incidents caused by high temperature/humidity in Cook: potassium hydride exposed to high humidity causing a fire in a fume hood; another incident involved high temperature and a chemical interacted causing the chemical container to rupture (Jul 2005)</td>
<td>Chemical reactive in heat can cause fire/explosion</td>
<td>Infrastructure changes to address heat and humidity; Lab personnel agreed to remind others in Chemistry to be extra careful using reactive materials on days with high humidity.</td>
<td>Chair</td>
<td>Chemistry</td>
<td>Risk Management Incident Reports outlined in the L Lab Safety Report: Cook Physical Science Building, p. 21</td>
<td>No follow-up required. A/C concerns are addressed in issue #1 of this matrix.</td>
<td>Dec-12</td>
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<tr>
<td>32</td>
<td>Facility related incidents in 2007 caused by gas leaks in Cook: 10 gas leaks on the fourth and fifth floors (Physics Dept) - likely caused by not turning off the gas spigots.</td>
<td>Gas leaks, unsafe environment</td>
<td>Physical Plant &amp; Police to monitor situation to determine whether malicious intent involved.</td>
<td>Chair</td>
<td>Chemistry &amp; Physics</td>
<td>Risk Management Incident reports outlined in the L Lab Safety Report: Cook Physical Science Building, p. 21</td>
<td>No similarly reported incidents per RM&amp;S files, since 2007</td>
<td>11/28/2011</td>
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<td>33</td>
<td>Facility related incidents caused by leaving a lab A127 in disarray in Cook; unoccupied and not in use at the time.</td>
<td>Dangerous hazardous material conditions creating unsafe environment for others</td>
<td>Unknown if any follow up action was taken by Chemistry, as this was result of a departing faculty member. Chemistry needs take lead in following lab close-out procedures</td>
<td>Chair</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 21</td>
<td>RM&amp;S personnel had to clean up lab</td>
<td>11/28/2011</td>
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<td>34</td>
<td>Facility related incidents caused by blocked flash arrester in A243's flammable cabinets in Cook.</td>
<td>Affects spread of fire when arrestors not working properly</td>
<td>August 2007 RM&amp;S obtained quote from Northern Safety to repair; unknown if Chemistry followed up. Corroded flash arrestors to be replaced during Spring Break 2012?</td>
<td>Chair</td>
<td>Chemistry, PPD &amp; RM &amp; Safety</td>
<td>Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 21</td>
<td>PPD installed new flash arrestors on flammable storage cabinets and installed a magnetic door hold-open in the stockroom. Stockroom is negative to hallway when the door is kept closed.</td>
<td>Dec-12</td>
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<td>35</td>
<td>2007: of 32 Cook labs audited, 23 fell below the 60 point minimum inspection passing score, as a result RM&amp;S recommended the Chemistry Dept perform, document and report remedial actions to ES, educate chemistry faculty, grad students, and undergrad students regarding hazardous waste management, and initiate clean outs of labs, and conduct exit interviews of departing lab users to ensure chemicals are not taken from the labs on departure, and develop a standard labeling system to improve hazardous chemicals of concern reporting for research labs and storage areas.</td>
<td>Unsafe conditions</td>
<td>RM&amp;S staff to perform 2011 audits by Dec 31. Results to be reported</td>
<td>Chair</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Summary of UVM Environmental Safety Audit Reports, 2007, 2008, 2009 and 2010; Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 22-23</td>
<td>100% audits conducted in 2011 of all Chemistry labs and high priority labs</td>
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<td>35</td>
<td>2008: of 14 Cook labs audited, 9 labs scored the minimum 60 points and the remaining 5 failed to score a minimum of 60 points</td>
<td>Unsafe conditions</td>
<td>RM&amp;S staff to perform 2011 audits by Dec 31. Results to be reported</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Summary of UVM Environmental Safety Audit Reports, 2007, 2008, 2009 and 2010. Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 22-23</td>
<td>100+ audits conducted in 2011 of all Chemistry labs and high priority labs</td>
<td>11/28/2011</td>
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<td>2009: significant improvement occurred from the 2008 reporting, i.e., 15 of 19 Cook labs passed there audit with a score of 60 or better, However, two labs failed to pass audits for 3 consecutive years</td>
<td>Unsafe conditions</td>
<td>RM&amp;S staff to perform 2011 audits by Dec 31. Results to be reported</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Summary of UVM Environmental Safety Audit Reports, 2007, 2008, 2009 and 2010. Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 22-23</td>
<td>100+ audits conducted in 2011 of all Chemistry labs and high priority labs</td>
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<td>2010: Focus was on three key areas - chemical labeling and storage, general housekeeping and lab documentation. In addition the audit scoring scale was changed so that 100 was the minimum of 100 points; of 26 Cook labs audited, 7 failed to meet the 100 point minimum.</td>
<td>Unsafe conditions</td>
<td>RM&amp;S staff to perform 2011 audits by Dec 31. Results to be reported</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Summary of UVM Environmental Safety Audit Reports, 2007, 2008, 2009 and 2010. Risk Management Reporting outlined in the L Lab Safety Report: Cook Physical Science Building, p. 22-23</td>
<td>100+ audits conducted in 2011 of all Chemistry labs and high priority labs</td>
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<td>36</td>
<td>1992 EH&amp;S Task Force Report Recommendations: Create a University Health and Safety Committee, a Chemical and Biological Safety Committee, an Environmental Health and Safety Office; these new offices and/or committees would help to ensure UVM's lab safety and regulatory compliance; many of the issues noted in this 1992 report still exist today.</td>
<td>Create more oversight, structure and accountability for lab safety</td>
<td>Lab safety committee with faculty to chair and appropriately staffed is needed to be effective. Chemical &amp; Biosafety (CBS) committee formed in 1993; disbanded in 2000 (inefffectual). &quot;EHS Office&quot; is a function within the Department of Risk Management &amp; Safety; Members of RM&amp;S staff sit on IRB, IBC, IACUC, Rad Safety committees</td>
<td>1992 Environmental Health and Safety Task Force Report: Lab Safety Report: Cook Physical Science Building, p. 22-23</td>
<td>Lab safety committee with faculty to chair and appropriately staffed is needed to be effective. Chemical &amp; Biosafety (CBS) committee formed in 1993; disbanded in 2000 (inefffectual). &quot;EHS Office&quot; is a function within the Department of Risk Management &amp; Safety; Members of RM&amp;S staff sit on IRB, IBC, IACUC, Rad Safety committees</td>
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<td>38</td>
<td>Mandate the use of electronic inventories in the Chemistry Department.</td>
<td>Timely information is readily available on chemicals in stockroom, chemicals in labs and those tagged for disposal</td>
<td>some Cook labs already using system; senior leadership needs to promote dept.-wide use</td>
<td>Chair</td>
<td>Chemistry &amp; RM &amp; Safety</td>
<td>Lab Safety Report: Cook Physical Science Building, p. 26</td>
<td>Dec-12</td>
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<td>Chemistry Department &amp; RM&amp;S have split the costs associated with the container-specific on-line chemical inventory system. New researchers in 2012 needed additional licenses. Expect to have inventories complete January 2013</td>
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<td>39</td>
<td>Disparity of Cook lab conditions in relation to other labs in other buildings affect lab user morale.</td>
<td>Difficulty in retaining and attracting quality chemistry faculty and conducting high caliber research</td>
<td>Renovations/upgrades</td>
<td>Capital Planning</td>
<td>STEM Center initiative under review by BOT, President Sullivan and deans. Chemistry Department had two labs on 3rd floor renovated in 2012. About 1/3 of Chemistry research labs and none of the class labs have been renovated in last 10 years.</td>
<td>Dec-12</td>
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Color Code:
- Green: Issue substantially or completely resolved
- Yellow: Issue being addressed but unresolved
- Red: No significant progress
Enterprise Risk Management (ERM) Status Report
UVM Board of Trustees Audit Committee
February 7, 2012

1. Summary of ERM activities since the November 7th, 2012 Audit Committee meeting

- Responsible officials completed their risk assessment of the risks and opportunities in the Preliminary Risk Inventory that were assigned to them by the Provost and Chief Risk Officer.
- UVM’s first DRAFT “Institution Risk Register” was developed and is being reviewed by the President’s Advisory Committee on Enterprise Risk Management (PAC-ERM). The PAC-ERM will use the DRAFT “Institution Risk Register” to develop a DRAFT “Institutional Risk Portfolio” for approval by the President. The Chief Risk Officer will preview the DRAFT “Institutional Risk Portfolio” with the President’s Senior Leadership (PSL) and the Dean’s Council before forwarding a final recommended DRAFT “Institutional Risk Portfolio” to the President.

2. ERM schedule through May 2013

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tr>
<td>Feb – March 2013</td>
<td>PACERM meeting: review recommended risk register and portfolio</td>
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<td>President’s Sr. Leadership and Deans’ Council review risk register and</td>
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<td>portfolio</td>
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<td>Mar 2013</td>
<td>President acts on risk portfolio</td>
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<td>April 2013</td>
<td>Audit Committee meeting: presentation of risk portfolio to Audit Committee</td>
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<td>Oct 2013</td>
<td>BoT meeting: presentation of risk portfolio to Committee of the Whole</td>
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THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

COMMITTEE OF THE WHOLE

Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Samuel Bain, Bill Botzow, Carolyn Branagan, Christopher Bray, Robert Brennan, Frank Cioffi, David Daigle, Jeffrey Davis, Kyle DeVivo, Richard Gamelli, Joan Lenes, Dennis Mahoney, Debbie McAneny, David Potter, Kesha Ram, Dale Rocheleau, William Ruprecht, Peter Shumlin, President Thomas Sullivan, Lisa Ventriss, Jeanette White and Mark Young

Friday, February 8, 2013
8:00 a.m. – 10:30 a.m.
3:15 p.m. – 5:30 p.m.
Silver Maple Ballroom, (401) Dudley H. Davis Center

AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tr>
<td><strong>Call to Order</strong></td>
<td><strong>8:00 a.m.</strong></td>
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<tr>
<td>1. Approval of the November 7-8, 2012 meeting minutes</td>
<td>Attachment 1</td>
<td>Robert Cioffi</td>
<td>8:00-8:03</td>
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<tr>
<td>2. Chair’s Report</td>
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<td>Robert Cioffi</td>
<td>8:03-8:13</td>
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<td>3. President’s Report</td>
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<td>Thomas Sullivan</td>
<td>8:13-8:23</td>
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<td>4. Staff Council President’s Report</td>
<td>Attachment 2</td>
<td>Catherine Symans</td>
<td>8:23-8:28</td>
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<tr>
<td>5. Student Government Association President’s Report</td>
<td>Attachment 3</td>
<td>Connor Daley</td>
<td>8:28-8:33</td>
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<tr>
<td>6. Alumni Association President’s Report</td>
<td>Attachment 4</td>
<td>Ted Madden</td>
<td>8:33-8:38</td>
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<td>7. Faculty Senate President’s Report</td>
<td>Attachment 5</td>
<td>Julie Roberts</td>
<td>8:38-8:43</td>
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<tr>
<td>8. Graduate Student Senate President’s Report</td>
<td>Attachment 6</td>
<td>Kelly Swindlehurst</td>
<td>8:43-8:48</td>
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<tr>
<td>9. Action Items</td>
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<td>8:48-9:03</td>
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<td>Resolution Awarding Contracts for Vehicle Rental</td>
<td>Attachment 7</td>
<td>Richard Cate</td>
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<td>Resolution Approving STERIS Contract</td>
<td>Attachment 7</td>
<td>Richard Cate</td>
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<tr>
<td>Resolution Approving Contract Extension with University Health Plans</td>
<td>Attachment 7</td>
<td>Richard Cate</td>
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<td>Resolution Approving Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.</td>
<td>Handout</td>
<td>Richard Cate</td>
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<td>Resolution Regarding Naming of Building</td>
<td>Attachment 8</td>
<td>Robert Cioffi</td>
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<td>Approval of 2014 Meeting Schedule</td>
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<td>Richard Cate</td>
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<tr>
<td><strong>Break</strong></td>
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<td>9:35-9:45</td>
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<tr>
<td>12. Office of Technology Commercialization Presentation</td>
<td>Attachment 10</td>
<td>Domenico Grasso</td>
<td>9:45-10:00</td>
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<td></td>
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<td>Corine Farewell</td>
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<tr>
<td>13. Academic Presentation</td>
<td></td>
<td>Mara Saule</td>
<td>10:00-10:30</td>
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<td>Center for Teaching &amp; Learning</td>
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<td>Jennifer Dickinson</td>
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<td>Ernesto Mendez</td>
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<td>Elizabeth Pope</td>
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<td>14. Recess</td>
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## COMMITTEE OF THE WHOLE

### AGENDA, Continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tbody>
<tr>
<td>Reconvene</td>
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<td>3:15 p.m.</td>
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<tr>
<td>14. Housing Master Plan</td>
<td>Attachment 11</td>
<td>Tom Gustafson Tom Hier, Biddison Hier, Ltd. Armand Quadrini, KSQ Architects, Inc.</td>
<td>3:15-4:15</td>
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<tr>
<td>15. Deferred Maintenance Presentation</td>
<td>Attachment 12</td>
<td>Richard Cate James Kadamus, Sightlines</td>
<td>4:15-4:45</td>
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<tr>
<td>16. Executive Session*</td>
<td></td>
<td>Robert Cioffi</td>
<td>4:45-5:25</td>
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<td>• Action anticipated following</td>
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<tr>
<td>17. Other Business</td>
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<td>Robert Cioffi</td>
<td>5:25-5:30</td>
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<td><strong>Adjourn</strong></td>
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<td>5:30 p.m.</td>
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*The Chair will entertain a motion to enter into Executive Session to discuss contracts with action anticipated following.

**Time is approximate**
Committee of the Whole - Executive Summary

Friday, February 8, 2013

Prepared by: Robert Cioffi, Chair

Our meeting will begin on Friday morning with the President’s and Chair’s customary reports followed by an opportunity for Trustees to ask questions of the Governance Leaders in response to their written reports. The Committee will be asked to consider action items as outlined below. Time has been reserved for an academic presentation on the Center for Teaching and Learning, a presentation by the Office of Technology Commercialization and a financial aid tutorial. The Committee will reconvene in the afternoon, following a tour of residence halls, for presentations on the Housing Master Plan and deferred maintenance. Time is reserved for an executive session to discuss contracts after which action is anticipated.

ACTION ITEMS

Approval of Previous Meeting Minutes
The minutes from the November 7-8, 2012 meeting are included as Attachment 1.

Action: Motion to approve the minutes.

Awarding of Contracts for Vehicle Rental
RFP # 16-13-11 was released in December and six bid proposals were received for car rental services. Awarding as the primary contract, Hertz Corporation matched the State of Vermont contract pricing and was the best overall pricing nationally for all car classes, including 12 passenger vans. As secondary contracts, Thrifty Car Rental has been chosen for their car class pricing and Majestic Car Rental Group for 12-passenger van pricing. Majestic is also a Vermont owned and operated company.

Action: Resolution awarding contracts for vehicle rental. Attachment 7

Approval of Contract with STERIS Corporation
Technical Services Partnership (TSP) provides healthcare technology management services for client facilities in Vermont, New Hampshire and New York. STERIS provides preventive maintenance and repair services for hospital sterilizers, operating room lights and operating room tables. TSP presently manages 168 STERIS devices at 19 of our 31 client facilities. By establishing a group contract with STERIS, TSP is able to reduce the overall cost of maintenance on these devices to their clients.

Action: Resolution approving contract with STERIS Corporation. Attachment 7
Committee of the Whole - Executive Summary

February 8, 2013

Approval of Contract Extension with University Health Plans
The Center for Health & Wellbeing has requested that it defer by one year the bid process for the UVM Student Health Insurance Plan (SHIP). We are nearing the end of the third year of our current policy on of July 31, 2013. While we would typically initiate the bid process this month, we wish to defer bidding for the 2013-14 policy year. The underlying reason for this request relates to the requirements of the Affordable Care Act (ACA), which require that we upgrade the present SHIP substantially effective 2014. While we have gradually been modifying the insurance policy terms with our current broker/University Health Plans and Insurer/Nationwide to meet ACA requirements, we firmly believe it would be in the best interests of the University to continue to work with our current broker and insurer during this transition phase, and not bid at this time.

Action: Resolution approving contract extension with University Health Plans Attachment 7

Approval of Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.
In September 2011, the Board granted authority to approve a subscription and license agreement with EBSCO, the subscription agent, and Elsevier, the journal publisher for library acquisitions. These agreements support acquisition by UVM Libraries – Bailey/Howe Library and Dana Medical Library together – to support the teaching and research missions of the institutions. The materials include books, journals, microforms, databases, and media materials. At that time, the Board provided authority under the Elsevier contract, running through calendar year 2014, for a total amount not to exceed $4,050,000. Since approval in September 2011, the Libraries have identified the need for additional periodicals available under the contract with Elsevier that are necessary to support the research and teaching of faculty and students at the University.

The Board will be asked to increase the authorized level of purchases from Elsevier through the term of the existing contract by $1,500,000 for Library acquisitions. These funds are available in the existing Libraries budget.

Action: Resolution approving increase in expenditure authority for Library Acquisition Agreement with Elsevier, Inc. Attachment 7

Approval of Naming of Building
At the meeting, a resolution will be presented to approve the naming of a building on campus.

Approval of 2014 Meeting Schedule
The Committee will be asked to approve Board meeting and retreat dates for 2014 as proposed in Attachment 8.

Action: Motion to approve the dates as proposed.
STATUS UPDATES

**Office of Technology Commercialization Presentation** – In follow up to a variety of questions that arose at the November meeting regarding UVM’s technology commercialization process, Corine Farewell, Director of the Office of Technology Commercialization, has prepared the white paper included as **Attachment 10** in the meeting materials. At the meeting, Director Farewell will present an overview of the process which will give the ‘landscape’ of UVM tech transfer with some comparisons to our peer institutions.

PRESENTATIONS

**Financial Aid Tutorial** – Vice President Lucier will describe how financial aid can be leveraged to support enrollment management goals, goals such as quality, diversity, residency mix, and affordability, while achieving net revenue goals. He will also provide data to illustrate financial aid expenditures over the past several years, when enrollment continued to grow as did the financial need of families. Additionally, he will review projection of financial aid expenditures over the next two fiscal years as we reduce enrollment and improve selectivity and quality. **Attachment 9**

**Academic Presentation** – Jennifer Dickinson, Director of the Center for Teaching and Learning (CTL), will offer a brief overview of faculty development at UVM focusing on the CTL’s mission and programs that directly improve teaching quality. Professor Ernesto Mendez (College of Agriculture & Life Sciences, Department of Plant and Soil Science) will present on the impact of the Teaching Effectively Online (TEO) Program and working in partnership with CTL staff. Additionally, Doctoral Candidate Elizabeth Pope (College of Agriculture & Life Sciences, Department of Nutrition and Food Science) will discuss the impact of the Graduate Teaching Program (GTP) and other CTL programming has had on her teaching and research and how this has helped prepare her for a successful academic career.

**Housing Master Plan** – Having accomplished the major objectives of the 2001 Residential Life Master Plan, the University issued a Request for Qualifications for a new Housing Master Plan in May 2011. The team of Thomas Hier, principal in Biddison Hier, Ltd., and Armand Quadrini, principal in KSQ Architects, Inc. PC, have been working with UVM staff since October 2011 to develop the new UVM Housing Master Plan. They will join Vice President Gustafson to present recommendations from the newly developed Housing Master Plan. **Attachment 11**

**Deferred Maintenance Presentation** – The University engaged with Sightlines, a strategic facilities consulting firm in 2007 to develop a portfolio approach to campus investments. The portfolios were intended to guide and prioritize investments into existing facilities. Sightlines has pioneered this process and has assisted hundreds of campuses across the country creating a stronger planning procedure by developing rational, phased programs of capital allocation that optimizes investments to beneficial outcomes. James Kadamus, Vice President of Sightlines, will lead a presentation regarding the work completed over the past decade and he and Vice President Cate will provide strategies for managing future investments in UVM’s facilities portfolio. **Attachment 12**
OTHER BUSINESS

Time will be reserved for an executive session on Friday afternoon to discuss contracts after which action is anticipated.

ROUTINE REPORTS

Staff Council President’s Report - Attachment 2
Student Government Association President’s Report - Attachment 3
Alumni Association President’s Report - Attachment 4
Faculty Senate President’s Report - Attachment 5
Graduate Student Senate President’s Report - Attachment 6
Grants and Contract Awards Report - Report A
Dashboard Indicators – Report B – the only change since November is the addition of the FY 2012 budget to actual number
BOARD OF TRUSTEES
COMMITTEE OF THE WHOLE
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

The Committee of the Whole of the University of Vermont and State Agricultural College Board of Trustees was held on Wednesday, November 7, 2012 at 1:00 p.m., in Memorial Lounge, 338 Waterman.

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen*, Secretary Donna Sweeney, Samuel Bain, Bill Botzow, Carolyn Branagan, Christopher Bray**, Robert Brennan, Frank Cioffi, David Daigle, Jeffrey Davis, Kyle DeVivo, Richard Gamelli, Joan Lenes, Dennis Mahoney, Debbie McAneny, David Potter, Kesha Ram, Tom Sullivan, Lisa Ventriss, Jeanette White and Mark Young

MEMBERS ABSENT: Dale Rocheleau, Bill Ruprecht and Governor Peter Shumlin

ALSO PARTICIPATING: Senior Vice President and Provost Jane Knodell, Graduate Student Senate President Kelly Swindlehurst, Staff Council President Catherine Symans, Student Government Association President Connor Daley, Alumni Council President Ted Madden, Faculty Senate President Julie Roberts, Vice President for Legal Affairs and General Counsel Francine Bazlue, Vice President for Research and Dean of the Graduate College Domenico Grasso, Director of the Office of Technology and Commercialization Corine Farewell, Assistant Professor in Microbiology and Molecular Genetics Dr. Aimee Shen, Graduate Student Kelly Fimlaid, Undergraduate Student Keyan Pishdadian, and Vice President for Enrollment Management Chris Lucier

*Arrived at 1:46 p.m.
**Arrived at 1:52 p.m.

Chair Robert Cioffi called the meeting to order at 1:15 p.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the May 18, 2012 meeting as presented.

Chair’s Report (see full report appended to minutes as Appendix A)

President’s Report

President Tom Sullivan provided his first report to the Board, noting that he would focus on his strategic action plan. He expressed thanks to the Board for the warm welcome, support and advice he has received so far. His travels have helped him enormously in learning about the citizens of Vermont. Mindful of the damage caused by Hurricane Sandy, he extended thoughts to those affected. He also extended congratulations to the Trustee members that were elected or re-elected to the Legislature to serve Vermont.
President Sullivan then presented his Strategic Action Plan, noting that it captures his initial thoughts, goals and aspirations. He outlined areas of top priorities to enhance the vision and mission statement. He emphasized that these goals should not be taken as set in stone, as they will continue to evolve. The plan will require careful balancing and rebalancing of resource demands. President Sullivan noted that the University cannot be all things to all people and that priorities need to be set and budgets aligned accordingly. The full plan is included as Appendix B.

Governance Leaders Reports

Graduate Student Senate (“GSS” or “Senate”) President Kelly Swindlehurst reported that, in GSS’s third year as a governing body, it has a renewed their focus on the balance between academic and non-academic activities. GSS is concentrating on the following three strategic areas: professional and student development; student life and collaboration inclusion; and support. The Senate has 40 senators with 32 different programs. It is on track to finish the semester with 13 total events, compared to seven in Fall 2011. President Swindlehurst reported that the GSS’s newest initiative is the creation of a professional development series for graduate students, which provides them the opportunity to network, as well as to develop and practice skills that will aid them in their studies and in their careers. Another focus has been student life, for which they have improved communications, increased office hours, increased events, and formed three graduate student clubs. President Swindlehurst concluded her report by noting that GSS is engaging in more data-driven decision making, and recently distributed a survey of graduate student housing that was completed by 225 students. The data collected from the survey, as well as future surveys, will allow the GSS to focus its programming and advocacy where needed most.

Staff Council President Catherine Symans provided her first report to the Board. She observed that, over the past few years, Staff Council has made significant progress in its efforts to improve collaboration and has a more active role with the University. She recalled the Campus Climate Survey that was presented last February, and noted that one of the recommendations was to establish a comprehensive diversity professional development program that spoke to a long-standing concern regarding how the larger University community perceives the role of staff at UVM. At tomorrow’s Educational Policy and Institutional Resource Committee meeting, Chief Diversity Officer Wanda Heading-Grant will present an update on this work, and Staff Council is eager to determine what progress has been made. President Symans also reported that she is a member of President Sullivan’s newly formed President’s Advisory Council and looks forward to her service on the Council. She emphasized that staff are an important part of ensuring the success of President Sullivan’s plan.

Student Government Association (SGA) President Connor Daley began his report by noting that President Sullivan has shown great leadership in his short time on campus. He reported that, so far this year, SGA has been involved in both reacting to student concerns and identifying of strategic priorities. SGA has opened a campus dialogue on post-graduation preparation and career services development. President Daley has also directed a review of what different areas on campus do for academic advising, with a report to be produced in January to be followed-up with an action plan on how to improve this area. In terms of community relations, SGA has had several conversations with City leadership on how to better student-neighbor relations and underscore student rights and responsibilities. SGA is working toward a recommendation for a mandatory
education program about living off campus. Another important initiative is working towards a healthier campus climate. In the coming months, SGA will be working with the Chief Diversity Office to review the University Diversity requirement to ensure the best diversity training for students. The SGA Senate has also been busy reviewing enhancing student experience by establishing what they call “second tier initiatives“ President Daley concluded his report by commenting that, as the University enter a new era with President Sullivan’s leadership, the two most important drivers in identifying and addressing the University’s challenges will be clarity and collaboration.

Alumni Association President Ted Madden reported that the Association continues core work amongst seven committees in the areas of alumni association awards, athletics, career, admission, diversity, Alumni House, and the Student Alumni Association. There have been two new committees created including the affinity committee and the member services committee. Several successful events were held recently, including Reunion and Homecoming this past October, which encompassed new traditions of an ALANA panel and a Celebrating Excellence dinner. President Madden noted that the enhanced Alumni membership program is set to launch in July 2013, with marketing measures beginning in February. Work is also commencing around affinity groups to expand regional representation. He also reported that the approximately $3 million will have been raised for the Alumni House by the end of November. Letters of interest will be accepted for the design phase by next year, with the hope that the house will be open by Fall 2015. President Madden concluded his report by noting that the Association is looking to engage in discussions with the University regarding establishing recognized traditions.

Trustee Sam Bain asked how the Association plans to develop priorities in the area of traditions. President Madden replied that discussions are occurring with current students and the plan is to expand dialogue to include other groups.

Trustee Bain recalled that when he served on the former Alumni Council, the members had thought it would be a good practice to offer alumni a source of identification they could use when on campus. He also suggested they might think about engaging alumni with a questionnaire. President Madden replied that the identification suggestion may be included in the enhanced Alumni membership program and agreed that surveys are a good source of engagement.

Faculty Senate President Julie Roberts reported that faculty have enjoyed collaboration and access to President Sullivan and he has worked with the Senate’s Executive Council and spoken twice at Faculty Senate meetings. President Sullivan has included President Roberts, as well as President of United Academics and Professor of Education David Shiman, among others on his Advisory Council. President Roberts provided an update on General Education, noting that the Senate is fortunate to have exemplary volunteers working on the consideration of the two new areas, Cultures, Diversity & Global Perspectives, and Sciences, Systems & Sustainability. The Senate also looks forward to the advent of online course evaluations, but is concerned about the response rate. President Roberts hopes that new technology will bring continued discussion of evaluations, but observed that it is not the only method for evaluating how students learn and how prepared they are. On the subject of technology, she reported that the Senate has begun to use I-clickers at their meetings. This initiative was made possible with the support of the Provost’s Office and with the help of Faculty Senate Office Administrative Coordinator Ashley Clark. Feedback
regarding the I-clickers has been positive, with many stating that it has made them more comfortable in voting. President Roberts concluded her report by announcing that the Faculty Senate and the Office of the President are jointly hosting the annual Book Banquet on December 10th in Billings Library.

Chair Cioffi thanked each of the governance leaders for their significant contributions to the University.

**Action Items**

Chair Cioffi introduced a resolution regarding amendments to the Policy on Presidential Spouse or Partner Services. The proposed revision would require the spouse or partner annually to file a Conflicts of Interest Disclosure Form. Disclosures would be reviewed and administered by the Board Chair. Chair Cioffi reported that, in compliance with the existing policy, he met with President Tom Sullivan’s wife, Leslie Black Sullivan, to discuss her volunteer status.

The following resolution was presented for approval:

**Resolution Approving Amendments to the Policy on Presidential Spouse or Partner Services**

RESOLVED, that the Board hereby approves the amendments to the Policy on Presidential Spouse or Partner Services appearing as Appendix C to this document.

A motion was made, seconded, and unanimously voted to approve the resolution as presented.

A resolution adopting revisions to the Resolution Regarding Delegation and Retention of Board Authority was introduced by Vice President for Research and Dean of the Graduate College Domenic Grasso. In both its Contract Approval and Signatory Authority Policy and its Procurement or Lease of Goods and Services and Contract Approval and Signatory Authority for Procurement or Lease of Goods and Services Policy, the University has declared that contracts or leases whose aggregate term does or may exceed five years, regardless of contract value or amount, require the approval of the Board of Trustees. By apparent oversight, however, the Board Resolution Regarding Delegation and Retention of Authority does not include this category of contracts within the list of those items requiring Board approval. The resolution proposes to include the five-year limitation. It would also exempt from that requirement a category of contracts that by their nature are long-term but are also routine enough that Board attention should not be necessary. These contracts are negotiated by the Office of Technology Commercialization, and involve the assignment of patent rights in exchange for an external entity’s promise to develop and commercialize University-owned inventions.

Trustee Bill Botzow inquired if the revisions will open contracts to longer ranges and asked what controls might exist. Vice President Grasso replied that the contracts themselves will have stipulations that would be a control and there is compensation monitoring that the contract is being complied with. Vice President for Legal Affairs Francine Bazluke added that, with these contracts, the money is always coming to the University. She noted it is a housekeeping item to
conform the resolution to University and generally accepted practices.

Trustee Botzow asked for clarification on the potential for exposure if a license existed many years from now and resulted in liability. He asked whether, in such a case, there is a mechanism that would protect the University. Director of the Office of Technology and Commercialization Corine Farewell explained that there is language within the contract and insurance for liability. In many instances, she reported, the companies with which University enters into agreements with are the risk owners.

Chair Cioffi suggested that the resolution be acted upon and that either the Educational Policy and Institutional Resources Committee or the Committee of the Whole receive a future presentation on the topic.

The following resolution was presented for approval:

**Resolution Adopting Revisions to the Resolution Regarding Delegation and Retention of Board Authority**

RESOLVED, that the Board hereby adopts revisions to its Resolution Regarding Delegation and Retention of Board Authority appearing as Appendix D to this document.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

Chair Robert Cioffi introduced a resolution approving amendments to the Executive Committee charge, noting that it is a housekeeping item as a result of the cyclical review of Committee charges. The charge was reviewed at the October 1st Executive Committee meeting, at which it endorsed a recommendation to replace all references made to the President as “his/her” with “the President” in order to make the title gender-neutral and consistent with UVM’s efforts to recognize and address the concerns and issues around gender identity and expression within the University community.

The following resolution was presented for approval:

**Resolution Approving Amendments to the Executive Committee Charge**

RESOLVED, that the Board hereby approves amendments to the Executive Committee charge appearing as Appendix E to this document.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

Committee on Board Governance Chair Frank Cioffi introduced a resolution approving amendments to the University Bylaws. He explained that, at its meeting on October 10th, the Committee on Board Governance reviewed and endorsed housekeeping amendments to the University Bylaws that involve revising Section 7.1 to identify expressly the current standing committees and Section 7.5 to include representation from the University Foundation, as well as
to clarify of the number of representatives that may be designated to the standing committees of the Board.

The following resolution was presented for approval:

**Resolution Approving University Bylaws Amendments**

RESOLVED, that the Board hereby approves amendments to the University Bylaws, appearing as Appendix F to this document.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

Committee on Board Governance Chair Cioffi next introduced a resolution approving a revision to the Trustee Conflict of Interest Policy. He explained the revision is being made to conform to best practices. Language has been added to address honoraria and similar remuneration offered to Trustees from external parties or the University.

The following resolution was presented for approval:

**Resolution Approving Revision to Trustee Conflict of Interest Policy**

RESOLVED, that the Board hereby approves revisions to the Trustee Conflict of Interest Policy appearing as Appendix G to this document.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

Vice President Cate introduced a resolution approving renewal of library journal acquisition contract with EBSCO, Inc., noting that we have routinely contracted with this company for library materials that include books, journals, microforms, databases, and media materials. He stated that there are a limited number of companies that offer the service this contract covers.

Trustee David Daigle inquired how the FY 2013 rate compares to last year’s. Vice President Cate replied that the contract typically increases 5-7 % per year. The last time that the contract went out to bid was in 2007 and it will go back out to bid for FY 2014.

The following resolution was presented for approval:

**Resolution Approving Renewal of Library Journal Acquisition Contract with EBSCO, Inc.**

BE IT RESOLVED, that the Vice President for Finance and Administration, in consultation with the Dean of Libraries, is hereby authorized to renew the contract with EBSCO, Inc. as subscription agent for library acquisitions. The renewal contract for
EBSCO, Inc. shall not exceed $2,500,000 for calendar year 2013 nor exceed $2,650,000 for calendar year 2014.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

Vice President Cate next introduced a resolution approving the purchase of three vehicles from Daimler Buses. He explained that the University purchased two buses from the company in FY 2012 via a Request for Proposal. During recent discussions with the manufacturer, staff learned that Daimler’s manufacturing plant has been sold to another company and it is in the process of liquidating inventory. It was also learned that the University could purchase several of the remaining buses at significant savings. Based on upcoming inventory needs and the University’s desire to continue to minimize vehicle emissions, a decision was made to purchase one hybrid diesel bus for long trips for $150,000, at a $400,000 savings, and two compressed natural gas buses for local shuttles for $300,000 each, a savings of $280,000. The contract is being brought to the Board because the combined cost of the original bus purchase and the proposed one exceeds the approval threshold.

Trustee Richard Gamelli inquired if parts would still be available for the buses as the manufacturing plant was being sold. Vice President Cate replied that the parts will be available for purchase.

Trustee Bain asked if the buses are new. Vice President Cate confirmed they are.

Trustee Debbie McAneny asked where the money for the purchase will be allocated from. Vice President Cate replied that the funds will be from the Parking and Transportation budget.

The following resolution was presented for approval:

**Resolution Approving the Purchase of Three Buses from Daimler Buses North America**

BE IT RESOLVED, that the Vice President for Finance and Administration is hereby authorized to contract for the purchase of three buses from Daimler Buses North America for a total cost not to exceed $750,000.

There being no further discussion, a motion was made, seconded, and unanimously voted to accept the resolution as presented.

**Acknowledgement of Grants and Contracts Awards Report**

Dashboard Indicators Annual Review

President Sullivan provided an update on the annual review of the dashboard indicators. He prefaced his comments by noting that the document is a work in progress as he continues to familiarize himself with the underlying information. He has made modest changes to eliminate redundancies. In line with his strategic action plan, he underscored the following three areas that are high priority areas for focus and attention: first-time first-year acceptance rates, retention, and graduation rates. President Sullivan plans to develop a broader series of indicators to use internally, but will streamline the indicators for the Board. His team is preparing a list of comparable institutions and will share a relative trend line on how we are doing in comparison to those institutions.

Trustee McAneney agreed that streamlining the indicators for the Board will be an improvement. She asked President Sullivan to share his salient observations regarding the current indicators. President Sullivan replied that he would like more emphasis on output factors. He also noted that the 5-6 year graduation projections are undesirable and he would like to focus on a 4-year graduation rate. He further explained that a 4-year graduation rate would allow more students to be educated, while also saving them money for the total costs of their college education.

Trustee Robert Brennan asked for clarification on how the index is calculated. Provost Knodell explained that the index is a figure derived to show how close the University is to its 2020 targets by dividing the Fall 2013 figure by the 2020 target amount for each indicator.

Trustee Sam Bain recalled that the target of 2020 was developed several years ago, and much has changed since. He inquired if it continues to be an appropriate target. President Sullivan responded that, in his view, the target of 2020 should be changed and more attention should focus on a 3-5 year time horizon.

Trustee Christopher Bray expressed a concern that, as to one factor, the student satisfaction rate is 50%, noting that it is remarkably low. President Sullivan agreed that the figure is unacceptable and that advising, teaching and mentoring are key areas that will need to be strengthened in order to improve the satisfaction rate.

At 2:30 p.m., Chair Cioffi recessed the meeting for a brief break.

At 2:40 p.m., the meeting resumed.

Academic Presentation

Provost Jane Knodell introduced the academic presentation and thanked President Sullivan for his suggestion that it be focused on what it means to be a premier research university. Provost Knodell highlighted how important of a role research plays at the University, noting that our Carnegie Foundation categorization is as a Research University with high research activity. Approximately 60% of our faculty members produce research, placing the University in the top 20% of our peers for the amount of research activity. The University also has a large undergraduate population and Provost Knodell stated that there are many synergies for undergraduate experiences in the creation of knowledge.
Vice President for Research and Dean of the Graduate College Domenico Grasso further described the role of research at UVM. He explained that the University wrote over 1,100 grant proposals. The outcome of those proposals was the approximately $130 million awarded this year in grants and contracts. Of the amount awarded, $90 million is for research and the rest is for public service, education and extension. The University offers 20 doctoral programs and 48 masters programs. The total population of students enrolled above a bachelor degree is 1,850, making 1 of 6 UVM students a graduate student. He further explained that the University only has doctorate degrees in the sciences, engineering or education, but there are none offered in social sciences or humanities. The average time to receive a PhD at UVM is 6 years, which is lower than at schools offering PhDs in the humanities because those degrees typically take 9-12 years.

Vice President Grasso described the workload for an externally funded faculty member. He explained that the market is very competitive, with 200-300 applications received for each vacant faculty position. Once hired, faculty members must start a lab, purchase equipment, hire techs and graduate students and establish protocols. They collect data, write proposals, and send to evaluation agencies. The writing process generally takes six months to a year and another 4 to 6 months to get reviewed. The success rate at NSF and NIH is typically between 8 and 12% so faculty members on average have to write between 10-12 proposals to get one funded. Once faculty acquire funding, they then hire graduate and post-doctoral students, as well as conduct work. The hiring of these persons adds additional pressure as the faculty member then becomes responsible for these positions and their continued funding. For example, when a faculty member takes on a PhD student, they do so knowing that the student may be working on the research for 6 to 7 years, but each grant or fund is usually only for 3 years. In addition, federal government regulations require approximately 42% of the of the faculty member’s time devoted to addressing compliance.

Vice President Grasso explained that a major goal for many faculty members is to have their research published. The success rate of getting a paper published in a prestigious journal is 10%, and acceptance of a paper for publication often is subject to major revisions requiring additional writing time and occasionally more lab or field work. The faculty member has to go through the entire process approximately 3-5 times a year (hoping for 3 to 5 papers published per year), with the end hope that all of this work is important and meaningful enough to get cited. In addition to the extensive process previously described, the faculty member also have their standard teaching load. Vice President Grasso concluded that UVM is special because faculty members are committed to the undergraduate mission as much as they are to their own research, which is different than being a professor at liberal arts college, where research is not a factor of the faculty work load or a large research university where undergraduate teaching is devalued.

Vice President Grasso moved on to introduce the presenters. Illustrative of the unique nature of UVM, he introduced a faculty member and team of students, with whom she works closely. He first introduced Assistant Professor in Microbiology and Molecular Genetics Dr. Aimee Shen. Dr. Shen is one of only 22 Pew Scholars in the Biomedical Sciences selected in 2012 and has a Ph.D from Harvard and post-doc at Stanford. Doctoral Student Kelly Fimlaid and Undergraduate (in MMG) Student Keyan Pishdadian are supervised by her joined her as presenters.
The topic of their presentation was “Hospital-acquired Infections by Clostridium difficile”. Dr. Shen began the presentation by explaining that her team is working on therapies that may prevent infections caused by Clostridium difficile, also referred to in short form as C. diff, which is the leading cause of hospital acquired diarrhea worldwide. C. diff. infection rates have tripled in the last decade and the number of deaths have quadrupled. In the U.S., the infection causes 500,000 cases per year and 14,000 deaths per year. The total cost for these infections is over $1 billion per year. This cost is largely influenced by the fact that one in four of these infections happens again and are not treatable with antibiotics. Experimental models and protocols and preliminary results were presented.

Dr. Shen concluded the presentation by acknowledging that the research her team has conducted will change how others think about the topic of the C. diff infection and how it is spread. She also acknowledged her full team, affiliates and funding source.

Chair Cioffi noted that, for the sake of time, there would not be opportunity for questions, but he wanted to give Mr. Pishdadian the opportunity to give feedback on how this research project has affected his experience as an undergraduate at the University. Mr. Pishdadian shared that his participation with the project has been a great supplement to classroom learning. The opportunity has allowed him to develop problem solving and troubleshooting skills that he could not have occurred otherwise. His experience has also allowed him to understand the workings of a lab and research environment, giving him a vision of what it means and what is expected if he becomes graduate student. He concluded by noting that he has been able to establish strong connections with faculty and graduate students that would otherwise not have been possible.

Trustee Jeannette White asked Mr. Pishdadian how much of his time is consumed by research compared to his regular studies. He replied that, during the summer, the research portion was full time. During the current academic semester, he spends approximately 10 hours a week focused in research and the rest of his time devoted to regular studies.

Chair Cioffi noted that the presentation is demonstrative of the work load of faculty members and the important work they do. This projects potential to save the medical industry approximately a billion dollar a year demonstrates how meaningful and important the work is that they do. He thanked the presenters.

At 3:40 p.m. Chair Cioffi recessed the meeting until Thursday morning.

The meeting was reconvened at 10:15 a.m. on Thursday, November 8, 2012, in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Samuel Bain, Bill Botzow, Carolyn Branagan, Christopher Bray, Robert Brennan, Frank Cioffi, David Daigle, Jeffrey Davis, Kyle DeVivo, Richard Gamelli, Joan Lenes, Dennis Mahoney, Debbie McAneny, David Potter, Kesha Ram, Tom Sullivan, Lisa Ventriss, Jeanette White and Mark Young

MEMBERS ABSENT: Dale Rocheleau, Bill Ruprecht and Governor Peter Shumlin
Chair Robert Cioffi called the meeting to order at 10:15 a.m.

**Strategic Capital Plan Annual Update**

Chair Cioffi invited President Sullivan and Provost Knodell to provide an update on the Strategic Capital Plan.

The President stated that he and the Provost have reviewed the Strategic Capital Plan and the Capital Project Priority list that was ranked in May. They developed a shorter list of priority projects that comprise a proposed Five-Year Capital Project Priority List. The revised list will enable Foundation staff and University leaders to focus their efforts during the campaign and inform the future allocation of debt capacity. The revised list was distributed to Trustees.

Provost Knodell began the update by providing a brief history of the creation and use of the Strategic Capital Plan and the Capital Project Priority List noting that they were created upon the Board’s request to organize and streamline capital project requests. Prior to the creation of the Strategic Capital Plan, the Board received recommendations project by project. Several years ago, a work group consisting of members of the administration and several Trustees created a scoring instrument to evaluate projects. The instrument was revised last year to place more focus on the student experience, and is used by the Capital Project Oversight Group to score projects. The Group is comprised of the Provost, Vice President for Finance and Administration, and the Chair for the Faculty Senate Financial & Physical Planning Committee. Annually, the Provost submits a call for capital project requests and received a total of thirty-six projects this year, which included 24 projects from the May 2011 plan. The Capital Project Oversight Group scored these projects. Interim President Bramley suggested that the Group defer its presentation of the revised list to the Board pending a discussion with incoming President Sullivan. Another unique aspect to the new list is that there is a comprehensive campaign in process and the ranking process should have a parallel focus with the campaign.

President Sullivan continued the presentation by noting that, when he arrived, the Capital Project List included over thirty projects at a cost of approximately $600 million. As he considered the need for a more focused plan, he presented the proposed Five-Year Capital Project Priority List that includes four capital projects that are considered urgent. He stated that conversations will proceed concerning projects that are not on the short list.

He highlighted the four projects as follows.

The first project is for the Billings Library renovation. There have been significant private funding discussions for the project and the cost will likely be split equally with $8.5 million in private gifts and $8.5 million in UVM funds. The Educational Policy and Institutional Resources Committee had approved the renovation previously, but the project was delayed for several
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President Sullivan believes that the renovation of the Billings library will have a positive domino effect. Once complete, special collections and several other resources that are currently housed in the Bailey/Howe Library will be relocated to Billings freeing up important space at Bailey/Howe Library.

President Sullivan next introduced the second project, which is STEM renovation and new construction for the labs in Votey Hall and Cook Physical Science Building. Several weeks ago, he went on a tour of the labs. A tour of the labs was also offered to members of the Educational Policy and Institutional Resources Committee yesterday. The President commented that the visual presentation of the undesirable and unacceptable conditions of these labs is more powerful than anything that could be described on paper. He emphasized the need for the University to have first rate competitive labs on campus. He observed that the current labs for the life sciences are competitive, but the labs for physical science and engineering are absolutely not. He also tied in the importance of the discovery, innovation, and creativity that comes from these labs in helping drive economic development in Vermont. The proposed funding for lab renovations and new construction will be balanced with approximately $20 million from private gifts, $35 million from UVM debt, and $45 million from potential partners.

President Sullivan highlighted that the third project on the list is a much-discussed multi-purpose events center. He emphasized that this center can only materialize through major private fund raising efforts reaching an estimate of $50 million and with the addition of approximately $15 million in UVM debt. The good news is that there are now conversations under way that give cause for hope for the project. He noted that there might be the addition of a student fee to support the debt service, but this will not be determined until the project comes to fruition. President Sullivan toured the current multi-event facilities and said he is proud of the recent progress made with the outdoor facilities. It was nonetheless clear to him that the indoor facilities are not competitive and that the University owes the students, athletes, and all of Vermont an adequate center.

President Sullivan presented the fourth and final project on the list, the Alumni House. He explained that the estimate for the project is $13 million and will be 100% private funded. He stated that much of the necessary private fundraising has already been achieved.

Trustee Kesha Ram asked if there was a sense of what the student fee increase would be if required by the proposed multi-events center. Chair Cioffi replied that it is too early in the process to estimate, and there is a potential that the fee will not be necessary. President Sullivan added that, if a fee were to be required, there would be conversations with students prior to it being determined.

Trustee Robert Brennan asked if similar conversations are in place for private funding for STEM renovation and new construction for the labs in Votey Hall and Cook Physical Sciences Building. President Sullivan replied that it is premature to say, but that his hope is to the build the case now and begin discussions soon.

Chair Cioffi clarified that the Board is not taking action on the Strategic Capital Plan and the intention for today is simply discussion.
Trustee McAneny recalled that, in the past, the Board has had a practice to see a complete list to compare trends from year to year. She asked if the current short list was evaluated through the ranking tool the Board had requested and helped create. She emphasized that the Board needs continuity and total transparency. Provost Knodell replied that the ranking of Cook Physical Science Building and Votey Hall had been at the top of the previous list. The Billings Library has also been on previous lists, and along with the Greening of Aiken, which was listed in a separate category because it had previously been in the approved stage. President Sullivan added that, with the Billings Library renovation, more than one problem will be solved as it will give relief to the Bailey/Howe Library.

Trustee Sam Bain expressed that he wants to see more outcomes. For example, when he thinks of the domino effect the Billings Library renovation will have, the outcome includes enrollment. He would also like to hear more about student housing and healthcare facilities. President Sullivan replied that he will bring back outcomes when the Board next discusses this list.

Trustee Bill Botzow asked if the project list contemplates what will happen to current facilities. President Sullivan replied that, as his team proceeds, it is looking into how to maintain the original spaces.

In reference to the Billings Library renovation, Trustee Joan Lenes asked if there was space currently available for use by the community that will be lost. Director of Capital Planning and Management Bob Vaughan commented that the idea is to restore the building to its previous use. The only area that will be lost for the use of events is the North Lounge, which will be used as part of special collections.

Trustee Richard Gamelli commented that the labs in Cook Physical Science Building and Votey Hall do not seem like they can be refurbished. He noted that there were areas in Dewey Hall that had similar deferred maintenance outstanding. President Sullivan replied that his preference is to restore the older buildings and to address deferred maintenance issues. However, a thorough cost-benefit analysis will be conducted and may result in building a first rate stand-alone lab, rather than restore existing labs. President Sullivan agreed that Dewey Hall has needs to be addressed.

Trustee Jeff Davis asked if President Sullivan could expand on what “other sources” are in terms of funding. President Sullivan replied that, without going into too many details, he has had several conversations with political leaders across the state on possible areas of collaboration. He also encouraged legislative trustees to discuss this in Montpelier, and perhaps to invite key leadership of legislature to take a tour of the facilities in need of deferred maintenance. He is hoping to have conversations of a potential partnership with the State.

Trustee Sam Bain asked in regard to the multi-events center if different strategies were considered, such as the University taking the project on as opposed to having a private facility built that we could use. Chair Cioffi replied that the Campus Life Task Force II considered both options and determined that the private developer route would work best. Vice President for University Relations and Campus Life Tom Gustafson elaborated that if the center were privately owned, the University would only be able to use it for athletics and it would not be better for
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student experience or decompressing facilities for other uses. The cost analysis had been done pre-recession and has since been recalibrated so that the project can move forward.

**Enrollment Management Plan**

President Sullivan introduced the enrollment management plan presentation by outlining the primary enrollment management goals. The goals include the enhancement of quality and affordability. This “Access to Success” aims to strike the right balance in maximizing prospects for student enrollment, retention, sustainable revenue and minimization of student debt. The next goal is to increase the number of applications, selectivity, and yield for a well-prepared, diverse entering class.

Provost Knodell explained that now that President Sullivan has outlined his Strategic Action Plan, the University has real targets toward which to work. She noted four major targets, the first being the reduction of undergraduate enrollment to 9,800. The second target is to increase first-year admission selectivity from 77% for Fall 2012 to 65%. The third is to enhance diversity through a continued emphasis on domestic diversity and to increase international enrollment to 5-7%. The last target is to recruit and support transfer students. Provost Knodell highlighted that the key indicator is selectivity.

Trustee Christopher Bray asked where the University is currently in terms of undergraduate and international enrollment. Provost Knodell replied that, last year, we had 10,200 undergraduates and this year we are reduced to 9,890 students. She explained that the University will incrementally reduce these numbers. International enrollment comprises of 1.8% of this year’s students.

Trustee Jeanette White expressed confusion as to why the University would want to increase the number of applications so that it can decrease the number of students being selected. Vice President for Enrollment Management Chris Lucier explained that this question would be addressed later in the presentation.

Trustee Kesha Ram asked if new Americans enhance international or domestic diversity. Provost Knodell explained that this group would be part of both populations. She noted that the University meets with counselors locally to increase awareness of UVM with local new American students.

Provost Knodell continued the presentation by highlighting strategic enrollment management goals. The first she discussed is to increase undergraduate retention from 85% to 90%. Another goal is to increase four-year graduation rates from 65% to 70%. She explained that the third goal is to develop a career advising program that promotes placement success at graduation and beyond. Finally, she explained that the fourth goal is to design and offer graduate education programs to ensure optimal size, scale, scope, and performance of the Graduate College, and to support the University’s mission and vision.

Vice President Lucier explained the role of effective enrollment management. He explained that selectivity is a measurement of demand. There is a need for a rich and robust pool. The way to create demand is to become more selective. The perception is that, if the University is a high
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quality institution, then it is selective. Selectivity also plays another role by influencing people to make the institution their first choice. Vice President Lucier noted that we are currently doing a good job in this area and increasingly becoming prospective students’ top choice. The number one indicator of retention is the quality of the class, which also becomes a marketing tool.

He continued by stating that, when students come to the institution, if they are engaged by their faculty and with each other, and if they are engaged in co-curricular opportunities, those students have more success and satisfaction. The number one recruitment tool is happy students.

Another good factor for enrollment, he added, is diversity. Students want to engage with other students who are different. Vice President Lucier explained that currently, our desired peer institutions have 8-12% international enrollment and we are now targeting 5-7%. The strategy to meet this target is to increase recruitment for direct enrollment to UVM. The University also plans to target a select number of countries. The University also needs to create a pathway program to prepare students fully. Additionally, the University aims to partner with a single international recruitment partner to meet the international enrollment goals.

Vice President Lucier moved on to discuss the current admissions strategy. This targeted strategy requires that we begin recruiting students as sophomores in high school. The University also needs to develop new admissions markets that deliver consistent enrollment year-to-year, and that it takes three to four years to develop new markets. Vice Lucier explained that, to develop several new domestic markets and reinforce key feeder markets, the University needs to invest more in recruiting staffing, travel and programming, as well as expand marketing communications and social media. The University also needs to develop 3-5 new international markets through direct recruitment and partner with a single international recruitment agency. Vice President Lucier added that, ideally, in four to five years, the University will have enough of a market presence internationally so that it might no longer need a partner.

Trustee Debbie McAneny recalled that she thought we already had a partnership in terms of international enrollment, referring to previous discussion of the INTO University Partnerships program. Vice President Lucier replied that we had been looking at a potential partner but that, after a thorough evaluation, it was determined that the cost was not suitable and he believes that the University can create a smaller pathway program on its own. He added that UVM would continue with the US Sino-Pathway program.

Trustee Bill Botzow inquired how our enrollment strategies compare to our peers. Vice President Lucier replied that we are not really doing anything unique, however, there is a need for the University to be creative and entrepreneurial. In order to do so, there has to be room to fail at times in order to find out the processes that work best. He noted that one aspect that might differentiate the University is the admissions and enrollment management team has an integrated strategy. President Sullivan opined that the while the University’s strategies are wholesome, they are not distinct. He added that the University has a unique position as we are much larger, deeper and richer than a good liberal arts college, yet we are also a small premier research institution. He also noted that we have the advantage of location as Burlington, Vermont and New England are very special places.
Trustee Botzow asked how the University might better support secondary education in providing a larger pool of students to attend the University. President Sullivan replied that there is much work to do with partnering and communicating with middle and high schools in Vermont. The University needs to get better at spreading information regarding affordability and access available to Vermont students.

Trustee Kesha Ram expressed her concern, in reference to increasing enrollment of students from across the country, as to whether the University properly addresses the unique challenges these students have in acclimating to the University and Vermont. Vice President Lucier noted that this challenge is partially addressed in areas such as advising, communications, and orientation; however, it is an area that he would like to give more thought.

Trustee Sam Bain expressed his surprise regarding the statistics of Vermont students enrolling in college. He supports identifying ways to reduce matriculation to four years to save students money. He also noted that focus needs to be on output, not just input.

Trustee Mark Young asked whether, if the University is going to reduce student enrollment on campus while increasing domestic diversity and international students, we are projecting a message that there is a current population of undergraduates on this campus of whom we want fewer. More specifically, he asked whether we hurting Vermont students by being more selective and increasing diversity. Chair Cioffi replied that selectivity for Vermonters is not changing. Vice President Lucier added that the goal is about output and the number of Vermont students going to college continues to decline. Vice President Lucier added that, of the proportion of Vermont high school graduates that go on to college, the proportion that chose UVM has increased over the last five years.

Chair Cioffi stated that if the University focuses more on a 4-year graduation rate, there will be more room to educate more students.

Trustee McAneny emphasized that first impressions are key and often occur with a visit to a campus’s admissions office. She used her son’s experience as an example. During their UVM visit, one of their first stops was the admissions office and they noted that it was lackluster compared to other campuses. Vice President Lucier replied that the current office is a renovated carriage house and he has received feedback from many visitors that they liked it. The biggest challenge of the building is that it is small and cannot hold a lot of people. Current efforts to improve the office include better landscaping and expanded parking. He added that he hopes discussions will continue on how to improve the appeal and expand the capacity of the visitor center.

Trustee David Potter suggested that the issue of gender be considered as there are more females than males enrolling. Vice President Lucier confirmed that the current student population is more females with a 57/43 ratio.

Trustee David Daigle cautioned that, if international enrollment is expanded too early without being prepared to acclimate these students, the initiative could backfire. Vice President Lucier replied that the number one priority is to make sure that it is a world-class and sustainable
initiative. Of the current international enrollment, 89 of 185 students are Chinese, most whom are part of the U.S. Sino Pathways Program. The next largest group includes Canadians and then a few students from several other countries.

Vice President Lucier explained that another potential exists via New England prep schools who are increasing international enrollment. Efforts are being made to reach out to those schools to establish relationships that might garner enrollment of their international students.

Chair Cioffi stated his personal opinion that there is a huge issue of the Vermont Student Assistance Corporation (VSAC) money being distributed to institutions outside of Vermont. He urged that legislative trustees continue to discuss this. President Sullivan added that only 41 – 45% of Vermont high schools students attend college and half of them go out of state. He would like to improve the numbers that attend the UVM.

Trustee Jeanette White added that the other side of the VSAC argument is that the money is helping Vermont students make choices about their education, and part of that choice is the potential to gain experiences in new locations.

Adjournment

There being no further business, the meeting was adjourned at 11:59 a.m.

Respectfully submitted,

Donna Sweaney, Secretary
Good morning everyone, and welcome to this rather unusual Wednesday version of our Board of Trustees meeting. I trust that we all got a good night’s sleep last night after following the election returns, and in the spirit of bipartisanship I will hereby offer my congratulations to President elect Obama without further comment.

Of course I would also be remiss if I did not congratulate our colleagues who won their elections last evening. In fact, I believe we have victories by all of those running so congratulations to all of you and we are glad that you will be in Montpelier to continue your work on behalf of Vermont and UVM. Let me also congratulate Governor Shumlin on his re-election and say that we look forward to continuing our work together.

This is Tom Sullivan’s first full Board of Trustees meeting since officially assuming the UVM Presidency, and as Chair I would like to publicly welcome Tom to the Board. We look forward to a long and fruitful relationship together, working on issues, challenges, and opportunities that are important to the present and future health of the University.

So though this is his first official Board Meeting, Tom has been here nearly four months as President and he is off to a very good start. He has traveled some 1,600 miles around Vermont, visiting every county in the state and interacting with business, governmental, and community leaders and alumni on matters pertaining to UVM and Vermont. He has traveled extensively outside of Vermont as well, seeing a variety of alumni, donors, and friends of UVM and helping to lay the groundwork along with the Foundation for our upcoming fundraising campaign.

In addition, Tom has spent a great deal of time on and near campus meeting with students, faculty, deans, administrators, local municipal officials, neighbors, law enforcement, business leaders, and other key constituencies. I believe that Tom has learned a great deal about the people, culture, and environment of Vermont, and everyone has learned a great deal about the character, approachability, and priorities of our President. All in all, a great beginning. I know that we have time on our Board agenda later today for Tom to share with us some of his thoughts on strategic planning and I look forward to the Board engaging with Tom on this important discussion both today and throughout his Presidency.

And part of that beginning occurred on Friday, October 5th, with the formal Installation of Tom Sullivan as President. I was there, and can report that it was a most memorable day for the University of Vermont, and it was a delight to have former Vice President Walter F. Mondale join us for the celebration. The good feelings and optimism about Tom, Leslie and our entire institution could be seen and felt everywhere and I expect we can keep it going.

With new leadership comes new opportunities, and the chance to look at things a bit differently and do things differently as well. I know that Tom understands and appreciates the great
attributes of UVM and plans to build on them. I also know that he will be sharing some of his most important priorities and areas of focus in his upcoming remarks.

For my part as Chair, I want to say how impressed I am about the progress we have made together as a University community. I am also impressed with the plans that have been carefully considered and articulated, and are now ready to be implemented. And while planning and discussion are important, the most important thing is making those plans a reality. Taking action. Getting them done. As Chair, it is my sincere hope – no, let me state this more strongly – my clear expectation that we are entering a time of action, where we make the decisions and changes we must make in order to be sustainable and to thrive as an outstanding research university. And although I recognize that at a university the time for talking is never over (I often think back to former UVM President Lattie Coor who used to say that Universities have processes, unfortunately they are often glacial processes), but let me state emphatically that the time for action has clearly arrived. Let us embrace it, and continue our hard work together to ensure a bright future for UVM. We have a highly skilled new leader who is ready to work with this community to move this university forward and we need to support his efforts in every way possible.

In February, I will enter my final year on the Board and I want to highlight an area which I will personally be working with the administration on to ensure is part of that action plan. It is an area that was highlighted often during our retreat in September and I believe it is something that has the potential to set UVM apart from our peers. This is managing and measuring not only our inputs (standardized test scores, class rank, acceptance rates, etc.) but also our outputs (student satisfaction, learning outcomes, employability, etc.). As a University, I believe it is imperative that our students conclude their studies at UVM with the necessary tools to compete in today’s marketplace and the knowledge and skills to adapt to an environment where the pace of change is in a state of constant acceleration. And, of course, the ability to provide leadership and make a real difference in the future.

As always, we have a full agenda, and I want to wrap this up quickly. But before I do I want to mention two recent members of our Board of Trustees whom we have lost, both of whom passed away all too soon.

Stirling A. Winder died on July 28, 2012 after a long and courageous battle with cancer. She was just 26 years old. As a student, a varsity athlete, a Trustee, a volunteer, and a friend and colleague she approached life with a strong sense of optimism and positive energy that lifted the spirits of everyone around her. The courage and strength she showed all of us in facing so many serious health challenges were truly inspirational.

Susan Hudson-Wilson, who passed away suddenly and unexpectedly at the age of 60 on Oct. 5, 2012, while traveling in Nairobi, Kenya. We will all remember Susan as a vibrant, outspoken, one-of-a-kind person who lived life to the fullest, and who clearly cared deeply about UVM.

The Board extends our profound condolences to their families, and I ask that we stand in a moment of silence in remembrance of Stirling and Susan.
I want to also mention the events of last week involving Hurricane Sandy, that thankfully left Vermont mostly unscathed compared to Irene but wreaked havoc especially on the states of New Jersey, New York and Connecticut. Many of the towns where our students and their families live have been severely impacted, with power still out and damage at an almost unimaginable level. All of those impacted are in our thoughts and prayers, and I hope that each of us will do what we are able to do to help in the recovery efforts.

In closing, I want to thank all of you for your efforts on behalf of our University. We have lots more to do, and I look forward to getting on with meeting the challenges ahead.

This concludes my report.
Appendix B

Enhancing Quality and Affordability
Strategic Action Plan

President Tom Sullivan

To the University of Vermont Board of Trustees
Wednesday, November 7, 2012

I. “Access to Success”: Promoting Affordability, Financial Access, and Academic Support

A. Focus on the “relationship” between tuition and scholarships and financial aid: What is the right balance to maximize prospects for student enrollment and retention and minimize student debt?

1. Moderate tuition growth and maximize financial support to achieve a tuition level that is financially sustainable for both students and the institution
2. Prioritize scholarships and financial aid in the upcoming Comprehensive Campaign
3. Limit tuition increase for 2013-14 below 3%, the lowest tuition increase in 36 years

B. Ensure optimal academic support to achieve academic and career success

II. Promoting a culture of advancing academic excellence and cultivating talent

A. Create and nurture an atmosphere of raising expectations and aspirations focused on quality and excellence

B. Student focused

1. Implement a new Enrollment Management Plan that
   a. Reduces incrementally undergraduate enrollment to approximately 9,800 students
   b. Recruits and supports transfer students
   c. Increases international student undergraduate enrollment to approximately 5% to 7% (from the present 1%) by creating a new recruitment and “student preparation pathway” plan
d. Continues to annually increase, value, and promote domestic student diversity

e. Designs and offers graduate education programs in a way that ensures an optimal size, scale, and scope of the Graduate College consistent with and supportive of the “vision statement” of the University

f. Broadens student recruitment efforts outside the present, targeted geographic market to offset the effects of regional demographic trends

g. Increases the number of applications, selectivity, and yield for a well-prepared, diverse entering class

h. Rebalances the student-faculty ratio in order to enhance instruction and advising

2. To improve the whole student campus life experience, (academic, cultural, developmental, and social), review the curriculum and advising to enhance:

a. Retention of students from first to second year (from present 85% to 90%)

b. Four-year graduation rates (from present 65% to 70%)

c. Career advising and placement success at graduation

d. The optimal use of web-based education to supplement the curriculum and student experience

e. Educational standards, quality and vigor for an enriched student experience

C. Faculty focused

1. Promotes increased research and creative scholarship of the faculty that has high impact and recognition

2. Increases the number of tenure-tenure track faculty in high quality programs that are aligned with UVM’s strategic priorities where there has been a substantial enrollment increase over targets in order to advance excellence in teaching and learning

III. Identifying necessary investments to ensure a bright future

A. New investments, along with cost efficiencies, are essential to enhance the quality, impact, and reputation of the University

1. Investments in facilities, infrastructure, and information technologies are necessary to advance the educational and research responsibilities and opportunities of the University, particularly in engineering, sciences, and libraries

2. Priorities should include

   a. Completion of Billings Library restoration
b. Laboratory restoration or new laboratories for Engineering, Chemistry, Physics, and health-related sciences

c. Completion of the Alumni House restoration
d. Design and construct a multi-purpose event center to house cultural, social, academic, wellness, and athletic events as well as additional fitness and recreation space primarily for student use

IV. Instilling an institutional commitment to efficiency and effectiveness that optimizes the use of facilities, technology, assets, and shared services that

A. Considers a three-semester curriculum that increases choices for students and faculty

B. Examines a winter “J” term that broadens students opportunities for international experience, internships, co-op opportunities, and special curriculum offerings

C. Reduces administrative costs, redundancies and barriers that do not add value and/or effectiveness by implementing an administrative unit and budget review process similar to academic program review

D. Encourages joint initiatives with academic institutions that have different comparative advances and qualitative strengths

E. Uses benchmarks, metrics, timelines, relative comparisons and best practices to measure progress toward goals and aspirations

F. Engages in continuous strategic planning and implements well-devised actions designed to sustain, promote, and measure academic creativity, research breakthroughs, and impact

G. Plans and initiates a bold, creative Comprehensive Campaign to increase private support, grants, and endowments in order to support scholarships, faculty support, academic programs, and the restoration and construction of key facilities

H. Focuses and aligns resources, reallocations, and revenue with academic priorities by undertaking and completing the Strategic Value / Financial Strength Plan regarding academic programs

I. Encourages state officials to support and invest in direct, “special appropriations” that are closely aligned with state priorities and University goals in order to advance the public good within Vermont and the vibrancy of UVM

J. Provides transparent communications and open dialogue throughout the University in order to achieve outcomes collaboratively
ON BEHALF OF THE UNIVERSITY, THE BOARD WELCOMES PARTICIPATION BY A PRESIDENT’S SPOUSE OR PARTNER (“PARTNER”) IN UNIVERSITY ACTIVITIES. A PARTNER IS NOT, HOWEVER, OBLIGATED OR EXPECTED TO PARTICIPATE IN SUCH ENDEAVORS.

If a partner is seeking employment with the University, the same policies and procedures that govern other UVM job-seekers apply.

If a partner wishes to offer ongoing volunteer services to the University, the procedures below apply.

PARTNER VOLUNTEER SERVICES

At an appropriate time during the process of recruiting a president, the University shall, in writing, provide the candidate(s) with a copy of this policy. The University shall not, however, ask candidates about their (marital or) partner status.

A partner who wishes to offer volunteer services must contact the Vice President for Executive Operations, who will in turn contact the appropriate University official(s)\(^1\). The official(s) will then meet with the partner about prospects for a suitable assignment in view of the interests, qualifications and experience of the partner. The official(s) shall obtain the approval of the Board Chair before offering a volunteer appointment to the partner. A final volunteer appointment letter must describe the nature and extent of any proposed services, including his or her reporting line, and be signed by the partner and the appropriate official(s), including the Board Chair.

Due to his or her status as a volunteer, the partner is not, and shall not be, authorized to enter into negotiations or contracts on behalf of the University. In addition, the partner shall not have supervisory authority over University employees or the right to direct the actions of a University employee in any way. Thus, University employees who are assigned to assist the partner in his or her performance of volunteer work shall be supervised by, and report to, their department head or next-level supervisor.

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\(^1\) The officials must minimally include the senior-most person responsible for the activity, operations or program, such as a Vice President.
The University will provide the same insurance coverage otherwise maintained for volunteers to cover the activities of a partner while he or she is engaged in volunteer services assignments. The University shall also cover or reimburse the business travel and entertainment expenses of the partner in accordance with otherwise applicable University policies.

The Board Chair shall meet at least once annually with the partner and the appropriate officials to discuss the ongoing suitability of the volunteer assignment and any adjustments to the assignment that the partner or the officials wish to request. The partner is free to withdraw from his or her volunteer role with reasonable notice to the responsible officials and the Board Chair. Any decision to decline further volunteer services from the partner shall be made by the Board Chair.

To ensure that the partner can maintain the utmost confidence in her or his ability to carry out with integrity any responsibilities she or he assumes as a volunteer, the partner must annually file the Conflicts of Interest Disclosure Form utilized by University personnel pursuant to the University’s Conflict of Interest and Commitment Policy. Any disclosures shall be reviewed and administered by the Board Chair.

To carry out the volunteer duties assumed, the partner may opt for any or all of the following:

- University ID
- University Email account
- Business Cards
- Parking Permit

The Board Chair must approve any other consideration including equipment purchases, in advance and in writing.

Adopted by: Board of Trustees – October 22, 2011
Amended by: Board of Trustees – November 8, 2012
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

Resolution Regarding Delegation and Retention of Board Authority
(see appended chart)

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University, and reserving to itself the power to act on its own initiative as necessary to the fulfillment of its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

(1) statements of institutional mission, principles and values;

(2) the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

(3) the establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

(4) the appointment of University Trustees to the boards of other corporate entities or public bodies in their capacity as University Trustees;
(5) the appointment and employment of the President, election of the other officers of the Board and the University in accordance with the University Bylaws, and authorization of severance payments in excess of the standard amount University policy specifies for officials who report to the President;

(6) the creation or elimination of an academic unit, curriculum, research or service endeavor as defined in Faculty Senate protocols; and approval of faculty medical or other clinical practice plans;

(7) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(8) the naming of buildings and academic programs;

(9) through its Investment Subcommittee of the Budget, Finance and Investment Committee (“Investment Subcommittee”), the selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that: the Board must itself approve policies for the Long-Term Investment Pool and the Limited Term Asset Pool, the endowment spending rate, the endowment management fee, declaration of financial exigency, and the dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(10) the institutional annual budget and acceptance of the annual audited financial statements;

(11) tuition, room and board rates, student fees, and in-state status regulations for purposes of determining tuition;

(12) the purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;

(13) payments in lieu of taxes;

(14) the issuance of bonds and approval of the institutional debt policy;

(15) the procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;
(16) contracts for facilities construction or renovation and the purchase or sale of goods, equipment or services at an aggregate cost of $\geq 1,000,000$, including increases in project costs for previously approved projects whose value in aggregate equals or exceeds $1,000,000$; provided that (and subject to the provisions of (18) below), the Board shall approve all contracts for consulting services whose aggregate value equals or exceeds $250,000$, and the Board shall also authorize, through its Investment Subcommittee, the selection and retention of all investment advisors regardless of contract cost;

(17) the selection and retention of independent audit firm to conduct the annual audit of financial statements and/or compliance audits, regardless of contract cost; contracts at an aggregate cost of $\geq 10,000$ for non-audit consulting services with the audit firm that is conducting the annual audit of financial statements;

(18) the material terms of collective bargaining agreements and, within the context of annual budget preparation and approval, the annual salary pool for non-union-represented employees;

(19) the settlement of claims and/or lawsuits at a cost that equals or exceeds $250,000$, regardless of insurance coverage; and authorization to file and/or settle lawsuits in which the Board or a University officer is a named party or a Board-approved policy is in dispute;

(20) all self-governance matters reserved to the Board in the University Bylaws, including without limitation the election of Board officers, approval of Board Committee appointments, or as otherwise required or permitted by law; and

(21) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion; and

(22) contracts or leases whose aggregate term does or may exceed five years, regardless of contract value or amount; but Board approval is not required for licenses and option agreements, confidentiality agreements, material transfer agreements, or other similar agreements that are developed by the University’s Office of Technology Commercialization program and that typically run for the life of the intellectual property protection value (usually the term of the patent).
AND BE IT FURTHER RESOLVED, that notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.

*Adopted by the Board of Trustees: September 11, 2004*
*Approved as revised by the Executive Committee: March 14, 2005*
*Approved as revised by the Board of Trustees: May 19, 2007*
*Approved as revised by the Board of Trustees: May 17, 2008*
*Approved as revised by the Board of Trustees: September 5, 2008*
*Approved as revised by the Board of Trustees: February 7, 2009*
*Approved as revised by the Board of Trustees: February 6, 2010*
*Approved as revised by the Board of Trustees: March 8, 2010*
*Approved as revised by the Board of Trustees: February 5, 2011*
*Approved as revised by the Board of Trustees: March 14, 2011*
*Approved as revised by the Board of Trustees: May 19, 2012*
*Approved as revised by the Board of Trustees: November 8, 2012*
EXECUTIVE COMMITTEE

During intervals between meetings of the Board of Trustees (“the Board”), the Executive Committee shall have all the powers of the Board in management of the property and affairs of the University, and may exercise the authority of the Board except as may otherwise be provided by law. The Chair of the Executive Committee shall be the Chair of the Board ex officio.

The Executive Committee shall oversee the work of the Committees of the Board and the University planning process, and it shall assist the Board in the discharge of its responsibilities to support the President and to assess the President’s performance.

With respect to evaluation of presidential performance, the Chair shall annually appoint an Annual Review Subcommittee. The subcommittee shall assess the performance of the President and convey its assessment and a compensation recommendation to the Executive Committee for its deliberations and referral by the Committee of a recommendation to the full Board. In conjunction with the presidential evaluation, the President will also provide a report on the status of his or her direct reports, including their proposed compensation for the upcoming year.

Approved by the Board of Trustees: September 9, 2006
Approved as revised by the Executive Committee: March 9, 2009
Approved as revised by the Board of Trustees: November 8, 2012
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

UNIVERSITY BYLAWS

ARTICLE I: Name

Section 1.1. Name: The name of the corporation is the University of Vermont and State Agricultural College. These Bylaws refer to the corporation as the "University."

ARTICLE II: Purpose

Section 2.1. Purpose: The University shall be recognized and utilized as an instrumentality of the State of Vermont for providing public higher education, with all the rights and powers incident to corporations. The University shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income taxation under Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future federal tax code).

ARTICLE III: Offices

Section 3.1. Offices: The principal office of the University shall be located in Burlington, Vermont. The University Board of Trustees (hereinafter “Board of Trustees”) may designate other offices within or without the State of Vermont as the business of the University may require.

ARTICLE IV: Trustees

Section 4.1. Number and Qualification: The Board of Trustees shall consist of twenty-five (25) persons. The Board of Trustees shall be composed of the following members:

- Three (3) members shall be individuals appointed by the Governor of the State of Vermont with the consent of the Vermont Senate
- Nine (9) members shall be individuals elected by the Vermont Legislature, said nine members being the same individuals who constitute the Board of Trustees of the Vermont Agricultural College
- Nine (9) members shall be individuals elected by the Board of Trustees of the University of Vermont, said nine members being the same individuals who constitute the Board of Trustees of the University of Vermont
- Two (2) members shall be full-time students enrolled at the University (each of whom must be at least 18 years old) elected by the Associated Directors for the Appointment of the University of Vermont and State Agricultural College Student Trustees, Inc.

- One (1) member shall be the Governor of the State of Vermont, by virtue of the office ("ex officio")

- One (1) member shall be the President of the University, ex officio

**Section 4.2. Manner of Appointment and Election:** The trustees shall be appointed or elected in the manner set forth in Section 4.1 of these Bylaws and in the Charter.

**Section 4.3. Term of Office:** The term of office of each trustee, other than the two student members and the ex officio members, shall be six (6) years and until his or her successor has been duly elected or appointed. The term of office of each student trustee shall be two (2) years. The ex officio trustees shall have a term of office lasting for such period as they serve in their respective offices. The term of office for each trustee other than the ex officio trustees shall begin on March 1 of the initial year of such term and expire on the last day of February in the final year of said term.

**Section 4.4. Duties and Powers:** The Board of Trustees shall have the entire management and control of the property and affairs of the University. All corporate powers shall be exercised by or under the authority of the Board of Trustees. The trustees may adopt such rules and regulations for the conduct of their meetings and the management of the University as they deem proper, not inconsistent with law or these Bylaws. These Bylaws and resolutions of the Board of Trustees shall take precedence over other documents and policies of the University.

**Section 4.5. Resignation:** Any trustee may resign his or her office at any time by delivering written notice of the resignation to the Chair of the Board, the President, or the Secretary of the Board. Unless the notice of resignation specifies a later effective date, the resignation shall take effect immediately.

**Section 4.6. Vacancies:** Any vacancy occurring in the Board of Trustees by death, resignation, or otherwise shall be promptly filled by the appointing authority. The trustee thus chosen shall hold office for the unexpired term of his or her predecessor and until the election and qualification of his or her successor.

**Section 4.7. Conflict of Interest Policy:** The Board of Trustees shall adopt a written conflict of interest policy, by resolution, which policy shall be reviewed periodically and revised as determined to be necessary or desirable.
ARTICLE V: Meetings of the Board of Trustees

Section 5.1. Notice of Meeting: Notice of regular and special meetings of the Board of Trustees and its committees shall be given, and meetings shall be conducted, in accordance with the Vermont Nonprofit Corporation Act and the applicable state public access laws.

Section 5.2. Waiver of Notice: Whenever under the provisions of these Bylaws or of any statute any trustee is entitled to notice of any regular or special meeting, such meeting may be held without the giving of notice to trustees if every trustee entitled to notice waives the required notice in writing or by attendance at or participation in the meeting; provided, however, such waiver by trustees shall not affect the University's obligations, if any, to provide notice to persons other than trustees, including its obligations under state public access laws.

Section 5.3. Meetings: The regular meetings of the Board of Trustees shall include the annual meeting of the Board of Trustees shall be held in May of each year, the date and time to be fixed by the trustees by resolution. The annual meeting shall be held in Burlington, Vermont or such other place as the Board of Trustees may approve from time to time by resolution. Other regular meetings of the Board of Trustees shall be held at such times and places as the Board may determine at the annual meeting or from time to time. Special meetings of the Board of Trustees may be called by the Chair of the Board of Trustees, the President, or at the request of any five members of the Board of Trustees.

Section 5.4. Telephone Meetings: Members of the Board of Trustees and members of any committee appointed by the Board of Trustees may participate in a meeting of the Board or such committee by any means of communication, including audio conference or conference telephone call, by which all persons participating in the meeting may simultaneously hear each other, and participation in a meeting in such manner shall constitute presence in person at the meeting.

Section 5.5. Quorum; Vote Necessary for Action: At any meeting of the Board of Trustees, the presence of a majority of the Board shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless a greater vote is required by the Charter, these Bylaws, or by law. Should a quorum not be present, a lesser number may adjourn the meeting to some later time. At all meetings of the Board of Trustees, each trustee shall have one vote. Trustees are not entitled to vote by proxy.
ARTICLE VI: Officers

Section 6.1. Officers and Qualifications: The officers of the University shall be the Chair, Vice Chair, and Secretary of the Board of Trustees; the University President, Provost, and Treasurer; and such other officers as the Board of Trustees may determine. Any two or more offices may be held by the same person, except (a) the offices of President and Secretary and (b) the offices of President and Provost. The Chair Vice Chair, and Secretary of the Board of Trustees, and the President, shall be members of the Board of Trustees. No trustee may be initially elected Chair unless he or she has at least two years of his or her term as trustee remaining. The Provost shall be an individual nominated by the President.

Section 6.2. Election: All officers of the University other than the President and the Chair of the Board of Trustees shall be elected annually by the Board of Trustees at a regular meeting held in the month of February, or at such other time as is determined by the trustees by resolution. The Chair of the Board of Trustees shall be elected in a manner consistent with the Charter. The President shall be elected at a regular or special meeting and said election shall be for an unspecified term.

Section 6.3. Term of Office: Except where a vacancy is being filled pursuant to the requirements of these Bylaws, all officers of the University shall take office effective March 1. All officers shall hold office until their successors have been duly elected and have qualified, or until removed from office in accordance with such procedures as may be adopted by the Board of Trustees from time to time.

Section 6.4. Duties of Officers: The duties and powers of the officers shall be as follows and as set by resolution of the Board of Trustees from time to time:

(a) Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Trustees. If the Chair is absent, the Vice Chair of the Board shall preside. In the absence of both, the Secretary shall preside for the election of a chair pro tempore.

(b) President. The President shall be the chief executive officer of the University and his or her duties shall be those that commonly pertain to the office of the president of a university. The President shall be the administrative head of the University and its constituent parts and he or she shall have the power to veto any act or resolution of any committee or other collective body within the University or its constituent parts except for the Board of Trustees and committees of said Board, subject to such procedures as the Board may adopt from time to time. The President shall cause to be called regular and special meetings of the Board of Trustees in accordance with the requirements of the Vermont Nonprofit Corporation Act, these Bylaws, and applicable state public access laws. The President shall prepare the agenda for meetings of the Board of Trustees and the Executive Committee in consultation with the Chair of the Board. The President shall have authority to sign and execute all contracts in the name of the University and all notes, drafts, or other orders for the payment of money, unless restricted in any specific instance by resolution of the Board of Trustees.
(c) **Treasurer.** The Treasurer shall be responsible for the receipt and investment of funds. The Treasurer shall also be responsible for the management of cash and securities. The Treasurer shall ensure that all trustees receive financial statements from the University, including comparisons of revenues and expenditures with the budget of the University. The Treasurer shall have such other responsibilities as may be assigned to him or her by the President or the Board of Trustees from time to time.

(d) **Secretary.** The Secretary shall record all votes and proceedings of the Board of Trustees or any committee thereof, unless the Board later delegates such duties to another person. The Secretary shall be custodian of the records and seal of the University and shall authenticate records of the University when required, unless the Board later delegates such duties to another person. The Secretary shall cause the University to maintain an office in Burlington, Vermont where the corporate records of the University shall be kept, and the Secretary shall procure and file in said office certified copies of all papers required by law to be filed with the Secretary of State. The Secretary shall cause the University to make records and documents available to the public in accordance with the applicable requirements of state public access laws. The Secretary shall perform the duties incident to the office of the Secretary as specifically delegated from time to time by the Board of Trustees and as may be required by the laws of the State of Vermont.

(e) **Provost.** The Provost shall be responsible for academic and administrative duties assigned by the President. During the absence or incapacity of the President, or in the case of the death or resignation of the President, the Provost shall assume the administrative duties of the President until such time as the Board of Trustees shall, by resolution, determine who shall exercise said duties or until the vacancy in the office of the President shall have been filled. When so acting, the Provost shall have all the powers and shall be subject to all the responsibilities of the office of the President and shall perform such duties and functions as the Board of Trustees may prescribe.

(f) **Other Officers.** Other officers shall perform such duties and such powers as may be assigned to them by the Board of Trustees.

**Section 6.5. Vacancies:** All vacancies in any office shall be filled by the Board of Trustees, either at a regular meeting or at a meeting specifically called for that purpose.

**ARTICLE VII: Committees**

**Section 7.1. Standing Committees:** The standing committees of the Board of Trustees shall be as follows: Executive Committee, Investment-Board Governance Committee, Audit Committee, Budget, Finance & Investment Committee, Educational Policy & Institutional Resources Committee and such other standing committees as may be established by the Board of Trustees from time to time. Any committees, including standing committees, that include non-trustees shall be advisory in nature and shall not have the right to exercise the authority of the Board of Trustees. The President of the University shall be an ex officio member of all committees except for the Audit Committee. The chair of each committee other than the Executive Committee shall
prepare the agenda for meetings of the committees. The President shall prepare the
agenda for meetings of the Executive Committee in consultation with the Chair of the
Board.

Section 7.2. Composition and Duties of Standing Committees: The standing
committees shall be comprised of such members as may be determined by resolution of
the Board of Trustees from time to time. Appointment of members to each standing
committee must be approved by a majority of all trustees in office when the action is
taken. Standing committees other than the Executive Committee shall have such duties as
may be determined by resolution of the Board of Trustees from time to time.

Section 7.3. Duties of the Executive Committee: During the intervals between meetings
of the Board of Trustees, the Executive Committee shall have all the powers of the Board
of Trustees in management of the property and affairs of the University and may exercise
the authority of the Board of Trustees except as may otherwise be provided by law. In
addition to its authority to take action on matters that cannot or should not be deferred to
the next scheduled meeting of the Board of Trustees, the Executive Committee shall
oversee the work of committees of the Board of Trustees, University planning processes,
and the responsibility of the Board of Trustees to support the President and to assess his
or her performance.

Section 7.4. Ad hoc Committees: The Board of Trustees may create ad hoc committees
and appoint members to them from time to time. The creation of such committees and
appointment of members must be approved by a majority of all the trustees in office
when the action is taken. Each committee shall have at least two persons who are
members of the Board of Trustees. If a committee includes non-trustees, the committee
shall be advisory in nature and shall not have the right to exercise the authority of the
Board of Trustees. The President of the University shall be an *ex officio* member of all ad
hoc committees.

Section 7.5. Liaisons and Representatives on Committees: The President shall
designate one or more members of his or her administrative staff as liaison officer to each
standing and ad hoc committee and specify their duties. The Faculty Senate, the Student
Government Association, the Graduate Student Senate, the Alumni Council, UVM
Foundation, and the Staff Council may respectively designate a *up to two* representatives
to the Budget, Finance & Investment and Educational Policy & Institutional Resources
Committee and one representative to the Audit Committee, each of the committees at their
discretion. The representatives may attend meetings of the committees and participate in
discussions but shall not have any voting rights.

Section 7.6. Meetings, Notices, Quorum: The provisions set forth in Sections 5.1, 5.2,
5.4, and 5.5 of these Bylaws shall also apply to meetings of committees of the Board of
Trustees.
Section 7.7. Vacancies: Any vacancy occurring on a committee by death, resignation, or otherwise may be filled by the Board of Trustees. Such appointments to fill vacancies must be approved by a majority of all the trustees in office when the action is taken.

ARTICLE VIII: Fiscal Year

Section 8.1. Fiscal Year: The fiscal year of the University shall begin on the 1st day of July in each year and end on the 30th day of June in each year or such other dates as the Board of Trustees may determine from time to time by resolution.

ARTICLE IX: Indemnification

Section 9.1. Mandatory Indemnification: The University shall indemnify any individual who is or was a trustee or officer of the University to the extent that such indemnification is required under the Vermont Nonprofit Corporation Act.

Section 9.2. Discretionary Indemnification: The University may indemnify a trustee, officer, employee, or agent of the University to the extent permitted by the Vermont Nonprofit Corporation Act. The determination as to whether the University will consider providing discretionary indemnification shall be made by resolution of the Board of Trustees, provided that the determination as to whether an individual has met the standard of conduct necessary to entitle him or her to be indemnified shall be made in the manner specified by the Vermont Nonprofit Corporation Act.

Section 9.3. Advance for Expenses: The University may pay for or reimburse the reasonable expenses incurred by a trustee, officer, employee, or agent of the University in advance of the final disposition of the proceeding in accordance with the Vermont Nonprofit Corporation Act.

Section 9.4. Insurance: Nothing herein shall affect the University's right to purchase and maintain insurance on behalf of an individual who is or was a trustee, officer, employee, or agent of the University. No individual for whom indemnification is intended hereunder shall be indemnified for any expenses or liability for which coverage is provided and reimbursement is paid under an insurance policy.

ARTICLE X: Amendments

Section 10.1. Amendments: The Bylaws may be amended by an affirmative vote of a majority of all of the members of the Board of Trustees. The Bylaws may be amended at any meeting of the trustees, provided that the notice of the meeting at which proposed amendments to the Bylaws are to be considered must state that the purpose, or one of the purposes, of the meeting is to consider proposed amendment to the Bylaws. The notice must also contain or be accompanied by a copy or summary of the amendment.
ARTICLE XI: Miscellaneous

Section 11.1. References to Vermont Act: All references in the Bylaws to the Vermont Nonprofit Corporation Act shall mean and include said Act as it may be amended, supplemented, or replaced from time to time.

Section 11.2. References to the Charter: All references in the Bylaws to the Charter shall mean the Charter of the University of Vermont and State Agricultural College as it may be amended, supplemented, or replaced from time to time.

Section 11.3. Inconsistencies with Charter: To the extent that any provision of the Bylaws is inconsistent with the Charter, the Charter shall govern.

Adopted by the Board of Trustees: February 7, 1998
Revised and adopted by the Board of Trustees: September 8, 2007
As further revised and adopted by the Board of Trustees: October 24, 2009
As further revised and adopted by the Board of Trustees: November 8, 2012
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

CONFLICT OF INTEREST POLICY

Policy Statement

University Trustees work in service to the institution and the public trust and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and its members individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the University, and with due regard for the University’s reputation. It is therefore the policy of the University and this Board that Trustees have an affirmative duty to identify, disclose and manage conflicts in conformance with this Policy and the law.

Definitions

Conflict of interest. A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Trustee’s private interests and his or her fiduciary duties as a University Trustee. Conflicts may affect non-financial as well as financial Trustee interests. The Trustee may be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the University is dealing, or have a family relationship with a person or entity with which the University is engaged.

For purposes of this Policy, a conflict of interest arises where the relevant material facts affect a Trustee, a member of his/her immediate family, or an affiliate, as herein defined. In the case of conflicts involving a member of the immediate family or an affiliate of a Trustee, the Trustee is obligated to make disclosure when he or she knows or reasonably should know of a conflict.

An apparent conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s ability to discharge his or her duties as a Trustee, as summarized in the Policy Statement above, are compromised by personal interest.

A member of the immediate family of a Trustee includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership (wherever residing), person claimed as a dependent for federal income tax purposes partnership (wherever residing), and any relative residing in the same household as the Trustee. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.
An affiliate includes a business, association, corporation, or other legal entity in which a Trustee or a member of his/her immediate family is a director, trustee, officer, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or a controlling interest. In addition, an affiliate is an entity from which the Trustee or a member of his/her immediate family otherwise annually receives or has the right to receive $10,000 or more compensation, income, or other financial consideration or value.

Policy Elaboration

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. In general, Trustees may not use their positions or confidential information to which they become privy as Trustees for the gain of themselves or others. Below are examples of situations presenting potential, actual or apparent conflicts.

1. Commercial transactions. Commercial transactions between a Trustee and the University are not *per se* barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is strict adherence to disclosure and recusal protocols. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the University considers alternative competitive proposals; and (c) the University determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict.

2. Confidential, Proprietary or Privileged Information. Except as required by law, no Trustee shall, without proper Board or institutional authorization, give or release University information or data (“Information”) of a confidential, proprietary or privileged nature, or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Trustees during and after their University service relative to Information acquired in the course of their Trusteeship.

3. Business Opportunities. No Trustee shall divert from the University for private gain of self or others a business opportunity in which the University would foreseeably engage in furtherance of its mission, unless the University has been offered, and through an authorized official declined, a right of first refusal.

4. Employment or Retention of Immediate Family Members or Affiliates. No Trustee may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the University of an immediate family member or an affiliate.
5. **Remuneration, Gifts, and other Consideration**

   a. **From External Parties.** No Trustee shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the University, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Trustee’s influence with the University has been exchanged for such consideration. This prohibition applies without limitation to vendors, contractors, sponsors, donors, and job or admissions applicants.

   b. **From the University.** It shall not be considered a conflict of interest for a Trustee to accept from the University (1) gifts or other items of value in consideration of his/her service or retirement from University service; (2) customary honoraria; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with University Trusteeship pursuant to applicable University policy and procedures; or (4) complimentary tickets for a Trustee and his/her guest at University functions or events when the presence of the Trustee is deemed to serve the best interests of the University.

   c. **From External Parties or the University.** No Trustee shall solicit or accept any fee or honorarium offered in return for a speech or appearance or article made or written in the individual’s official capacity as a Trustee. Reasonable and necessary expenses reimbursed to the Trustee for participation in such an event are permissible subject to the filing of a conflicts disclosure form. Any such appearance shall be subject to the provisions of the Statement of Trustee Responsibilities, and in particular the requirement that a Trustee recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board and that, when a Trustee engages in communications with University personnel, students, the citizenry, and the media on an individual basis, the Trustee shall be guided by the duty of loyalty as set forth in the Statement of Trustee Responsibilities.

6. **Employment of University Personnel.** A Trustee wishing to employ or retain a University officer of administration for private consulting or other non-University purposes must first obtain from the General Counsel an opinion as to whether such engagement does, or may, give rise to a conflict of interest. If the General Counsel concludes that a conflict does, or may, arise, the Trustee shall disclose the proposed employment or consulting arrangement to the Board Chair. The Board Chair will either authorize or decline to authorize the proposal, conferring with the Executive Committee in his/her discretion. If the proposal is authorized, the Chair shall communicate the authorization in writing to the Trustee, with a copy to the General Counsel. The Trustee’s Conflict of Interest Disclosure Form shall then be amended to reflect the affiliation. In the case of proposed employment of other University
personnel, the Trustee should consider whether such employment might reasonably result in a conflict of interest and, if so, he/she should thus amend the Conflict of Interest Disclosure Form.

7. **Testimony.** A Trustee who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when s/he is speaking on the matter as a University representative. Trustees shall obtain authorization to speak on behalf of the University by means of customary governance protocols.

8. **Political or Appointive Office.** The constituency of each Trustee is the University, regardless of the source of appointment. Trustees whose service on the Board is incidental to elective or appointive office shall engage in such service with due regard for the fiduciary duties of a Trustee, and in a manner consistent with this Policy.

**Summary of Protocol**

Upon commencement of Board service, Trustees file Conflicts Disclosure Forms, amending them no less than once annually and otherwise as circumstances dictate.

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict to the Committee Chair (and/or to the Board Chair if the conflict will arise during a Board meeting). The Trustee, Committee Chair, or Board Chair may request an opinion on the existence of a conflict from the General Counsel. In the event that a Board Chair or a Committee Chair conflict is in issue, the disclosure shall be made to the Vice Chair, who may also request a legal opinion from the General Counsel.

Once having disclosed the conflict, the Trustee may him/herself decide to decline to participate in discussion of, and any vote upon, the matter as to which a conflict exists. In such instances, the meeting record shall reflect his/her self-recusal and abstention.

If the Trustee does not her/himself decline to participate in discussion of the matter as to which a conflict exists, the Committee (or Board) Chair shall, prior to consideration of the matter, and in open session, identify the conflict. In the event that a Board Chair or Committee Chair conflict is in issue, the Vice Chair shall identify the conflict. The Trustee as to whom a conflict is identified may participate in open session discussion of the matter if a majority of the members of the Committee or the Board authorize such participation by majority vote; if such authorization is given, the Trustee shall nonetheless abstain from voting on the matter. The Trustee shall be excused from any portion of an Executive Session devoted to the matter as to which a conflict arises.
A Trustee who recuses from participation in discussion of, and/or voting upon, a matter before a Committee or the Board shall not be counted toward a quorum.

Protocol

Disclosure Forms

Each Trustee shall file a Trustee Disclosure Form at the time of initial appointment and by March 1 of each subsequent year of service. The Form will require the Trustee to acknowledge his/her review of the Policy and to agree to disclose on the Form and as otherwise required by the Policy any matter as to which a conflict does, or may, exist. The Trustee shall update the Form during the year as circumstances dictate. Forms will be filed with the Trustee Coordinator, and maintained by the Assistant Secretary of the Board, with a copy to the General Counsel.

Disclosure Obligation

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict and all relevant material facts to the Committee (or Board) Chair. If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be disclosed to the Vice Chair, who shall instead preside for the agenda item as to which the matter arises.

Relevant material facts may include the benefits that could inure to the Trustee; the extent to which, if any, the Trustee is participating in a competitive process to enter into a transaction or business affiliation with the University; whether the Trustee is privy, in his or her capacity as a Trustee, to proprietary or other non-public University information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and/or if the University would be likely to enter into the proposed transaction or relationship in the absence of the Trustee’s University affiliation

A Trustee may elect, following such disclosure, to self-recuse from participation in discussion of the matter as to which disclosure is made. Alternatively, if a Trustee submits a disclosed conflict for consideration by a Committee or the Board, when the item arises on the agenda the Chair shall, for the record, identify to the Committee or the Board the conflict and the material facts relating thereto. (If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be identified by the Vice Chair, who shall preside for the agenda item as to which the matter arises.)

The Trustee shall request authorization from the Committee or the Board to participate in any discussion of the agenda item that takes place in open session, and shall be recused from any portion of an Executive Session devoted to the matter as to which a conflict arises. If the Committee or Board by majority vote authorizes the Trustee’s participation in such public discussion, the Trustee shall nonetheless abstain from voting on any such item.
In all instances, the determination as to whether to permit the Trustee to participate in discussion of the agenda item as to which a conflict arises shall be made following full disclosure by the Trustee of the nature of the conflict, and on the basis of whether, in the considered judgment of the Committee or the Board, the University’s interests will be best served by participation of the Trustee notwithstanding the conflict.

**Role of the University General Counsel**

Prior to each Committee and Board meeting, the General Counsel shall review the agenda in relation to Trustee Disclosure Forms to determine whether a conflict may, or will, arise. If a conflict is identified, the General Counsel shall contact the Trustee and the Committee (or Board) Chair regarding the relevant agenda item. The Trustee and the Chair shall otherwise proceed as described in the first section of this Protocol (“Disclosure Obligation”).

Upon request of the Trustee and/or the Committee or Board Chair, the General Counsel shall provide an opinion as to whether a conflict of interest arises as to such Trustee. All such opinions shall be subject to applicable privileges under law.

**Approval of a Conflict of Interest Transaction**

If a conflict is identified for the first time subsequent to any action by the Board in which a conflicted Trustee participated, such action shall be voidable by the Board in accordance with the Vermont Nonprofit Corporation Act and otherwise applicable procedures relating to Board meetings and action.

Notwithstanding the preceding paragraph, a conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if the transaction (a) was fair at the time it was entered into or (b) is approved in advance by vote of the Board or a Committee if (i) the material facts of the transaction and the Trustee’s interest are disclosed or known to the Board or Committee; and (ii) Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the University. Any approval must receive an affirmative vote of a majority of the Trustees on the Board, and any Trustee who recuses from participation in discussion of, and/or voting upon, a matter before the Committee or Board shall not be counted toward a quorum.

In cases in which the Board or a Committee considers approval of a conflict of interest transaction, its review of the material facts and its resulting decision shall be documented in the meeting minutes.

**Post-Transaction Challenge Procedure**

Complaints of non-compliance with this Policy shall be filed promptly and in writing with the Chair of the Board, with copies to the Secretary and Assistant Secretary of the Board. Disposition of such complaints shall be handled in the same manner as proposed or approved
transactions under this Policy and, and as to a non-compliant Trustee, under relevant provisions of the University Charter, Bylaws and Vermont Nonprofit Corporation Act.

Governing Law

This Policy incorporates by reference any obligations imposed upon the University, the Board, and/or a Trustee by federal or State law.

*Adopted by the Board of Trustees: February 12, 2005
Amended by the Board of Trustees: February 4, 2012
Amended by the Board of Trustees: November 8, 2012*
Staff Council President’s Report  
Friday, February 8, 2013  

Board of Trustees – Committee of the Whole  

Prepared By  
Catherine E. Symans, Staff Council President  

Since my last report to the Board, the Staff Council held its annual Holiday Bazaar and Food Drive in early December which was a huge success. This event is the largest put on by Staff Council and recognizes the craftsmanship and artistic talents of our community. The proceeds from a raffle and bake sale at the event helps to support the Staff Council Community Service Award program and defray the costs of Staff Council sponsored social events and activities as well as discounts offered to staff. With a combined donation of non-perishable food and cash contributions, we donated 651 lbs. of food to the Chittenden Emergency Food Shelf. This broke all previous records by over 300 lbs. of food. For their efforts in organizing this event, the Staff Council Social Committee received a Certificate of Recognition from the Chittenden Emergency Food Shelf.

A highlight of the fall semester is the December Commencement, and as Staff Council President, I was honored to represent staff at this year’s ceremony. The event was moving and inspirational and one could not help but feel pride in this institution. Participating in University academic ceremonies serves as a reminder to all of us as to why we’re here, and it is the service which UVM staff provides that contributes the success of our students and the entire UVM community.

Also in early December, the Staff Council Executive Board participated in the Interim Provost Search interviews. Although we were pleased to be included in the interviews, we were disappointed not to have had staff representation on the Interim Provost Advisory Committee. The Staff Council had received numerous inquiries as to why a staff member was not part of that group, particularly since three out of the four governance groups were represented. We consulted the University and University Officers’ Manual and learned that only full search committees are addressed in the manual (202.2.3), not advisory committees. We did inform the Chair of the Advisory Committee that we would have appreciated staff being given consideration to participate. While we have now been asked by President Sullivan to provide a list of staff nominations for membership on the Provost Search Committee, it is our intention going forward to encourage a thorough review and update of this document as it does not reflect changes or developments at the University (e.g., Graduate Student Senate is not even referenced), and uses gender specific language which should be removed to be aligned with UVM’s efforts to be a welcoming institution to all gender identities.

We look forward to an exciting and productive spring semester.
Student Government Association Report  
08 February 2013

Board of Trustees – Committee of the Whole

Prepared By  
Connor D. Daley, SGA President

The end of the 2012 calendar year has seen a transition in Student Government Association composition, as several Senators have begun semesters abroad or have graduated. Additionally, although the second quarter for undergraduates is largely consumed by vacations and final exam preparation, the SGA has remained active and diligent in its areas of strategic focus – community relations, academic advising, career services/preparation, and re-examining SGA communication with students.

Our accomplishments in the first semester in the above areas have included:

**Community Relations**  
~ Launch of the Catamount Zone Taxi service, a partnership between the SGA and Vermont Tour and Charter to reduce walk-by noise and promote street safety  
~ Annual Senate outreach to the Vermont Legislature, emboldened by new relationships with legislators outside of Chittenden County  
~ Regular attendance of Burlington City Wards 1 and 6 Planning Assemblies to communicate directly with City and community leadership

**Career Services**  
~ Collaboration with Pam Gardner of Career Services to explore possibility of integrated career preparation services  
~ Collection and processing of student feedback on University career preparation services, the results of which will be collated into an Executive Summary that will be shared with Dean Rizvi and Senior Leadership

**Academic Advising**  
~ Research and several focus groups on centralized/in-unit “hybrid” advising models, although most work will be conducted this semester

**Internal Communication & Services**  
~ Institutionalization and digitalization of our club liaison program  
~ Preparation for the launch of our UVM VOICE tool  
~ New club policy workshops, to help student organizations better navigate SGA and University policies and requirements  
~ New budget workshops to prepare organizations for FY14 budget presentations  
~ Initiation of a campus Blue Ribbon Commission on Student Representation to examine and evaluate the communication between students and governance groups
In the role of SGA as a student representation and advocacy body, several concerns arose during the first semester, which we will seek to collaborate on with our peer governance bodies. The support of veteran students, at any level of study, remains a top priority for our Committee on Legislative Action. Along with the student call for a divestiture of certain endowment funds, I am calling for the establishment of an academic program or formalized internship scheme that will continue the work of undergraduate ecological economics education. Although it is important to align University investments with its values and vision, it is similarly important that the research and organization of the group calling for divestiture be recognized, celebrated, and perpetuated. As the University examines its contribution to environmental and resource education, an internship program can turn extra-curricular activities into co-curricular ones, which in turn can contribute substantially to the University’s commitment to experiential education. Another area of executive focus will be collaboration on the establishment of a Women in Science, Technology, Engineering, and Mathematics program. This will serve to promote and support the inclusion of more women in STEM fields at UVM, but to answer the call of an increase in CEMS enrollment. Finally, the exploration of a textbook affordability program, brought to the SGA by Vice-President Cate, is of extreme importance and relevance to University undergraduates. This is because in addition to increasing tuition and cost-of-living expenses, academic materials for higher education have become disproportionately expensive.

SGA priorities for the coming semester will remain closely tied to our areas of strategic focus, but will transition from a review of services to that of institutional resources and infrastructure, to align student concerns and feedback with President Sullivan’s priority of first-rate academic facilities. In this respect, we will continue our collaboration with the Dean of Libraries and Learning Resources to identify new space utilization in Bailey/Howe Library and Dana Medical Library for learning and studying. This work, however, will need to be further addressed directly in the FY14 budget and in Capital Rankings if the University is to install academic infrastructure as a top priority.
The UVM Alumni Association is pleased to present this report reflecting second quarter accomplishments and areas of programmatic focus for quarter three. Quarter two was a period of significant activity that engaged more than 6,500 alumni, parents and friends, including a very successful Reunion and Homecoming effort. Work continues to develop and elevate awareness of the Alumni Association and to strengthen the brand that will lead to greater engagement and philanthropic support. All standing committees continued their work highlighted by the following:

**Strategic Priority Updates and Program Highlights**

**Regional Engagement – Building Traditions**
Nearly 500 alumni participated in holiday gatherings in four cities in December. The events build upon strong regional programming in Boston, NYC and DC and elevate activity in San Francisco. These will become annual events to gather the UVM Family in celebration of our common bond — the University of Vermont.

**Student Alumni Association**
The 30+ member Student Alumni Association successfully reintroduced the role of Student Ambassador at the University of Vermont. These students participated in events on and off campus, including the signature holiday party events.

**Affinity Engagement**
A draft model to support engagement of alumni around affinity areas beyond class and geographic location will be presented at the February Alumni Association Board meeting. The plan encourages the creation of career-based, identity-based, and student activity-based interest groups that will receive modest support for the UVM AA.

**Career Services**
Career networking nights are planned in the metropolitan Boston and New York areas. These events, designed to connect students with successful UVM alumni for career advice, guidance with internships, and job search assistance will also be planned for Vermont and Washington DC in the spring. More than 200 alumni will participate.

**Alumni Directory**
The Alumni Association is partnering with Publishing Concepts to produce an alumni directory. The project aims to update alumni information, including address and employment data, for a December 2013 release. The last UVM Alumni Directory was produced in 2004.

**Sustaining Membership Program**
Plans continue to evolve for the public launch of a sustaining member program for the Alumni Association that will generate revenue and increase engagement with our alumni community by offering a member benefit program. The program will begin July 1, 2013.

**Strategic Planning**
The alumni association board will conduct its annual planning meeting/retreat on February 1st in Stowe, VT. Topics to be discussed include: membership programs, events, mentoring and student engagement, diversity and affinity initiatives, traditions, and evaluation metrics and measurement.

**UVM Alumni House**
The alumni house project continues to move forward with plans to issue an RFP, using the design-build process, to see the project through construction documentation. Private gifts to the project now exceed $3.1M
The Faculty Senate has had two meetings since the November, 2012 Board of Trustees report.

Our current activities include the following:

**General Education.** The Faculty Senate approved a motion supporting the continued work of the General Education Committee on Writing and Information Literacy. While the pilot program on first year writing continues, the committee is working on creating a pilot program to further this work on writing as the students move on to their sophomore, junior, and senior years. This pilot will take place in the individual units in acknowledgment of the fact that different disciplines require different kinds of writing. The committee co-chairs asked for volunteer units to help with the pilot, which is scheduled to begin in the fall of 2013.

Two groups of faculty have met to begin the process of creating learning outcomes for general education in two additional areas of study: diversity and sustainability. The groups hope to have initial proposals to the senate by the end of the spring semester.

**Qualitative Research.** The Faculty Senate hosted a webinar on qualitative research and the institutional review board on December 12, 2012. The faculty who attended had mixed reviews of the webinar but agreed that continued effort is needed to support the efforts of qualitative researchers in similar ways as those given to quantitative researchers. To that end, the senate is working with the provost’s office and the Center for Teaching and Learning to create a technical support network for the recently acquired qualitative research software.

In addition, Chair of the Research, Scholarship, and Graduate Education Committee, Richard Galbraith, presented his committee’s work regarding this issue to the senate. The committee recommended that the Faculty Senate include a report from the IRB at the end of each year (when Senate committee reports are given). This report would include how many proposals were seen by, approved, and denied by the IRB that academic year in order to educate the faculty about the work and process of the Institutional Review Board.
**Book Banquet.** The Faculty Senate co-hosted the Book Banquet with the President’s Office to honor those members of our community who published books in the past year. The banquet was well attended, and, as usual, the showcase of books was impressive in its quantity and variety.
Dear Members of the Board,

I am pleased to inform you about the progress of the strategic initiatives that the Graduate Student Senate has achieved so far in this academic year 2012-2013. During my first report in November, I highlighted for you our three strategic areas of focus: collaboration, inclusion and support; professional and student development; and student life: creating structures and opportunities. At this time, I would like to share with you our continued progress in those three areas:

**Collaboration, Inclusion and Support**

- Over the course of the fall term we had a variety of productive and informative discussions at our senate meetings with guest speakers, including: President Sullivan, Dean Cepeda-Benito, Kim Howard and staff from the Office of International Education and Ida Russin from graduate college. These conversations have allowed graduate students greater access to professionals from across campus.
- Continuing communication with graduate students through our regular Tuesday “Grad News” emails. These newsletters inform graduate students of upcoming events, opportunities, and other issues pertinent to graduate students.
- Moving to more advanced scheduling. This semester we’ve planned out many events for the entire term in advance to allow for graduate students to better plan their time.
- Working with graduate college to address both short term and long term graduate student needs. These discussions have included: improving access to information, rethinking graduate student orientation, and examining graduate student housing.
- With Graduate College we have been working on the development of a mentor handbook that might serve as a guide for both students and mentors campus wide.

**Professional and Student Development**

- Continuing of our new professional development series
- This semester we have eight workshops scheduled for the Wednesday lunch hour. These workshops range in topic from thesis formatting to online professional networking. The workshops are being conducted by a variety of professionals and students from across campus, all of whom are donating their time.
- We have conducted a survey of all graduate students to determine their needs and visions for career development on campus.
- Continuing collaboration with the UVM Student Research Conference. The Graduate Student Senate will sponsor a workshop for undergraduates to refine
their presentations for the conference and will provide room proctors of the day of the conference.

**Student Life: Creating Structures and Opportunities**

- Continuing organization of the monthly coffee breaks series. These Friday coffee breaks provide an excellent way for students to take a break from academics, enjoy free treats and connect with other graduate students.
- Ice Skating Series: This is our second year offering a series of ice skating events in January and February as an activity for graduate students to do in the winter months. Graduate students are invited to join the executive council for an afternoon of skating at a local arena. Admission and rental cost is paid for by GSS.
- Supporting UVM Athletics: we have plans to arrange groups of graduate students to attend several Catamount competitions.
- Low stress events. Following graduate student feedback, we have focused our energy on offering additional low-commitment and easy events, such as movie nights, game nights and pick up sports at Patrick Gymnasium. These activities allow graduate students to take a break from their studies without committing to a lot of time or energy. These activities are all drop-in requiring no advanced sign up or registration.

As the Graduate Student Senate works to support and advocate for graduate students at The University of Vermont, we appreciate your support in achieving that goal. As always, thank you for your service to The University of Vermont.

Respectfully submitted,

Kelly Swindlehurst
President
Graduate Student Senate
COMMITTEE OF THE WHOLE

February 8, 2013

Resolution Awarding Contracts for Vehicle Rental

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is authorized to execute contracts with Hertz Corporation, Thrifty Car Rental, and Majestic Car Rental Group, Inc. for vehicle rental services. Each contract will begin February, 15, 2013 and end February 14, 2016, with the option of two one-year renewals, and the total of all three contracts over a five-year period will not exceed $2.5 million.

Resolution Approving STERIS Corporation Contract

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of Technical Services Partnership (TSP), is authorized to enter into a contract with STERIS Corporation for maintenance management services for an amount not to exceed a total of $1.1 million for FY 2013 and FY 2014.

Resolution Approving Contract Extension with University Health Plans

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of the Center for Health and Wellbeing and the Director of Risk Management and Safety, is hereby authorized to negotiate a one-year contract extension for student health insurance with University Health Plans, at an estimated amount of $3.8 million beginning August 1, 2013 and ending July 31, 2014.

Resolution Approving Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.

BE IT RESOLVED, that the authority for expenditures authorized by Resolution of the Board of Trustees on September 12, 2011 with Elsevier, Inc., is increased by $1,500,000 resulting in a total authorization of $5,550,000 through the period ending December 31, 2014.
THE UNIVERSITY OF VERMONT BOARD OF TRUSTEES

MEETING & RETREAT DATES

**Proposed 2014:**
Winter Meeting: *Friday-Saturday, 2/7-8*
Special Meeting: *Monday, 3/10* (to elect chair and approve committee assignments)
Spring Meeting: *Friday-Saturday, 5/16-17 (Commencement 5/19)*
Summer/Fall Board Retreat: *Friday-Saturday, 9/5-6*
Fall Meeting: *Friday/Saturday, 10/24-25*

**Approved 2013:**
Winter Meeting: *Friday-Saturday, 2/8-9*
Special Meeting: *Monday, 3/11* (to elect chair and approve committee assignments)
Spring Meeting: *Friday-Saturday, 5/17-18 (Commencement 5/19)*
Summer/Fall Board Retreat: *Friday-Saturday, 9/6-7*
Fall Meeting: *Friday/Saturday, 10/25-26*

*All meetings will be held in the Dudley H. Davis Center with the exception of October 2014 which will be held in the Waterman Building.*
Financial Aid Tutorial
February 8, 2013

Board of Trustees
Committee of the Whole

Prepared by:
Chris Lucier, Vice President for Enrollment Management

This document provides information to facilitate a discussion of financial aid and the use of financial aid in enrollment management during the Committee of the Whole, February 8, 2013.

Financial Aid Leveraging and Enrollment Management

- Financial aid leveraging facilitates effective enrollment management to achieve institutional goals. Goals such as:
  - Student selectivity and quality
  - Residency mix (in-state/out-of-state)
  - Diversity
  - Affordability
  - Retention and persistence to graduation
  - Tuition revenue
- The goal of financial aid leveraging is to enroll a class that is consistent with institutional goals and maximize net revenue after financial aid

Forms of Financial Aid

- There are two types of institutional gift aid
  - Need based aid – a grant awarded based on the assessment of the student/family’s ability to pay against cost of attendance
  - Merit aid – a scholarship awarded based on academic performance or special talents
- Most students receive a financial aid package with some of both types of aid
- Some students receive no aid
- Aid is awarded to students when they enter as a first time student or transfer and generally remains the same unless there is a change in the student’s or family’s situation
  - The student’s academic performance is not adequate to retain the scholarship
  - The family’s financial situation changes significantly
Tuition Discounting

- Tuition discounting is a foundational practice of financial aid leveraging.
  - The goal is to increase a student’s probability to enroll by discounting the cost of attendance from the “sticker price”, i.e., finding the student/family’s price point
  - The “ideal” discount gets a student to enroll without extending aid beyond the price point
- Tuition discount rate = \( \frac{\text{Total institutional aid}}{\text{Total gross tuition and required fee revenue}} \)
- Students will be discounted differently
  - Student factors
    - What are they willing to pay to attend UVM?
    - Competition. What is the level of interest for that student from other institutions (e.g. strong academic profile, promotes campus diversity, unique skills or experiences)?
    - What is our reputational position in the market? How interested are they in attending UVM?
  - Family’s/student’s ability to pay (financial situation)
    - What is the net price after aid for that student?
  - Institutional factors
    - Institutional enrollment goals including net revenue goal
    - Sticker price

Tuition Discount Rate and Institutional Net Revenue after Financial Aid

- Institutional net tuition revenue after financial aid = Per student tuition revenue times student enrollment
- Net revenue after aid can increase even though the average tuition discount rate (the amount of financial aid) goes up
  - Example: Average discount rate of 32% on a tuition of $32,000 leverages enrollment of 2300 students = $50.05m
  - Average discount rate of 34% on a tuition of $32,000 leverages enrollment of 2375 students = $50.16m
- There is a point that you have to discount so much that the increase in financial aid cannot be covered by enrollment gains
Technology Commercialization
February 8, 2013

Committee of the Whole
Board of Trustees

Prepared By
Domenico Grasso
Vice President for Research and
Dean of the Graduate College
&
Corine Farewell
Director, Office of Technology Commercialization
Office of Technology Commercialization

Purpose:

During the November 7, 2012 meeting of the Committee of the Whole several questions arose regarding Technology Commercialization at the University of Vermont. This white paper and accompanying presentation serve to provide an overview of the technology transfer function and insight into the processes involved.

Executive Summary:

The Office of Technology Commercialization (OTC) is an integral component of the Office of the Vice President for Research and Dean of the Graduate College (OVPR-DGC). As UVM realizes the goal of being a premiere small research institution a critical measure for success will include the impact of the research performed at the University on society both locally and globally. OTC is the steward of these nascent discoveries along the path of commercial development. Despite the simplicity of that statement, the system necessary to fulfill our mission is complex. It requires the active participation of a diverse group of collaborators from both within the University and from the community.

OTC performs a careful vetting process of the nascent technologies made in the course of UVM research for commercial potential, providing intellectual property protection when appropriate, and marketing, licensing and monitoring license compliance during the life of the technology.

A research university has a lifecycle for intellectual property asset creation that typically, but not exclusively, begins with grant writing and submission, continues through grant award and administration, performance of the research and ends with patent protection and licensing. A complementary and important pathway to commercialization exists when researchers work with alternative forms of funding such as corporate research or university start up funds to create intellectual property. Either way UVM strives to improve components of this progression to build our intellectual property assets as effectively and efficiently as possible, with a dual goal of maximizing return on investment and positive impact of the research enterprise.

Introduction: The Importance of the Bayh Dole Act of 1980

A transformative moment in university technology transfer came with the passage of the Bayh-Dole Act by the U.S. Congress in 1980. This Act enabled non-government entities to retain title to inventions created using federal research funds. Universities were empowered to effectively transfer knowledge to the private sector through licensing thereby stewarding nascent technologies for further development into products and services for the public good.

Federal agencies currently grant over $30 billion per year to universities to perform research in a

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broad spectrum of fields associated with both the life and physical sciences and engineering.\footnote{AUTM U.S. Licensing Activity Survey: FY2011. Publication. N.p.: AUTM, 2011. Print.} Well known products and services such as Google, Global Positioning Satellites and numerous medical advances have been generated from these investments. Net licensing revenue flows back to the universities and the inventors. According to the 2011 Association of University Technology Managers (AUTM) survey 73% of startups based on university research formed in that year were located in the same state where the research was conducted.

Without the engagement of both private and public sector research sponsors there would be no innovation. In fiscal year 2012, UVM Sponsored Programs Administration managed over $129 million for research, instruction and service activities. Federal awards accounted for the largest portion of funding, nearly 68%, and most of the funding, 70%, supported research activities.

Researchers utilize these funds to uncover novel materials and mechanisms or solutions to problems that may have important ramifications. It is a rare discovery, however, that emerges as a product or commercially viable process directly from research. Often, further technical development and resources are needed to start them on the path to commercialization.

\textbf{Technology Commercialization:}

The Office of Technology Commercialization provides services and support to facilitate the transfer of technologies from the university to the marketplace. \textit{Our goal is to increase the quality and quantity of technologies developed within the University and transferred to the private sector with a concomitant financial benefit to the University.} It is a simply stated goal but the implementation requires input from a variety of resources both within and outside the UVM community.

OTC consists of the Director, Technology Licensing Officer, Communications & Marketing Manager and a Business Support Specialist (in recruitment) working as a team on each technology. Student interns are trained as analysts to help with the assessment of technologies while developing marketable skills for their future careers.

OTC encourages invention disclosures on research findings; files for protection for potential intellectual property (IP);\footnote{“Current UVM IP Policy” http://www.uvm.edu/policies/general_html/intellectualproperty.pdf} obtains, monitors and manages UVM’s patents and copyrights; educates the internal research community about technology commercialization and intellectual property; and supports the creation of new business ventures around some of these technologies.

As mentioned above, research funding is what commonly enables the start of the research development and commercialization process. Working in collaboration with Sponsored Program Administration (also a part of OVPR), part of our role is to ensure that the terms and conditions of any relationships pertaining to intellectual property are conducive to further development and
technology transfer. The Bay Dole Act provides guidelines in the case of federally funded research, but the ever-increasing interest in the private sector to fund research requires careful assessment of how the technology will be made available if the goals of the research project are achieved.

Diagram 1: Where different organizations enter the technology commercialization process.

When a discovery is made during the research cycle, investigators often seek to disseminate their results in a public venue, most commonly by publishing in a prestigious journal. It is at this point that OTC ideally receives the invention disclosure form, that is, before any public disclosure of the discovery, so as to ensure that the intellectual property can by fully protected. The case manager will shepherd the disclosure through the technology commercialization process described in Diagram 1.

The invention disclosure provides an important snapshot of the discovery, describing not only the technology but essential information on individuals involved in the discovery; planned publication or presentation events; and the funding mechanism that supported the research -- which is critical for proper intellectual property protection and reporting obligations to the funding agencies.

The discovery then enters an in-depth Technology Assessment (Exhibit 1) phase where the technical scope, intellectual property strength, competitive landscape and potential commercial market are explored and assessed. The case manager works closely with student intern analysts to help with this task utilizing both UVM library resources and subscription databases to evaluate the intellectual property and market analysis. During the technology assessment phase, key
metrics are identified and quantified for comparable licensing deals with respect to expectations for up-front payments, milestone fees, timelines and royalty rates in other university to industry licensing negotiations.

The inventors are included in this analysis stage and together with the case manager, strategize the timing and benefits of patent protection. If the decision is made to pursue patent protection, a patent attorney is selected from a group of patent law firms pre-approved by the UVM Office of the General Counsel (OGC) and OTC who possess both the legal and scientific background to work with the case manager and inventors to create a strong patent application.

Parallel to the pursuit of intellectual property protection, the technology enters the marketing phase. We use a variety of both “push and pull” marketing efforts to bring the technology before potential licensees. Often, connections the inventors have to their respective field attract the initial licensing contact. Regardless of the marketing approach, however, the inventors play a crucial role in the successful commercialization of any technology. The potential licensee will generally not only need the right to use the patent but key information from the inventors to actualize the technology. In some cases, the licensing of this early work will result in the licensee sponsoring additional work in the inventors’ lab thereby strengthening the technology and providing funding to the research enterprise.

Once a potential licensee has confirmed interest, negotiations begin to license the technology to a private sector entity that can bring it to the marketplace in a timely fashion. Most critically, diligence terms are set in place with the term sheet and license agreement to ensure that diligent effort is given by the company to commercialize the technology. OTC uses templates that are created in collaboration with OGC to form the basis of these negotiations and to ensure that the legal interests of UVM are addressed. Material terms include a requirement for liability insurance, dispute resolution clauses and indemnification. Once the business terms are defined, OGC reviews and comments on the final draft of the agreement and any concerns are addressed through OTC with the licensee. Upon agreement by all parties including the potential licensee and their counsel as well as the Director of OTC, OGC, and the Vice President for Research -- the license is then executed.

The licensee may then proceed to incorporate the licensed technology into its development processes. OTC monitors compliance with the milestones and other terms of the agreement. Licensing to a start-up company requires more intensive oversight. There are a variety of services available to UVM start-ups to aid in securing early stage funding and business acumen. Specifically, UVM has established UVM Ventures within OTC, which consists of two grant programs, the Pre-Seed Capital Fund and the Innovations Fund. These funds were established through a philanthropic gift and perpetuated through State of Vermont, Agency of Commerce and Community Development annual support to assist University innovators to develop prototypes and proof-of-concept work to bridge the technology from the conclusion of the research stage to increase the attractiveness for further investment either by an established company or start-up. The Instrumentation and Model Facility (IMF- also part of OVPR) is available on-campus to provide these services. OTC also works closely with the Vermont Center for Emerging Technologies (VCET – a separate 501.c.3 corporation) to support entrepreneurs with key incubation services and programs. Finally, UVMStart, a new “crowd-funding” initiative for
student business ideas is one such collaboration involving the UVM Foundation, Vermont Technology Council (VTC), VCET, UVM business program, and OTC.

The human capital component is often understated in the technology commercialization process. Technology transfer offers the opportunity for students and faculty to engage in the translation of research discoveries and the satisfaction of seeing one’s research benefit society. The drive and commitment of these faculty entrepreneurs to nurture the technology through the early stages until the risk is sufficiently minimized to attract outside investment either in to a start-up or licensing to an existing entity is absolutely crucial for technology transfer.

**Future Direction:**

The OVPR has made great strides in the development and advancement of OTC since its inception in 1999. The key for a successful technology transfer function is allocation of the necessary resources along the entire commercialization spectrum including human capital, databases, supportive senior administration and a commitment across the UVM community to create an innovation ecosystem where faculty discoveries and entrepreneurship is applauded and valued. A successful technology transfer function within the University is critical to a vibrant research enterprise and economic development prospects for the State of Vermont and beyond.

**Additional Resources:**

**The Bayh –Dole Act**

“Universities, Inventors, and the Bayh-Dole Act”
http://www.law.cornell.edu/uscode/text/35/200

**University Technology Transfer**

“Understanding University Technology Transfer”
http://www.aau.edu/

“Technology Transfer in U.S. Research Universities: Dispelling Common Myths”
http://www.cogr.edu/

“Accelerating Economic Development Through University Technology Transfer: Executive Summary”
http://www.InnovationAssoc.com

http://www.nih.gov/
Economic Impact

“Intellectual Property and the U.S. Economy: Industries Focus”
http://www.esa.doc.gov/Reports/intellectual-property-and-us-economy-industries-focus

“American Jobs & Growth Agenda”
http://www.uschamber.com/innovation
Technology Title

Patent Request Analysis

Technology ID #: 
Inventor(s): 
Analyst: 

Exhibit 1: Technology Assessment Form

OFFICE OF TECHNOLOGY COMMERCIALIZATION
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Final Recommendation

The goal of this section is to reach a final conclusion about the technology. All information which was discovered in the investigation process should be reviewed and indicate what the best possible path would be for the technology.

Invention Disclosure Summary

Problem Solved by the Technology
What problem does this technology solve? Does it solve only one or can it be applied to many problems?

Applications
Describe what the technology can be used for. What are the immediate and/or future applications of this invention?

Advantages
Describe advances or improvements the technology provides over current technology. Are there novel or unusual features? Does the technology solve a specific problem? What approach has the inventor taken towards solving the problem?

Stage of Technical Development
What is the current state of the project? Is there a prototype which could be shown to potential customers? If so how functional is the prototype in comparison to the predicted end product? If not does the inventor plan on or can they build a prototype? Is further research needed for commercialization of the invention? Has the research moved to a physical technology or is it still being tested?

Similar Research
What institutions are conducting research similar to the inventor? Is there significant interest in the field commercially or more academically? Is the technology product independent or does it relies on pending technology? Does the inventor rely heavily on prior research?

Competing Products
Are there competing technologies similar to this one? What other companies are working on the technology? Are their products currently on the market which the inventor’s technology can replace?

Patentable Parts
What is the unique feature of the technology? What kind of innovation does the technology fall under? Is the technology a new process, new material, or some other obviously new development? At first glance would the technology pass the novelty, non-obvious and useful
What parts of the invention might be patentable? How much has been disclosed in publications? What is novel and unique enough to pursue technology?

Sponsorship and Other Institutions Involved
How has the technology been funded? Is funding coming from federal grants or corporate? Are there other universities involved or working on the technology? Is there reporting obligation or other obligations associated with the invention?

Sponsor Name: ________________ Grant/Agreement Number or Date:  
Sponsor Name: ________________ Grant/Agreement Number or Date:  
Sponsor Name: ________________ Grant/Agreement Number or Date:  
Provider Name: ________________ MTA/Agreement Number or Date:  
Provider Name: ________________ MTA/Agreement Number or Date:  

Recommendations
Based upon the above what is your recommendation on how to proceed? Are there significant problems such as disclosures which might invalidate possible patents?

Prior Art Short Screening

Prior Art
Is there obvious prior art? Was prior art disclosed in the Invention Disclosure? Is there non-obvious prior art which might hinder novelty?

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<th>Patent #/Application#</th>
<th>Patent Name</th>
<th>Notes</th>
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Trademarks
Does the invention use trademarked or copyrighted material which could endanger the patent? Is any trademarked words used in the invention title?

Infringements
Does the technology infringe other patented material? Would licensing the technology or using it require licensing additional patented work? How would we prove that someone is infringing the technology?
Legal Obligations to Sponsors

Was there sponsorship from outside of the University of Vermont? Was outside sponsorship corporate focused, research focused or a combination of both? Was any of the funding from federal programs or grants? Are other institutions involved which could claim rights to the technology? Has all the proper reporting been conducted or being conducted?

Red Flags

Is there any part of the technology which shows a sign or warning of any impending danger, disaster or doom? Are there conflicting business interests or parties involved? Does the technology based upon patent search seem novel?

Intellectual Property Development Plan

Pitch

Include a 1-2 sentence non confidential pitch for use on website

Summary

Short Summary of what the technology does. No more than a paragraph

Research Project Plans, Earlier Publications and Patents

Who is/are the inventor(s) and what department(s) is/are he/she/ they associated with? Does the inventor have any prior patents? Is this a new invention or revision of a previous patent? What papers have been written by the inventor(s) in relation to the technology? What work needs to be done to produce a product? How soon can that be achieved? Does the inventor plan to proceed further with the technology?

The invention is from ___________ and ______ of the Department of _______.

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Prior Published Research:

Public Disclosures

Who knows about the technology? Are there journal articles or conference papers which have been published? Has the inventor met with companies to discuss the technology? If they have approached the company what level of protection do they have?
Commercial Applications
What commercial uses does the technology have?

Market
What kind of market is available? What kinds of revenues are possible with the technology? Are we going to have to spend time marketing or will companies be coming to us? Is the market domestic only or international? What percent of the market can we realistically take? Is there multiple market opportunities?

Commercial Opportunity
What opportunities does the technology present for the University? Who should we look into licensing with? Is the technology a platform or single function technology?

Potential Licensees
What kind of firms would be interesting in this technology? Are they typically small to medium size firms or large corporate entities? Is the invention more appealing to retail or manufacturing? Who would be interested in leasing the technology?

Commercial Analysis

Product

Product
What’s your product? How protectable is it? Who else is working in this area? Does this have lots of applications? How much raw materials and labor would companies need if they invest in this technology? What level of expertise and what additional infrastructure is needed? Can it stand on its own or does it need to be integrated? What might a potential supply chain involve? Would we be at the beginning or the middle of the processes?

Market

Market Environment

<table>
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<tr>
<th>Size</th>
<th>Sustainability</th>
<th>Potential Market</th>
<th>Target Market</th>
<th>Potential Value</th>
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</table>

Competitors
Who is working on this technology? Can we obtain multiple license agreements or will companies want exclusive? Is there significant competition to the technology by other universities of institutions? Does a similar product already exist?

Business
Competitive Advantage
What benefit and advantages does this invention offer to businesses? Can a competitor duplicate the work?

Protection Status
How much of the technology can be protected? What other licenses would need to be acquired for a company to use the technology

Questions for the Inventor
During the course of investigation there will be questions which only the inventor(s) will be able to addresses.
This section is to record those questions and answers which might have come up during the investigation. Answers are non-binding and should be viewed more as a guide to the concerns discovered or issues raised at the time.

Sources Referenced
There are no sources in the current document.
Having accomplished the major objectives of the 2001 Residential Life Master Plan, the University of Vermont issued a Request for Qualifications for a new Housing Master Plan on May 9, 2011. The overall objectives of the new plan required the firm’s proposing to: Create a financially sustainable plan for student and faculty/staff housing; Address immediate life-safety issues within on-campus residence halls; Address requisite updates/upgrades of existing residence halls to maintain attractive, marketable housing through the life of the housing master plan to enhance student recruitment and retention; Achieve appropriate capacity levels (including triple rooms) within on-campus student housing; Identify need and determine optimum locations for University owned/operated student housing; and identify need and determine optimum locations for non-owned/operated student housing through potential third party arrangements either on privately owned landholdings or University owned landholdings. Eleven firms responded to the request and Biddison Hier, Ltd., partnered with KSQ Architects, Inc., PC, was selected to provide the master planning services.

The Previous Plan
In August 2001, the UVM Residential Life Master Plan was presented to the Board of Trustees identifying the objective to renovate and upgrade the residence hall system within ten years. The overall preliminary development plan defined the scope of work to include: building 800+ new suite-style beds; perform extensive renovation of all existing halls; install sprinklers and fire alarms in all residence halls; and upgrade all dining facilities. The University utilized that plan as a roadmap to build the 806-bed University Heights Residential Complex; perform major renovations/upgrades to the Living/Learning and Wing-Davis-Wilks Residential Complexes; perform upgrades to the Harris-Millis, Mason-Simpson-Hamilton, and Marsh-Austin-Tupper Residential Complexes, and Mercy and McAuley Halls; install life safety sprinkler, fire alarm, and carbon monoxide detection systems in all campus residence halls; and perform renovations/upgrades to the Harris-Millis, Cook Commons, Living/Learning Marche, and Redstone Dining Halls. All of the broad objectives of the plan were successfully executed.

The New Plan
The team of Thomas C. Hier, principal in Biddison Hier, Ltd., and Armand Quadrini, principal in KSQ Architects, Inc., PC, have been working with the University of Vermont staff since October
10, 2011 to develop the new UVM Housing Master Plan. Their efforts in developing the plan have included data collection through surveys, focus groups, interviews, community forums, market analysis, and condition assessment, as well as research of best practices and peer benchmarking. The team developed programmatic and physical goals for the plan that established the following three principles to guide the effort, 1) Create a better alignment between housing types and different stages of student development; 2) provide more and better community spaces to enhance the vitality of campus life and provide alternatives, especially for younger students, to downtown social life; 3) Knit the campus together with the Green Mountain Walkway. Thomas C. Hier, accompanied by Armand Quadrini, will present the summary recommendations from the newly developed Housing Master Plan.

**Financing**

It is important to understand that there is no current plan for the investments that would be required in order to implement any of the options described in this plan. One thing that is clear is that, due to debt capacity constraints, the projects described in the plan would require some form of private-party partnership if they were to be accomplished.
Deferred Maintenance Update
February 8, 2013

Board of Trustees
Committee of the Whole

Prepared By
Robert B. Vaughan
Director of Capital Planning and Management

The University of Vermont has been proactive in addressing deferred maintenance throughout the past eleven years. Starting in 2001, the University developed a complete condition assessment study on the entire portfolio of its nearly 300 facilities to define the deferred maintenance backlog. That study provided the framework for the work that has been accomplished since that time through a combination of component, system and total building renovations. The priority has been to focus our resources into four objective areas: upgrading life safety/code related issues (sprinkler systems, fire alarms); repair/upgrade building envelopes (roofs, foundations, windows, masonry); improve reliability in utility systems (steam/condensate piping, water piping, electric power distribution); and address deferred maintenance in capital renovations of buildings (Aiken, Terrill, Living & Learning Residential Complex). Over the last decade, it is estimated that the University has retired approximately $92 million in deferred maintenance.

Funding Challenges
In November of 2007, the Board of Trustees recognized the need for addressing deferred maintenance through a resolution to target $11.5 million of capital expenditures for deferred maintenance and on-going maintenance. Those original initiatives were funded through annual bond proceeds until 2008 when the Administration determined that this funding model was unsustainable. During the past five years, funding for deferred maintenance has been accomplished through the use of a combination of budgeted general fund resources, residential life plant assets, State capital appropriation funds, and reallocated bond funds from completed capital projects. These combined funds have been averaging $8 -$9 million annually. The Administration has targeted the objective to develop general fund capacity for future years at a level in the range of $16 - $20 million.

A National Problem
The funding challenge of deferred maintenance is not unique to the University of Vermont. As was reported in the Chronicle of Higher Learning article on May 20, 2012, “Some experts estimate that deferred maintenance on college campuses amounts to about $36 billion….While pushing the American Jobs Act last year, the Obama administration estimated that deferred maintenance at community colleges alone amounted to $100 billion.”
Creating a Strategy
The University of Vermont engaged with Sightlines, a strategic facilities consulting firm, in 2007 to develop a portfolio approach to campus investments. The portfolios were intended to guide and prioritize investments into existing facilities. Sightlines has pioneered this process and has assisted dozens of campuses across the country creating a stronger planning procedure by developing rational, phased programs of capital allocation that optimize investments to beneficial outcomes. This effort combines and balances the priorities of campus facilities, academic program growth, and institutional strategic objectives with the investment capacity of the institution to reach the optimal outcome for the resources that are available.

James A. Kadamus, Vice President of Sightlines, will summarize the work completed over the past decade and provide strategies for managing future investments in UVM’s facilities portfolio.
Call to Order

1. Approval of the November 7-8, 2012 meeting minutes
   Attachment 1
   Debbie McAneny
   10:45-10:50

2. Net Assets Annual Review
   Attachment 2
   Claire Burlingham
   10:50-11:20

   • Annual Debt Ratio Review (Discussion)
     Attachment 3
     Claire Burlingham
     Richard Cate
     11:20-11:40

Recess
   11:45 a.m.

Reconvene
   12:45 p.m.

   • Endowment Performance Update
   • Resolution approving of revisions to the University’s Statement of Investment Policies & Objectives
   • Resolution Approving revisions to the ISC Charge
   • Socially Responsible Investing Advisory Council Update
     Separate Enclosure
     Attachment 3
     Claire Burlingham
     12:45-1:00

5. Comparator Institutions (tuition and fees) & Maximum Cost of Fees
   Attachment 5
   Alberto Citarella
   1:00-1:10
<table>
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<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
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<td>6.</td>
<td>FY 2014 &amp; FY 2015 Budget (<em>Discussion</em>)&lt;br&gt;• Framing the Issue&lt;br&gt;• Key Budget Assumptions (including tuition)</td>
<td>Separate Distribution</td>
<td>President Sullivan&lt;br&gt;Richard Cate&lt;br&gt;Alberto Citarella</td>
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<tr>
<td>7.</td>
<td>Vice President’s Report</td>
<td>Richard Cate</td>
<td>1:30-1:40</td>
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<tr>
<td>8.</td>
<td>Other Business</td>
<td>Debbie McAneny</td>
<td>1:40-1:45</td>
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<td>ADJOURN</td>
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<td>1:45 p.m.</td>
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*Executive Session as needed.  
**Times are approximate
ACTION ITEMS

Approval of Previous Meeting Minutes

Background: The minutes for the November 7-8, 2012 Committee meeting are included as Attachment 1.

Action: Motion to approve the minutes.

Approval of the Revised Debt Policy and Ratio Annual Review

Background: The University Debt Policy states that the debt burden ratio “will not be greater than 6%”. On December 1, 2007, the Board voted as follows: “That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017.” The University’s debt ratio is currently 5.05% and, if we do not incur additional debt, it will be less than 5% by 2017. However, the University’s Strategic Action Plan and the Capital Priorities Plan, which President Sullivan shared with the Board in November, recognize the need for new and renovated facilities to address critical needs. In recognition of these needs, the Committee will be asked to consider rescinding the language added in 2007 allowing the debt burden ratio to remain 6%.

Action: Resolution approving revisions to the Debt Policy. Attachment 3, Appendix A & Attachment 4

Approval of Revisions to the University’s Statement of Investment Policies and Objectives

Background: The Budget, Finance and Investment Committee is charged with the periodic review of the Statement of Investment Policies and Objectives. On December 19, 2012, the Investment Subcommittee reviewed revisions to the Statement and is now recommending adoption of the Statement of Investment Policies and Objectives, revised to reflect changes to the indices used in the Target Benchmark.

Action: Resolution approving revisions the University’s Statement of Investment Policies and Objectives. Attachment 3, Appendix B

Approval of Revisions to the Investment Subcommittee Charge

Background: The Board of Trustees established an Investment Subcommittee of the Committee on Budget, Finance, and Investment on February 11, 2006. The Resolution Approving Creation of Investment Subcommittee and Appointment of its Initial Members has been revised to update the
Investment Subcommittee charge, in light of the Investment Management agreement between the University of Vermont and the University of Vermont Foundation, Inc.

*Action:* Resolution approving revisions to the Investment Subcommittee Charge. *Attachment 3, Appendix C*

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### DISCUSSION ITEMS

**Net Assets Annual Review** – University Controller Claire Burlingham will report on the status of net assets as of the end of FY 2012. *Attachment 2*

**Comparator Institutions** – University Budget Director Alberto Citarella will present background material for that discussion which includes peer tuition and fees comparisons and a summary of maximum cost of room, board and comprehensive fees. The Administration will seek Committee affirmation of the maximum levels for tuition and fees. *Attachment 5*

**FY 2014 and FY 2015 Budget** – President Sullivan will frame the budget discussion and describe the ongoing conversations on the topic with deans and vice presidents. Vice President Cate will review key assumptions related to the development of the FY 2014 budget and budget planning for FY 2015. *Separate Distribution*

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### ROUTINE REPORTS

**Report of the Investment Sub-Committee (ISC)** – ISC Chair Sam Bain will brief the Committee on the activities of the Subcommittee since the last full Board meeting. *Separate Enclosure*

**Vice President’s Report** – The Vice President for Finance & Administration will provide an oral report.
A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, November 7, 2012 at 3:45 p.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Debbie McAneny, Vice Chair Samuel Bain, President Thomas Sullivan, Carolyn Branagan, Robert Brennan, David Daigle, Kyle DeVivo, Joan Lenes, Kesha Ram, Lisa Ventriss and Mark Young

REPRESENTATIVES PRESENT: Alumni Representatives Afi Ahmadi and Walt Blasberg, Staff Representatives Eric Hoefel and Tobey Clark, Student Representatives Samantha Holland and Andrew Dougherty, and Graduate Student Representative Elizabeth Pope

ABSENT: Faculty Representatives Albert Joy and Donald Ross, Graduate Student Representative Jennifer Rousseau

OTHER TRUSTEES PRESENT: Board Chair Robert Cioffi

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate, Controller Claire Burlingham, University Budget Director Alberto Citarella, and alternate Faculty Representative Rona Daley

Chair Debbie McAneny called the meeting to order at 3:48 p.m.

Chair McAneny began the meeting by acknowledging and welcoming the incoming staff, undergraduate and graduate student representatives Tobey Clark, Samantha Holland and Elizabeth Pope, as well as University Budget Director Alberto Citarella.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the May 18 and the August 10, 2012 meetings.

BFI Committee Charge

As part of the cyclical review process of committee charges, members endorsed the housekeeping amendments to the BFI Committee Charge with no additional changes recommended.

Chair McAneny presented the following resolution to the committee for approval:
**Resolution Approving Amendments to the Budget, Finance & Investment Committee Charge**

RESOLVED, that Board hereby approves amendments to the Budget, Finance & Investment Committee charge appearing as Appendix A to this document.

A motion was made, seconded, and it was unanimously voted to approve the resolution for recommendation to the full Board.

**Use of a Portion of the FY 2012 Fund Balance**

At Chair McAneny’s request, President Sullivan joined the committee for this discussion. President Sullivan explained that 75% of private colleges and 60% of public colleges are concerned with maintaining enrollment in the future and referred to his Strategic Action Plan, specifically the enrollment management initiatives to expand recruiting efforts domestically and internationally.

He stressed that immediate action was required in order to achieve the desired outcomes. That action includes preparing for an additional growth in financial aid costs due to the higher selectivity of applicants. These costs are beyond those originally anticipated for FY 14. Immediately expanding recruitment staff and the Enrollment Management operating budget are necessary steps as well.

Vice President Cate suggested using a one-time allocation of $2.5 million of the FY 2012 fund balance as the source of funds for the above - $2 million for a FY 2014 financial aid reserve, and $500,000 for Enrollment Management’s FY 2013 operating costs. These ongoing needs will be built into base of future operating budgets. The remainder of the approximately $3.7 million fund balance will stay in the unobligated general reserves of the University.

President Sullivan acknowledged that using one-time money for ongoing costs is not customary; however, he believes this is a critical opportunity that the University cannot afford to miss. Trustee Bain remarked that this is a strategic and carefully thought-out move and is very comfortable going forward in this direction.

Trustee Lenes stated the importance of cultural support services for both domestic and international students as well as financial support to ensure that these students are successful.

Trustee Branagan suggested that if there are not enough qualified Vermont applicants, the University work with the state’s high schools in raising, not lowering our standards.

Chair McAneny presented the following resolution for approval:
**Resolution Approving the Use of a Portion of the FY 2012 Fund Balance**

WHEREAS, the President has determined that the University would benefit from elevating its level of selectivity when deciding which undergraduate applicants should be admitted; and

WHEREAS, heightened selectivity will necessitate expanded recruiting efforts and additional financial aid;

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration; to allocate, from the FY 2012 general fund operating budget year-end balance, the sum of up to $500,000 for additional expenses incurred by the Enrollment Management Division during FY 2013 and the sum of $2 million to be placed in a financial aid reserve account for FY 2014.

A motion was made, seconded, and it was unanimously voted to approve the resolution for recommendation to the full Board.

**FY 2014 Budget Process**

Chair McAneny began the discussion by explaining that this was the introduction of a several-meeting budget process. Subsequent meetings include a projected tuition and financial aid levels discussion as well as a review of peer and aspirant schools in February, and a half-day meeting in April at which time the committee prepares a budget to recommend to the full Board in May.

Vice President Cate outlined the Administration’s budget-building process which entails extensive conversations with the President and the Provost on how to align the budget with the President’s priorities. He acknowledged the many challenges the University faces including limited non-tuition revenue growth, a less-than-3% tuition increase, marginal growth in undergraduate net tuition, and no growth from all other revenue sources. In addition, the University is facing rising costs: a 2.9% salary increase, increases in its benefits costs and other inflationary increases.

The President’s Strategic Action Plan addresses the need for revenue enhancements and operational efficiencies through administrative and academic program (strategic value) reviews, researching three-semester programs and J-terms in order to maximize the University’s facilities.

After the new year, Provost Knodell and Vice President Cate will discuss their overall budget strategy with the Deans and Vice Presidents. They will then follow up with individual Deans and Vice Presidents on their specific budgetary challenges for the next fiscal year and how best to address them.

Provost Knodell, Vice President Cate and University Budget Director Alberto Citarella will then develop a proposal for the President, incorporating strategic goals and a balanced budget.
Vice President Cate made it clear that none of the operational efficiency initiatives will involve the elimination of positions that are currently occupied, but rather through the consolidation of administrative activities across campus and reviewing positions as they become vacant. President Sullivan emphasized that this is about being strategic and that it will be an all-inclusive process.

Alumni Representative Ahmadi asked what some potential sources of revenue growth would be. Vice President Cate replied that tuition in areas beyond traditional means, such as summer offerings, distance education, January-terms and three-semester curriculums are possible sources.

Approval of Summer Session Tuition Rates

Consistent with past practice, University Budget Director Alberto Citarella proposed that the summer 2013 (FY 2014) tuition rates continue the 15% differential between summer credit hour cost and that of the balance of the year. This will increase the per credit hour cost by 3.5% ($16) above summer 2012 tuition rates to $472 for in-state students and $40 to $1,191 per credit hour for out-of-state students.

The US-Sino Pathways Program Bridge Program all-inclusive fee for Summer 2013 (including tuition, room and board and student fees) of $15,480 was proposed as well.

Approval for Summer tuition fees are needed earlier than Fall tuition rates for planning purposes.

The following resolution was presented to the committee for approval:

**Summer Tuition Resolution**

RESOLVED, that the Board of Trustees hereby approves the change in tuition for the Summer Session from $456 to $472 per credit hour for in-state students and from $1,151 to $1,191 per credit hour for out-of-state students. The changes will become effective for the 2013 Summer Session.

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves an all-inclusive fee for the US-Sino Pathway Program (USPP) Bridge Program for Summer 2013 of $15,480, pending re-approval of that academic initiative via the Educational Policy and Institutional Resources Committee.

A motion was made, seconded, and it was unanimously voted to approve the resolution for recommendation to the full Board.

Debt Policy & Ratio Annual Review

In light of President Sullivan’s strategic goals, Vice President Cate recommended, and Chair McAneny agreed, that the Committee table this action until its February meeting.
Report of the Investment Subcommittee (ISC)

Endowment Performance Update
ISC Chair Bain began by thanking fellow ISC members David Daigle and Rob Brennan, as well as Cambridge Associates and the administration for all their good work. He then explained the reporting structure of the ISC, and pointed out that Rob Brennan is a trustee of both the University and the University of Vermont Foundation, providing an important and strategic bridge between the two entities.

ISC Chair Sam Bain updated the Committee on the University’s endowment, up 1.9% in September, valued at $347.6 million through September 30, and up 10.4% YTD 2012.

The ISC made a few manager changes as a result of interviews held in New York, and approved to move some funds from Rhumbline S&P 500 to a High Yield Manager. Chair Bain commented that the portfolio continues to be well diversified.

Upcoming work for the ISC includes reviewing its charge, its connections to the UVM Foundation, targeting benchmarks, a complete review of hedge funds, and considering measuring private equity and venture capital investments.

ISC Chair Bain brought forth the following resolutions for Committee approval, which, he noted, were endorsed by the Investment Subcommittee:

Resolution Reaffirming the Endowment Budget Policy

RESOLVED, that the Endowment Budget Policy is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the Endowment Budget Policy each year no later than October December 31.

Adopted by: Board of Trustees - May 13, 1995
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
Board of Trustees – October 30, 2010
Board of Trustees – October 22, 2011
Board of Trustees – November 8, 2012
Resolution Reaffirming the Endowment Administration Fee Policy

RESOLVED, that the *Endowment Administration Fee Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the Board of Trustees hereby approves a 0.25 percent fee applied to the University endowment for FY 2012-2013 to cover reasonable costs associated with endowment administration, management and operation; and

BE IT FURTHER RESOLVED, that on a fiscal year basis, the fee will be reviewed and assessed annually as 0.25 percent of the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than October December 31.

*Adopted by:* Board of Trustees - September 13, 2003  
*Reaffirmed:*  
- Board of Trustees - September 8, 2007  
- Board of Trustees - September 5, 2008  
*Amended:*  
- Board of Trustees - October 24, 2009  
*Reaffirmed:*  
- Board of Trustees – October 30, 2010  
- Board of Trustees – October 22, 2011  
- Board of Trustees – November 8, 2012

A motion was made, seconded, and it was unanimously voted to reaffirm the two resolutions for recommendation to the full Board.

Socially Responsible Investing Work Group Update (SRIWG)

ISC Chair Bain reminded the Committee of the steps that led to the recommendation to dissolve the current SRIWG and establish a Socially Responsible Investing Advisory Council (SRIAC). He pointed out that the new Advisory Council will serve as a resource to bring forward issues related to proxy voting and shareholder initiatives. This restructuring of the SRIWG better aligns the University’s structure with other public and private universities and puts a strong consistent process in place that includes many opportunities for comment and discussion. The SRIWG White Paper research concluded that best practices support proxy voting; however that does not necessarily limit other possibilities to include divestment.

Controller Burlingham further explained that a graduate student fellow will be hired to perform research on SRIAC-selected proposals to bring forth to the ISC for consideration. To ensure process consistency, SRIAC membership will mirror that of the SRIWG. As the SRIWG leader, Controller Burlingham said that members of SRIWG are looking forward to this new structure.
Trustee Ram inquired about how other institutions use their proxy votes to affect change. She also inquired about the effectiveness of proxy voting versus divestment.

ISC Chair Bain presented the following resolution for Committee approval, which, he noted, was endorsed by the Investment Subcommittee:

(AS RECOMMENDED BY THE INVESTMENT SUBCOMMITTEE - AUGUST, 22, 2012)

**Resolution Authorizing the Establishment of a Socially Responsible Investing Advisory Council**

WHEREAS, the Board on September 5, 2008 established the Socially Responsible Investing Work Group, whose charge was to consider specific investment policy proposals based on moral, ethical or social criteria, review the impact of any such proposal on current and potential University investments, solicit input on policy proposals from the campus community at large and forward its investment policy recommendations to the Investment Subcommittee which in turn shall report its recommendations to the Budget, Finance and Investment Committee; and

WHEREAS, the Investment Subcommittee subsequently instructed the administration to research how socially responsible investing recommendations are developed at other universities, as well as proxy voting practices, shareholder initiatives, and the screening and monitoring of existing investment portfolio for indications of social harm; and

WHEREAS, this research was completed and the Socially Responsible Investing Work Group (“Work Group”) made formal recommendations on May 2, 2012, specifically, that the Work Group be dissolved and a Socially Responsible Investing Advisory Council be established to support the Vice President for Finance and Administration in fulfilling his/her responsibilities as liaison to the Investment Subcommittee; and

WHEREAS, the Budget, Finance and Investment Committee, following a favorable recommendation from the Investment Subcommittee, recommended that the Board accept the Work Group recommendations;

THEREFORE, BE IT RESOLVED, that the Board hereby dissolves the Work Group and authorizes the creation of the Socially Responsible Investing Advisory Council (“Council”) to be advisory to the Vice President for Finance and Administration, the Council charge to include assessment of investment issues involving ethical, moral, and socially responsible criteria using *Our Common Ground*, with a focus on proxy voting and shareholder advocacy.

A motion was made, seconded, and it was unanimously voted to approve the resolution for recommendation to the full Board.

Chair McAneny recessed the meeting at 4:54 p.m.
Chair McAneny reconvened the meeting at 9:17 a.m., November 8, 2012 in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Debbie McAneny, Vice Chair Samuel Bain, Carolyn Branagan, Robert Brennan, David Daigle, Kyle DeVivo, Joan Lenes, Kesha Ram, Lisa Ventriss and Mark Young

REPRESENTATIVES PRESENT: Alumni Representative Afi Ahmadi, Staff Representatives Eric Hoefel and Tobey Clark, Student Representative Samantha Holland, and Graduate Student Representative Elizabeth Pope

ABSENT: Faculty Representatives Albert Joy and Donald Ross, Alumni Representative Walt Blasberg, Student Representative Andrew Dougherty and Graduate Student Representative Jennifer Rousseau

OTHER TRUSTEES PRESENT: Board Chair Robert Cioffi

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate, University Budget Director Alberto Citarella, Director for Capital Planning & Management Robert Vaughan, Assistant Dean of Students Dennis DePaul, and College of Medicine Senior Associate Dean Ira Bernstein

**Capital Projects Annual Deferred Maintenance Funding**

Chair McAneny invited Capital Planning and Management Director Bob Vaughan, Assistant Dean of Students Dennis DePaul, and College of Medicine Senior Associate Dean Ira Bernstein to provide the project scope, costs and funding plan for the three deferred maintenance projects.

Director Vaughan explained that there was no debt associated with any of the projects. Living & Learning renovations include window replacements, bathroom and structural upgrades, paint and flooring and other aesthetic improvements. Arrangements to temporarily relocate the childcare center to Trinity campus were made. This $3.5 million project is within the Residential Life budget.

The Given Atrium Dining area is a $1 million project with upgrades to the servery and walk-in freezer.

The Stafford Research Lab renovation, a $2.8 million project will repurpose the basement to a research wet lab for the recruitment of a new Chair of Neurological Sciences, which caused the higher square footage cost than average.

This project is being funded with equal shares from the UVM general fund and University Medical Education Associates (UMEA). College of Medicine Dean Rick Morin addressed the Committee regarding the start-up package he received and a conversation about this and UMEA ensued because the committee members were not aware of their existence. The Committee asked
Vice President Cate to provide a breakdown of the operating component line item so members can be aware of other commitments similar to this and to provide a more transparent process.

Vice President Cate clarified that the committee was being asked to approve the whole project since it is a University building as well as approving the use of $1.4 million of general funds. They were not being asked to approve the UMEA portion of the funding for the project.

Bob Vaughan explained the project scope, costs and funding plan for the Living/Learning Building C, Given Atrium Dining, and Stafford Research Lab renovations.

Chair McAneny presented the following resolutions for Committee approval:

**Resolution Approving Living and Learning Building “C” Renovations**

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $3,500,000 for the Living & Learning Building “C” Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and

WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and

WHEREAS, the Division of University Relations and Campus Life has budgeted $3,500,000 of its unrestricted plant funds for this project;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the University Relations and Campus Life unrestricted plant funds to finance the $3,500,000 Living & Learning Building “C” Renovation; and

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

**Resolution Approving Stafford Research Labs**

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $2,800,000 for the Stafford Research Lab Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and,

WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and,
NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the College of Medicine general funds and University Medical Education Association funds to finance the $2,800,000 Stafford Research Lab Renovation; and,

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

**Resolution Approving Given Atrium Dining Renovations**

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $1,000,000 for the Given Atrium Dining Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and,

WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and,

WHEREAS, the Division of University Relations and Campus Life has budgeted $1,000,000 of its unrestricted dining facility funds for this project;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the University Relations and Campus Life unrestricted dining facility funds to finance the $1,000,000 Given Atrium Dining Renovation; and,

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

A motion was made, seconded, and it was unanimously voted to approve the resolutions for recommendation to the full Board.

**Vice President’s Report**

Vice President Cate apologized for not providing the FY 2012 budget to actual report as expected. He explained that he detected an issue with the reporting methodology and was not able to reconcile it in time for this meeting.
He assured the committee that this has no impact on the bottom line and further stated that the report will indicate that revenue is above projections with an approximate fund balance of over $3 million. He will send the final report to BFI members and to the Executive Committee before the December Executive Committee meeting. Chair McAneny requested that along with the FY 2012 budget to actuals report the FY 2013 first quarter budget to actuals report be sent as well.

Vice President Cate reported that the FY 2012 External Audit by KPMG found no significant deficiencies. Minor observations focused on increased IT security, and continuing the reconciliation of benefit costs. He commended Controller Burlingham and her staff for their good work. This is the second consecutive year with no findings, however, the administration will continue to improve areas of concern and risk.

In response to Trustee Bain’s inquiry as to whether he expects a fund balance for FY 2013, Vice President Cate said that it is not anticipated and the actuals will come in very close to budget.

**Other Business**

Chair McAneny reminded Vice President Cate that he will provide a financial aid tutorial at the February meeting.

Trustee Ram questioned if the Committee should look deeper into the revenue enhancements initiative on off season use of campus facilities, Chair McAneny suggested that to be more appropriate for the full Board to discuss as a strategic issue.

Chair McAneny thanked the committee and reminded members to fill out their meeting assessment surveys.

**Adjournment**

There being no further business, the meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Debbie McAneny, Chair
The Committee shall have responsibility for overseeing the development of strategic, long-range institutional financial plans and related plan objectives. It shall engage in ongoing assessment of the current and long-range financial status of the institution.

The Committee shall oversee the formation and approval of annual budgets. It shall oversee the creation, implementation, and periodic review and revision of financial, treasury, investment and debt management policies.

The Committee shall retain investment managers and financial advisors as necessary and desirable in the conduct of its work.

The Committee will exercise its charge in a manner consistent with University governance, including the Board’s reserved rights and delegations of authority.

Approved by the Board of Trustees: September 9, 2006
Approved as amended by the Board of Trustees: November 8, 2012
Operational Elaboration of Charge

The subject matter of the Committee may include:

- Strategic financial planning, including short and long-range financial status assessment
- The annual capital and operating budgets, and quarterly institutional financial statements
- State appropriations and capital requests
- Gifts and grants; Wilbur Fund reports
- Fund investment decisions (such as those relating to the endowment and similar funds, agency funds, trusts and, as lawfully available, funds from bonds, loans, and other sources in excess of immediate debt payment requirements), including assets management and allocation, and policies relating to socially responsible investment
- Purchase, retention, sale, transfer, exchange, investment or reinvestment, or other disposition of securities or similar investments
- Endowment and investment manager performance, and the retention and termination of investment managers and advisors
- Debt management, including the adequacy of assets to meet external debt obligations
- Cash, central bank, and commercial paper policies
- Dissolution, merger, sale, pledge, or transfer of all or substantially all of institutional assets
- Such other matters consistent with its charge as may be referred to the Committee by the Board Chair
University Net Assets

February 8, 2013

Board of Trustees
Budget, Finance & Investment Committee

Prepared By
Alberto Citarella, University Budget Director and Claire Burlingham, University Controller

FY 2012 Summary

Net Assets Overview

• **Net assets** include all forms of financial resources including cash and accounts receivable that are used for operations.

• This overview does not reflect activity on other major asset/liability categories reflected on the balance sheet including plant and property, endowment principal or major non-cash items like depreciation and the impact of post-employment benefits.

• **Unrestricted**: Funds that do not have any external preconditions about how they may be used, including tuition & fee revenue, the major portion of state appropriation, facilities & administrative costs recovery and specifically designated gifts and endowments.

• **Restricted**: Funds that are received by the University that have a legal or regulatory obligation to be used for a particular purpose, including grants and contracts and the majority of gifts and endowments.

• **Fund Types**: Within the University’s financial records, unrestricted and restricted funds are further subdivided into funds that represent similar operation or business activity. The crediting and use of the various unrestricted funds is guided by overall annual budgeting approval requirements, together with specific budget designations and/or obligations defined either by Board authority or administrative practice.

• The University’s net assets amounted to $162.6M at the end of FY 2011, and $175.5M at the end of FY 2012. This summary is based on the FY 2012 detailed results.

• Some ($34.7M) of these net assets are “restricted” for particular purposes and the University may only use the money for the designated purposes.

• The remainder ($140.8M) of net assets are “unrestricted” in terms of accounting requirements but the major portion of these funds are designated for specific uses (treasury operations, plant funds, etc.) and are used only for those purposes in concert with appropriate spending authority as exercised by the President in conjunction with all applicable Board policies.
<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2011</th>
<th>FY 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Units’ Reappropriation</td>
<td>20,912,459</td>
<td>23,181,480</td>
</tr>
<tr>
<td>General Fund Net Assets</td>
<td>15,629,555</td>
<td>26,714,988</td>
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<tr>
<td>Treasury Operations</td>
<td>23,709,407</td>
<td>22,934,988</td>
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<tr>
<td>Loan Funds</td>
<td>11,896,128</td>
<td>10,502,699</td>
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<tr>
<td>Income/Expense Activities</td>
<td>14,748,010</td>
<td>16,316,571</td>
</tr>
<tr>
<td>Plant Funds</td>
<td>34,863,861</td>
<td>41,105,856</td>
</tr>
<tr>
<td>Restricted Gifts</td>
<td>28,165,640</td>
<td>20,889,502</td>
</tr>
<tr>
<td>Restricted Endowment Spending</td>
<td>12,718,247</td>
<td>13,856,329</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>162,643,306</strong></td>
<td><strong>175,502,413</strong></td>
</tr>
</tbody>
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*Excludes compensated absences & post employment benefit liabilities; and changes in investment market value.

**“Unrestricted”: no external restrictions as to spending purpose, use.

***“Restricted”: external restrictions (agencies, donors, etc.) dictate spending & use of funds.

1 Includes $1.2m reserve for bad debts.
2 July 1, 2012 transfer of $13.0M to Energy Efficiency Revolving Loan Fund per BOT approval.

### Net Assets – Unrestricted Funds

**Academic Units’ Reappropriation Net Assets:** Net assets represent accumulated operating results from prior fiscal years for academic units.

- The University’s operating procedure allows for savings of unspent resources to be managed within academic departments to be used toward multi-year projects. The basis for and approval of multi-year projects supporting strategic objectives of the University and the unit is vested in the Provost who evaluates unit plans and then authorizes
spending for program development and/or initiation, faculty recruitment and start up, or specialized equipment purchase.

- As of June 30, 2012, $23.2M is allocated to academic units for future use. In the upcoming budget review process, the academic units will present their strategic plans for use of these assets in the current and succeeding three years. Uses include faculty start-up, faculty replacement hiring, accreditation requirements, specialized equipment purchases and program support or development. Access to and use of the funds will follow the established request and approval process to the Provost.

**General Fund Net Assets:** Net assets represent operating results from the fiscal year, including carry forward of any prior year fund balance.

- Includes unrestricted bequests, insurance reserves (required for prudent coverage of University self-insured risk), working capital, future project funding, Provost strategic investment funds, provision for encumbrances, Clean Energy reserves.

**Treasury Operations:** Net assets that represent the difference between internal budget commitments to debt and the external payments and operating costs for all University debt. Internal payments are still structured to create a modest annual surplus over external obligations. As approved by Trustees, $1.4M of this asset was used in FY 2012 to complete the purchase of the Mansfield Avenue property.

**Loan Funds:** Fund specific for recording activity associated with unrestricted outstanding student loans offered previously by the University.

- At the end of FY 2012 $8.1M is an outstanding receivable.
- The majority of currently outstanding loans will be repaid by FY 2014.
- This fund was the source to provide one-time funds of $1.5M in FY 2012 and again in FY 2013 in support of the University of Vermont Foundation.

**Income and Expense Activities:** Net asset summary for the range of income and expense activities across the University.

- Includes a central allocation of $1.0M to serve as an internal reserve against extended poor performance within an individual income and expense activity.
- In a number of cases, income and expense accounting is subject to federal audit to assure that rates charged to grant activities include full cost accounting.

**Plant Funds:** Net assets that have been authorized specifically to cover costs and projects associated with plant repair or improvement, including all capital building projects.

- Includes the $17.8M (at the end of FY 2012) facility renewal reserve built from annual general fund transfers to create a long-term, funded resource for future major system building repair and replacement.
• The repository for current balances for library capital improvements, reserves for equipment spending, the student technology fee and Residential Life balances set aside for future capital projects.

**Net Assets – Restricted Funds**

**Restricted Gifts:** Remaining year-end balances from restricted gift accounts.
- 550 separate restricted gift fund accounts to be used for donor defined and University accepted purposes, per gift agreements.
- The amount available and number of gift accounts held at UVM will gradually reduce as the accounts are spent down and new gifts are accepted and retained by the UVM Foundation.
- Balances are available for the defined purposes on an ongoing basis as long as funds are available.

**Restricted Endowment:** Remaining year-end balances from annual policy income distribution from restricted endowments.
- 743 separate restricted endowment spending accounts to be used for donor defined and University accepted purposes, per endowment agreements.
- Balances are available for the defined purposes on an ongoing basis as long as funds are available.

**Net Assets Spending Authority**

• Spending authority over the various categories of net assets is linked to the nature of the asset, the legal or policy requirements connected to the category and the business unit within the University vested with the authority.
• The President and the Vice President for Finance and Administration are responsible, in conjunction with Board policies, to assure that spending authority is exercised appropriately across the entire University.
• As a part of the FY 2014 budget process all academic units will be submitting their proposed multi-year spending requirements and how available net assets would support those priorities. The Provost will review and confirmed or amended those plans as a part of the budget approval process. Spending against plans then requires a subsequent, specific request and authorization.
BUDGET, FINANCE AND INVESTMENT COMMITTEE

FEBRUARY 8, 2013

Annual Review of Debt Policy

WHEREAS, in September 2004 the Board adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and since its creation in 2006, the Budget, Finance, and Investment Committee has been charged with the annual review of the Debt Policy, which it most recently reaffirmed in October 2011; and

WHEREAS, the University Debt Policy states that the debt ratio will not exceed 6%; the current debt ratio is 5.05%; and on December 1, 2007 the Board of Trustees adopted the following statement: “That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017”; and

WHEREAS, the University’s Strategic Action Plan and Capital Project Priorities Plan call for addressing facilities needs for which the administration anticipates that some debt will be required;

NOW, THEREFORE, BE IT RESOLVED, that the language in the University Debt Policy reducing the debt ratio to 5% by 2017, cited above, is hereby rescinded and the debt ratio limit in the Policy will remain 6%.

BE IT FURTHER RESOLVED, that the Board hereby reaffirms the Policy, as amended, appearing as Appendix A to this document.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE – December 19, 2012)

Resolution Approving Revisions to the University of Vermont Statement of Investment Policies and Objectives

WHEREAS, in February 2011 the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Budget, Finance and Investment Committee was charged with the periodic review of the Statement of Investment Policies and Objectives; and

WHEREAS, on December 19, 2012, the Investment Subcommittee reviewed revisions to the Statement of Investment Policies and Objectives, as appended, to reflect changes to the indices used in the Target Benchmark, and the Investment Subcommittee is now recommending adoption of the Statement of Investment Policies and Objectives, as revised;
NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the Statement of Investment Policies and Objectives appearing as Appendix B to this document.

**Resolution Approving Amendments to the Investment Subcommittee Charge**

RESOLVED, that Board hereby approves amendments to the Investment Subcommittee charge appearing as Appendix C to this document.
University of Vermont
Debt Policy
As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, February 2013

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The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.
INTRODUCTION AND OBJECTIVES

<table>
<thead>
<tr>
<th>Purpose</th>
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<tbody>
<tr>
<td>1. Articulate UVM’s philosophy regarding debt.</td>
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<tr>
<td>2. Establish objectives for debt policy.</td>
</tr>
<tr>
<td>3. Provide for regular review and potential update of policy to reflect evolving needs.</td>
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</table>

Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution’s policy objectives, with an overarching objective of managing the balance sheet. The objectives of the policy are to:

(i) Maintain the University’s access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;

(ii) Manage the University’s credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.

(iii) Limit risk of the University’s debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management’s continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and

(iv) Permit the optimization of the investment of the University’s working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM’s debt capacity and financial management to both internal and external parties.
Oversight

Purpose

1. Provide mechanism for oversight and review on periodic basis.
2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and Administration and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

Policy Ratios

Purpose

1. Identify core ratios.
2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

Ratio 1 – Debt Burden Ratio

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

\[
\frac{\text{Annual Debt Service}}{\text{Total Expenses}} < 6\% \quad *. 
\]
The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management recognizes that a growing expense base would make this ratio appear more attractive. The limit for this ratio is not to be greater than 6.0%. If more than 6.0% of the University’s annual budget were committed to debt service expense, flexibility to devote resources to fund other objectives could be diminished. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

*As adopted by the Board of Trustees, December 1, 2007:*  
“That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017”

**Ratio 2 - Viability Ratio (also called Expendable Financial Assets to Debt)**  
This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net assets compared to aggregate debt. The ratio measures the medium to long-term health of the University’s balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the viability ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a viability ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of 1.0x to ensure that sufficient balance sheet strength is maintained at all times.

\[
\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}} > 0.8x
\]

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 0.8x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 0.8x

Annually, based on the results of the audited financial statements, the Vice President for Finance and Administration will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.
Ratios as a Credit Factor

The University has established its ratios and associated ratio limits based on internally-established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process.

The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s assessment of self-determined debt capacity and affordability, which is subject to ongoing review.

TYPES OF FINANCINGS

<table>
<thead>
<tr>
<th>Purpose</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Review of all potential funding sources for projects.</td>
<td>The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source.</td>
</tr>
<tr>
<td>2. Maximize tax-exempt University-issued debt.</td>
<td>Tax-Exempt Debt</td>
</tr>
<tr>
<td>3. Commercial Paper program.</td>
<td>The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).</td>
</tr>
<tr>
<td>a. Provide bridge funding.</td>
<td>Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.</td>
</tr>
<tr>
<td>b. Provide continual access to capital.</td>
<td>Taxable Debt</td>
</tr>
<tr>
<td>c. Issuance on a taxable or tax-exempt basis.</td>
<td>While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance.</td>
</tr>
<tr>
<td>4. Manage derivative products, including swaps.</td>
<td></td>
</tr>
<tr>
<td>5. Consider other financing sources.</td>
<td></td>
</tr>
<tr>
<td>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</td>
<td></td>
</tr>
</tbody>
</table>
Commercial Paper

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

Derivative Products

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University’s interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University’s financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures. Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

Other Financing Sources

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University’s credit while the University’s limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the University’s credit and also often can be more expensive than traditional University debt structures.

Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the
likely impact on the University’s debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.

### PORTFOLIO MANAGEMENT OF DEBT

<table>
<thead>
<tr>
<th>Purpose</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.</td>
<td>The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University’s cash and investments.</td>
</tr>
</tbody>
</table>
| 2. Manage variable rate exposure of the debt portfolio. | **Variable Rate Debt**
| a. Limit variable rate exposure. | It is recognized that a degree of exposure to variable interest rates within the University’s debt portfolio may be desirable in order to: |
| b. Manage the overall liquidity requirements associated with outstanding debt. | (i) take advantage of repayment/restructuring flexibility; |
| c. Target overall variable rate debt exposure. | (ii) benefit from historically lower average interest costs; and |
| 3. Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis. | (iii) diversify the debt portfolio; and, |
| | (iv) provide a hedge to short-term working capital balances |

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University’s variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University’s outstanding debt. This limit is based on the University’s desire to (i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University’s variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

<table>
<thead>
<tr>
<th>VARIABLE RATE AND LIQUIDITY EXPOSURE</th>
<th>TOTAL LONG-TERM DEBT OUTSTANDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;35%</td>
<td></td>
</tr>
</tbody>
</table>

The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University’s desired long-term variable rate allocation calculation. The numerator, *Variable Rate and Liquidity Exposure*, is
defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University’s liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.
GLOSSARY

**Annual Debt Service** – refers to the principal and interest due on long-term debt in a fiscal year.

**Bridge Financing** – refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

**Capital Project** – refers to physical facilities or equipment or software that may be capitalized.

**Commercial Paper** – an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

**Derivative Products** – generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

**GAAP** – refers to Generally Accepted Accounting Principles.

**GASB 34/35** – Government Accounting Standards Board Statement Nos. 34 and 35. These statements dramatically changed the reporting format for the University effective Fiscal 2002 by consolidating fund balances into net assets and consolidating university-wide activity instead of distinct fund groups. The Statements also require a statement of cash flows and a change in representation of state appropriation and investment income.

**Leverage** – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and investment staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or investment staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within specified risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and consultants;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest.

The University may take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accordance with moral, ethical and social criteria. Investment managers may be asked to address various company or sector weights within their respective portfolios to help the University meet its social investing goals.

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objectives of the Fund are to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy that is also consistent with preserving and hopefully enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return¹ (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended

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¹ Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external consultants, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

Overall Fund

There are a number of different benchmarks for assessing performance at the overall Fund level:

Undiversified Benchmark – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment
in U.S. index funds. This simple weighted market benchmark should reflect the broad policy allocation between equities and fixed income of the Fund.

**Target Benchmark** – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

**Current Allocation Benchmark** – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

**Cambridge Associates’ Universe of Endowment Pool Returns** – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions with similar characteristics.

**Asset Classes & Managers**

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Index Used in Target Benchmark</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>Non-U.S. Equities</td>
<td>MSCI All-Country World Index ex-US (ACWI)</td>
<td>Portfolios are expected to focus on the world’s developed and developing equity markets, excluding the U.S.</td>
</tr>
<tr>
<td>Marketable</td>
<td>ML 90-day Treasury bills + 5%Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td>Alternatives</td>
<td>S&amp;P 500 + 50%</td>
<td>This asset class includes non-publicly traded securities. Market values and</td>
</tr>
</tbody>
</table>

2 Indices used in Target Benchmark are effective as of November 28, 2012.
**return information are lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.**

| Private Equity | S&P 500 + 53% | This asset class includes non-publicly traded securities such as buyout funds, secondaries, and distressed debt. Market values and return information is lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter. |
| Real Estate (private) | CPI-U + 5%NCREIF Property Index | Investments will be predominately in private real estate funds invested in various segments of the real estate market, including: office, industrial, multi-family, and retail. |
| Natural Resources and Timber (private) | CPI-U + 5% | Investments will be in private oil and gas transactions and in timberland, possibly including related logging operations. |
| TIPS, and Commodities, and Natural Resource Equities | CPI-U + 5%Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one-third each: Barclays US TIPS; DJ UBS Commodities Index; BlackRock Custom Energy Equity Benchmark, Based on Actual Weights | Holdings consist of U.S.-issued TIPSs and diversified commodities futures positions, and energy related equity securities |
| Core Fixed Income | Barclays Capital Aggregate Bond Index | Holdings consist of U.S. Treasury bonds, mortgages, and corporate credit investments. |
| Cash and Cash Equivalents | ML 90-day Treasury-Bill index | |

Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

**X. MANAGER GUIDELINES**

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in
XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at cost and at market value, and purchases and sales for the quarter. Traditional marketable managers may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

*Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.*

*Approved as revised by the Board of Trustees:*
APPENDIX A

ASSET ALLOCATION POLICY TARGETS

Revised, as of January 2012

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>22.5</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>22.5</td>
<td>15-45</td>
</tr>
<tr>
<td>Developed Markets</td>
<td>10.5</td>
<td>10-25</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>12.0</td>
<td>5-20</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>22.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>14.0</td>
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</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>11.0</td>
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<tr>
<td><strong>Subtotal Equity</strong></td>
<td><strong>92.0</strong></td>
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</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
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<tr>
<td>Fixed Income</td>
<td>8.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
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<td>0-5</td>
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<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td><strong>8.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Appendix A Targets revised by Investment Subcommittee: January 6, 2012
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

INVESTMENT SUBCOMMITTEE

Resolution Approving Creation of Investment Subcommittee and Appointment of its Initial Members

RESOLVED, that the Board of Trustees hereby establishes an Investment Subcommittee of the Committee on Budget, Finance, and Investment and charges it with the oversight of investment management decisions as set forth in the charge hereinafter between regular meetings of the full Committee and such other duties as may be delegated by the Committee.

BE IT FURTHER RESOLVED, that the initial members of this Subcommittee will be Robert Cioffi, chair; John Snow; Ian Boyce; Susan Hudson-Wilson, and Thomas Little.

Subcommittee Charge

The Subcommittee shall have responsibility for oversight, hiring, and termination of managers and advisors engaged for the investment of the University’s Long-term Investment Pool, and shall report on these actions at regular meetings of the Budget, Finance, and Investment Committee (“the Committee”). The Subcommittee shall also exercise the responsibilities assigned to it with respect to investment of the Wilbur Fund under an Investment Management Agreement in effect between the University of Vermont and State Agricultural College Board and the University of Vermont Board (“UVM Board” “Investment Management Agreement”) under which Wilbur Fund assets are co-invested with those of the University. In addition, the Subcommittee shall exercise the responsibilities assigned to it under an Investment Management Agreement in effect between the University and The University of Vermont Foundation under which Foundation assets are co-invested with the assets of the University.

The Subcommittee shall also be responsible for making adjustments to individual investment allocations to conform to the University’s asset allocation policy as recommended by the Committee and approved by the Board. The Subcommittee shall also review the asset allocation policy and make recommendations to the Committee for its consideration at least once annually.

For as long as the an Investment Management Agreement remains in effect between the University of Vermont and State Agricultural College Board and the University of Vermont Board, at least one member of the University of Vermont Board of Trustees (“UVM Board”) shall be appointed to this Subcommittee, also thus also serving as a member of the Budget, Investment, and Finance Committee, who shall among other
responsibilities as a member of the Subcommittee act on behalf of, and report to, the UVM Board with respect to the investment of the Wilbur Fund.

The Subcommittee shall, between meetings of the Committee, make decisions relating to investment managers and investments that are necessary in the best interests of the University. Any such decisions shall be reported to the Committee and at its next regular or special meeting.

The Subcommittee shall oversee the work of the University Treasurer with respect to execution of investment decisions and cash management policies in regards to the Limited-Term Investment Pool.

The Subcommittee will exercise its charge in a manner consistent with University governance, including the Board’s reserved rights and delegations of authority.

As approved by the Board of Trustees: November 11, 2006.
As revised by the Board of Trustees: December 1, 2007.
### Viability Ratio:

<table>
<thead>
<tr>
<th>Financial Statement Item</th>
<th>Ratio Position</th>
<th>FY12</th>
<th>FY11</th>
<th>FY10</th>
<th>FY09</th>
<th>FY08</th>
<th>FY07</th>
<th>FY06</th>
<th>FY05</th>
<th>FY04</th>
<th>FY03</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Net Assets</td>
<td>Numerator</td>
<td>51,310</td>
<td>57,672</td>
<td>53,613</td>
<td>46,560</td>
<td>85,082</td>
<td>111,719</td>
<td>125,975</td>
<td>105,261</td>
<td>95,871</td>
<td>95,161</td>
<td>Statement of Net Assets: Unrestricted Net Assets</td>
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### Debt Burden Ratio:

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<th>Financial Statement Item</th>
<th>Ratio Position</th>
<th>FY12</th>
<th>FY11</th>
<th>FY10</th>
<th>FY09</th>
<th>FY08</th>
<th>FY07</th>
<th>FY06</th>
<th>FY05</th>
<th>FY04</th>
<th>FY03</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Due</td>
<td>Numerator</td>
<td>(22,502)</td>
<td>(22,909)</td>
<td>(22,351)</td>
<td>(18,847)</td>
<td>(16,670)</td>
<td>(15,472)</td>
<td>(12,035)</td>
<td>(8,418)</td>
<td>(6,479)</td>
<td>(7,269)</td>
<td>F/S Note E: Principal and Interest Due Table (no CP)</td>
</tr>
<tr>
<td>Principal Due</td>
<td>Numerator</td>
<td>(6,903)</td>
<td>(7,888)</td>
<td>(5,756)</td>
<td>(5,652)</td>
<td>(4,497)</td>
<td>(4,365)</td>
<td>(4,396)</td>
<td>(3,767)</td>
<td>(2,693)</td>
<td>(2,366)</td>
<td>F/S Note E: Principal and Interest Due Table (no CP)</td>
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<tr>
<td>Total Debt Service</td>
<td></td>
<td>(29,405)</td>
<td>(30,797)</td>
<td>(28,107)</td>
<td>(24,499)</td>
<td>(21,367)</td>
<td>(19,837)</td>
<td>(16,431)</td>
<td>(12,185)</td>
<td>(11,172)</td>
<td>(9,735)</td>
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</table>

<table>
<thead>
<tr>
<th>Financial Statement Item</th>
<th>Ratio Position</th>
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<th>FY11</th>
<th>FY10</th>
<th>FY09</th>
<th>FY08</th>
<th>FY07</th>
<th>FY06</th>
<th>FY05</th>
<th>FY04</th>
<th>FY03</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Depreciation Expenses</td>
<td>Denominator</td>
<td>28,721</td>
<td>28,070</td>
<td>27,435</td>
<td>27,081</td>
<td>26,094</td>
<td>20,439</td>
<td>16,873</td>
<td>12,987</td>
<td>11,927</td>
<td>11,458</td>
<td>SRECNA: Depreciation</td>
</tr>
<tr>
<td>Interest Due</td>
<td>Denominator</td>
<td>(22,502)</td>
<td>(22,909)</td>
<td>(22,351)</td>
<td>(18,847)</td>
<td>(16,670)</td>
<td>(15,472)</td>
<td>(12,035)</td>
<td>(8,418)</td>
<td>(6,479)</td>
<td>(7,269)</td>
<td>F/S Note E: Principal and Interest Due Table + new issue (no CP)</td>
</tr>
<tr>
<td>Principal Due</td>
<td>Denominator</td>
<td>(6,903)</td>
<td>(7,888)</td>
<td>(5,756)</td>
<td>(5,652)</td>
<td>(4,497)</td>
<td>(4,365)</td>
<td>(4,396)</td>
<td>(3,767)</td>
<td>(2,693)</td>
<td>(2,366)</td>
<td>F/S Note E: Principal and Interest Due Table + new issue (no CP)</td>
</tr>
</tbody>
</table>

Debt Burden Ratio 5.05% 5.22% 4.97% 4.39% 3.96% 4.03% 3.70% 2.94% 2.83% 2.64%
UVM and Public Peers In-State Tuition and Fees, 2002-03 vs. 2012-13

Attachment 5
UVM and Public Peers Out-of-State Tuition and Fees, 2002-03 vs. 2012-13

Source: College Board
<table>
<thead>
<tr>
<th>University/Academic Institution</th>
<th>Average Annual Percent Tuition Increase (AY 2002-03 to AY 2012-13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Wisconsin at Madison</td>
<td>3.8%</td>
</tr>
<tr>
<td>University of New Hampshire</td>
<td>4.9%</td>
</tr>
<tr>
<td>Penn State University at University Park</td>
<td>5.0%</td>
</tr>
<tr>
<td>University of Michigan at Ann Arbor</td>
<td>5.1%</td>
</tr>
<tr>
<td>University of Vermont</td>
<td>5.2%</td>
</tr>
<tr>
<td>University of Colorado at Boulder</td>
<td>5.2%</td>
</tr>
<tr>
<td>University of Massachusetts at Amherst</td>
<td>5.7%</td>
</tr>
<tr>
<td>SUNY at Binghamton</td>
<td>5.7%</td>
</tr>
<tr>
<td>Miami University at Oxford</td>
<td>5.9%</td>
</tr>
<tr>
<td>University of Rhode Island</td>
<td>6.2%</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>6.3%</td>
</tr>
<tr>
<td>University of North Carolina at Chapel Hill</td>
<td>6.5%</td>
</tr>
<tr>
<td>Kansas State University</td>
<td>6.5%</td>
</tr>
<tr>
<td>SUNY at Albany</td>
<td>6.6%</td>
</tr>
<tr>
<td>University of Virginia</td>
<td>6.6%</td>
</tr>
<tr>
<td>University of Delaware</td>
<td>6.6%</td>
</tr>
<tr>
<td>College of William &amp; Mary</td>
<td>6.7%</td>
</tr>
<tr>
<td>University of Maine at Orono</td>
<td>7.3%</td>
</tr>
<tr>
<td>Washington State University</td>
<td>7.5%</td>
</tr>
<tr>
<td>Clemson University</td>
<td>8.5%</td>
</tr>
<tr>
<td>Oklahoma State University</td>
<td>9.8%</td>
</tr>
</tbody>
</table>

Source: College Board
Average Net Cost of Attendance after All Aid for In-State Undergraduates
FY07-FY13

Cost of Attendance includes tuition, fees, room, board and various miscellaneous expenses such as books, supplies, transportation, etc. Average Net Cost Adjusted for Inflation is calculated using the consumer price index for FY06 as a baseline and showing the average net cost in constant FY06 dollars.
Net Cost of Attendance = Tuition, Room, Board, Fees & books
Average Net Cost Adjusted for Inflation is calculated using the consumer price index for FY06 as a baseline and showing the average net cost in constant FY06 dollars.
Maximum Room, Meal, and Student Fee Rates

In order to market the residence halls and dining facilities to returning students, the Department of Residential Life must offer a student contract containing maximum room and meal plan rates in March and April. Final rates are developed with approval at the May Board meeting because prior to that time, planning parameters such as energy costs, utility costs, and compensation costs have not been established.

**Room Rate:** As demonstrated in the table below, the proposed FY 2014 maximum increase for the traditional double room rate is 2.9%.

**Meal Plan Rates:** Student Services and Sodexo personnel have developed recommendations for the FY 2014 meal plan which indicates an increase of 4.2%, moving the predominate choice meal plan from $3,414 in the current year to $3,558. This increase reflects the minimum cost increase of dining services contract with an additional amount necessary toward higher food costs and the planned decrease (approximately 10% over a two-year period) in number of boarders. This proposed increase will allow for the UVM Food Service Program to continue to meet the broad spectrum of dining needs of today’s students.

Together, housing and meal plan rates would increase 3.3% above the current year’s combined rates. These rates reflect the continuing effort by the University to maintain the balance of restraining costs yet providing the best services possible for our students.

**Student Fees:** Although currently in the discussion phase, the final recommendation for student costs must be formalized for the April Budget, Finance, and Investment Committee meeting. In addition to tuition and room/board, student fees are a common source of funding for specific initiatives that provide an internally restricted source of funding compared to tuition. Currently, the University charges all students a comprehensive fee. This fee provides funding for the following units serving University students: the Center for Health and Wellbeing, Athletic Center, Library, Davis Student Center, Campus Transportation System, Student Technology Services, Academic Support Programs, clean energy efforts, and student transcript services in the Registrar’s Office.

The maximum proposed comprehensive student fees reflect a 2.6% increase of which $6 includes funding for the Student Government Association. The total cost of attendance increases less than 3% when the self-imposed Undergraduate Student Government Association is excluded from the calculation. This amount, recommended by the Student Government Association, accommodates increases in ongoing expenditures and addresses growing demand from students for additional services. The tables below show tuition, room, meal, and fee costs assuming the proposed maximum room and meal rates.
### COMPARISON OF ROOM, MEAL, and STUDENT FEES FY 2013 - FY 2014

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing (traditional double rate)</td>
<td>$6,650</td>
<td>$6,844</td>
<td>$194</td>
<td>2.9%</td>
</tr>
<tr>
<td>Predominate Choice Meal Plan</td>
<td>$3,414</td>
<td>$3,558</td>
<td>$144</td>
<td>4.2%</td>
</tr>
<tr>
<td>Combined Housing and Meals</td>
<td>$10,064</td>
<td>$10,402</td>
<td>$338</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total Fees*</td>
<td>$1,940</td>
<td>$1,990</td>
<td>$50</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

*Includes Student Comprehensive, Student Government Association, and Inter Residence Association Fees

---

### Cost of Attendance (COA)

**Tuition, Fees, Room, and Meal Plan**

<table>
<thead>
<tr>
<th>FY 2014 Proposal</th>
<th>2013</th>
<th>2014</th>
<th>Proposed Increase</th>
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<tbody>
<tr>
<td>Tuition:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition rate incr I/S</td>
<td>3.5%</td>
<td>2.7%</td>
<td>$360</td>
</tr>
<tr>
<td></td>
<td>$13,344</td>
<td>$13,704</td>
<td>$194</td>
</tr>
<tr>
<td>Tuition rate incr O/S</td>
<td>3.5%</td>
<td>2.7%</td>
<td>$910</td>
</tr>
<tr>
<td></td>
<td>$33,672</td>
<td>$34,582</td>
<td>$910</td>
</tr>
<tr>
<td>Fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davis Center</td>
<td>$543</td>
<td>$559</td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td>102</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>CHWB</td>
<td>590</td>
<td>607</td>
<td></td>
</tr>
<tr>
<td>Athl Oper/Athl Facility/Recreation</td>
<td>294</td>
<td>302</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>75</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Academic Support Programs (ASP)</td>
<td>54</td>
<td>54</td>
<td></td>
</tr>
<tr>
<td>Library Facility</td>
<td>44</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Clean Energy Projects</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Transcript Services</td>
<td>20</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total Comprehensive Fees:</td>
<td>$1,742</td>
<td>$1,786</td>
<td>$44</td>
</tr>
<tr>
<td>UG Student Government Association (SGA)</td>
<td>$168</td>
<td>$174</td>
<td>$6</td>
</tr>
<tr>
<td>UG Inter Residence Association (IRA) Fee</td>
<td>$30</td>
<td>$30</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL FEES*</td>
<td>$1,940</td>
<td>$1,990</td>
<td>$50</td>
</tr>
<tr>
<td>Room (Standard Double)</td>
<td>$6,650</td>
<td>$6,844</td>
<td>$194</td>
</tr>
<tr>
<td>Predominate Meal Plan</td>
<td>$3,414</td>
<td>$3,558</td>
<td>$144</td>
</tr>
<tr>
<td>TOTAL COA IN-STATE</td>
<td>$25,348</td>
<td>$26,096</td>
<td>$748</td>
</tr>
<tr>
<td>TOTAL COA OUT-OF-STATE</td>
<td>$45,676</td>
<td>$46,974</td>
<td>$1,298</td>
</tr>
</tbody>
</table>

*Total Undergraduate Student Fees: Graduate students pay an adjusted Comprehensive Fee, a Graduate Student Senate Fee and when appropriate, a Continuous Registration Fee in lieu of tuition.

**Excluding the UG SGA Fee increase (requested by SGA), the Total COA In-State is 2.9%. All components of proposed FY14 student cost of attendance are calculated at less than 3% increase except for the Undergraduate Student Government Asso. Fee (3.6%) and the meal plan (4.2%). The latter by contract requires a minimum 3% increase. Additionally, higher food costs along with a planned decrease in number of boarders estimated (about 10%) from the earlier FY13 projection.
## Undergraduate Indebtedness at Graduation
### Academic Years 2002-2003 through 2011-2012

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan Recipients Only:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduates with Debt</td>
<td>443</td>
<td>466</td>
<td>483</td>
<td>496</td>
<td>535</td>
<td>531</td>
<td>550</td>
<td>585</td>
<td>563</td>
<td>589</td>
</tr>
<tr>
<td>Average indebtedness</td>
<td>$17,515</td>
<td>$18,574</td>
<td>$20,046</td>
<td>$19,262</td>
<td>$19,844</td>
<td>$19,859</td>
<td>$21,051</td>
<td>$21,505</td>
<td>$21,036</td>
<td>$21,938</td>
</tr>
<tr>
<td>Median indebtedness</td>
<td>$17,070</td>
<td>$17,993</td>
<td>$19,500</td>
<td>$20,500</td>
<td>$21,500</td>
<td>$21,500</td>
<td>$21,036</td>
<td>$21,938</td>
<td>$21,036</td>
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<td><strong>All Graduates:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduates</td>
<td>654</td>
<td>658</td>
<td>728</td>
<td>719</td>
<td>759</td>
<td>762</td>
<td>784</td>
<td>876</td>
<td>835</td>
<td>876</td>
</tr>
<tr>
<td>Average indebtedness</td>
<td>$11,864</td>
<td>$13,154</td>
<td>$13,300</td>
<td>$13,288</td>
<td>$13,988</td>
<td>$13,839</td>
<td>$14,768</td>
<td>$14,361</td>
<td>$14,184</td>
<td>$14,751</td>
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<tr>
<td>Median indebtedness</td>
<td>$11,000</td>
<td>$11,414</td>
<td>$11,666</td>
<td>$12,200</td>
<td>$12,485</td>
<td>$12,485</td>
<td>$12,485</td>
<td>$12,485</td>
<td>$12,485</td>
<td>$12,485</td>
</tr>
<tr>
<td>Percentage with loan debt</td>
<td>68%</td>
<td>71%</td>
<td>66%</td>
<td>69%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
<td>67%</td>
<td>67%</td>
<td>67%</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Loan Recipients Only:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Graduates with Debt</td>
<td>491</td>
<td>541</td>
<td>631</td>
<td>597</td>
<td>671</td>
<td>679</td>
<td>818</td>
<td>817</td>
<td>802</td>
<td>893</td>
</tr>
<tr>
<td>Average indebtedness</td>
<td>$23,236</td>
<td>$20,935</td>
<td>$25,565</td>
<td>$26,864</td>
<td>$29,403</td>
<td>$29,459</td>
<td>$31,546</td>
<td>$30,080</td>
<td>$27,480</td>
<td>$31,621</td>
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<tr>
<td><strong>All Graduates:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduates</td>
<td>980</td>
<td>1,025</td>
<td>1,105</td>
<td>1,076</td>
<td>1,143</td>
<td>1,229</td>
<td>1,406</td>
<td>1,437</td>
<td>1,452</td>
<td>1,579</td>
</tr>
<tr>
<td>Average indebtedness</td>
<td>$11,642</td>
<td>$11,050</td>
<td>$14,599</td>
<td>$14,905</td>
<td>$17,261</td>
<td>$16,276</td>
<td>$18,353</td>
<td>$17,102</td>
<td>$15,179</td>
<td>$17,883</td>
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<tr>
<td>Median indebtedness</td>
<td>$6,125</td>
<td>$10,903</td>
<td>$8,250</td>
<td>$7,500</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
<td>$11,200</td>
</tr>
<tr>
<td>Percentage with loan debt</td>
<td>50%</td>
<td>53%</td>
<td>57%</td>
<td>55%</td>
<td>59%</td>
<td>55%</td>
<td>58%</td>
<td>57%</td>
<td>55%</td>
<td>57%</td>
</tr>
</tbody>
</table>

**NOTES:**

These comprehensive figures include both need-based and non-need-based student educational loans, from federal, institutional and private sources. Including these funds provides the most complete picture of student debt. Loans for parents are not included.

The 2011 out-of-state class experienced a decline in student debt due to the end of the Green Mountain Loan program in 2009 and the weakening of the private educational loan market. The 2012 out-of-state class average debt increased partially due to the rejuvenation of the private educational loan market and the unmet need created by the loss of the Green Mountain Loan.
Between FY06 and FY11, UVM experienced increasing full-time, first-year (FTFY) class sizes. From FY12 onward, UVM will experience decreasing or flat FTFY class sizes. As a result, net tuition growth will be minimal if tuition increases in the future are less than or equal to 3%.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FTFY Class Size</th>
<th>Net Tuition</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>1849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY03</td>
<td>1841</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY04</td>
<td>1923</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY05</td>
<td>1960</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY06</td>
<td>2394</td>
<td>$110,732</td>
<td></td>
</tr>
<tr>
<td>FY07</td>
<td>2190</td>
<td>$120,321</td>
<td>8.7%</td>
</tr>
<tr>
<td>FY08</td>
<td>2450</td>
<td>$133,040</td>
<td>10.6%</td>
</tr>
<tr>
<td>FY09</td>
<td>2468</td>
<td>$146,483</td>
<td>10.1%</td>
</tr>
<tr>
<td>FY10</td>
<td>2619</td>
<td>$155,897</td>
<td>6.4%</td>
</tr>
<tr>
<td>FY11</td>
<td>2472</td>
<td>$167,258</td>
<td>7.3%</td>
</tr>
<tr>
<td>FY12</td>
<td>2423</td>
<td>$173,765</td>
<td>3.9%</td>
</tr>
<tr>
<td>FY13</td>
<td>2372</td>
<td>$179,279</td>
<td>3.2%</td>
</tr>
<tr>
<td>FY14</td>
<td>2372</td>
<td>$179,655</td>
<td>0.2%</td>
</tr>
<tr>
<td>FY15</td>
<td>2372</td>
<td>$182,139</td>
<td>1.4%</td>
</tr>
<tr>
<td>FY16</td>
<td>2372</td>
<td>$183,601</td>
<td>0.8%</td>
</tr>
</tbody>
</table>

* The Net Tuition numbers are not actuals. They are simulated based on models intended to isolate the impact of changes in FTFY entering classes by holding other variables constant: tuition rate increases (FY03-FY13); retention; mix of I/S & O/S students; changes in financial aid, student composition; tuition remission; athletic scholarships.

* FY03-FY13 Tuition rate increases 4.9% avg.; FY14 2.7%; FY15-16 3.0%
**THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

**BOARD OF TRUSTEES**

**EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE**

Chair Donna Sweaney, Co-Vice Chairs Bill Botzow and Jeffrey Davis, President Thomas Sullivan, Christopher Bray, Frank Cioffi, Richard Gamelli, Dennis Mahoney, David Potter, Dale Rocheleau, Bill Ruprecht, Jeanette White, Faculty Representatives Richard Galbraith, Cathy Paris, and Stephanie Kaza, Staff Representatives Lesley Boucher and Amanda McIntire, Alumni Representatives Ted Madden and Penrose Jackson, Student Representatives Gavin Caster and Adam Kaufman, and Graduate Student Representatives Lane Manning and Ashley Gunn

**Friday, February 8, 2013**

10:45 a.m. – 11:45 a.m.
12:45 p.m. – 1:45 p.m.
Livak Ballroom, 417-419 Dudley H. Davis Center

**AGENDA**

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Call to Order</strong></td>
<td></td>
<td></td>
<td><strong>10:45 a.m.</strong></td>
</tr>
<tr>
<td>1. Approval of November 7-8, 2012 meeting minutes</td>
<td>Attachment 1</td>
<td>Donna Sweaney</td>
<td>10:45-10:50</td>
</tr>
<tr>
<td>2. Interim Provost’s Report</td>
<td>Attachment 2</td>
<td>Robert Low</td>
<td>10:50-11:00</td>
</tr>
<tr>
<td>• Q&amp;A Routine Reports</td>
<td>Report C</td>
<td>Bob Vaughan</td>
<td></td>
</tr>
<tr>
<td>➢ Capital Projects Progress Report</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3. Report by the Faculty Senate Curricular Affairs Committee Chair</td>
<td>Report D</td>
<td>Cathy Paris</td>
<td>11:00-11:05</td>
</tr>
<tr>
<td>(Discussion)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Action Items</td>
<td>Attachment 3</td>
<td>Cathy Paris</td>
<td>11:05-11:15</td>
</tr>
<tr>
<td>• Approval of Proposal to Create Doctorate of Nursing Practice Degree</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>• Approval of Proposal to Create Master of Science Degree in Clinical Nurse Leadership</td>
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<td></td>
</tr>
<tr>
<td>• Approval of Proposal to Terminate Canadian Studies Major</td>
<td>Attachment 3</td>
<td>Cathy Paris</td>
<td></td>
</tr>
<tr>
<td>• Resolution Reaffirming the Equal Employment Opportunity/Affirmative Action and Equal Opportunity in Education Programs and Activities and Non-Harassment Policies</td>
<td>Attachment 3</td>
<td>Wanda Heading-Grant</td>
<td></td>
</tr>
<tr>
<td>• Resolution Approving 4-H Foundations as Affiliated Organizations</td>
<td>Attachment 3</td>
<td>Doug Lantagne</td>
<td></td>
</tr>
</tbody>
</table>
### AGENDA, Continued

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>4. Action Items, continued</td>
<td>Attachment 3</td>
<td>Donna Sweaney</td>
<td>11:15-11:20</td>
</tr>
<tr>
<td>• Resolution Re-Constituting the UVM/FAHC Affiliation Agreement Work as the Work Group on Medical, Nursing and Health Sciences Education and Research</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>5. Executive Session*</td>
<td></td>
<td>Donna Sweaney</td>
<td>11:20-11:45</td>
</tr>
<tr>
<td><strong>Recess</strong></td>
<td></td>
<td></td>
<td>11:45 a.m.</td>
</tr>
<tr>
<td>7. International Pathway Program Update</td>
<td>Attachment 5</td>
<td>Chris Lucier</td>
<td>12:50-1:10</td>
</tr>
<tr>
<td>• Assessment of Student Learning Outcomes</td>
<td></td>
<td>Gayle Nunley</td>
<td></td>
</tr>
<tr>
<td>8. Academic Quality <em>(continued discussion)</em></td>
<td>Attachment 6</td>
<td>Brian Reed</td>
<td>1:10-1:40</td>
</tr>
<tr>
<td>• Assessment of Student Learning Outcomes</td>
<td></td>
<td>Jackie Weinstock</td>
<td></td>
</tr>
<tr>
<td>• John Ryan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Other Business*</td>
<td>Attachment 7</td>
<td>Donna Sweaney</td>
<td>1:40-1:45</td>
</tr>
<tr>
<td>• Review of work plan and preview of next meeting agenda</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjourn</strong></td>
<td></td>
<td></td>
<td>1:45 p.m.</td>
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</tbody>
</table>

* The Chair will entertain a motion to enter into executive session for the purpose of discussion a contract.
**Times are approximate
At this meeting, the Committee will receive status updates and continue discussions on current Provost’s Office initiatives. Time will be reserved following my report to allow an opportunity for Committee members to ask questions on routine reports submitted for informational purposes (see list at end of memo). The Committee will consider action items outlined below, receive an update on the International Pathway Program planning, review proposed changes to the Gift Policy and continue discussing academic quality. Time has been reserved at the end of the morning session for an executive session to discuss a contract.

**ACTION ITEMS**

**Approval of Previous Meeting Minutes**
The minutes for the November 7-8, 2012 meeting are included as Attachment 1.

*Action:* Motion to approve the minutes.

**Curricular Affairs Committee Recommendations**
The Report of the Curricular Affairs Committee of the Faculty Senate is included as Report D in your meeting materials. Included are details for the following recommendations for Committee consideration:

- Proposal to create a Doctorate of Nursing Practice Degree
- Proposal to create a Master of Science Degree in Clinical Nurse Leadership
- Proposal to terminate the Canadian Studies Major

*Action:* Resolutions approving each of the recommendations. Attachment 3

**Reaffirmation of Equal Opportunity Statements**
The Equal Employment Opportunity/Affirmative Action Policy and Equal Opportunity in Education Programs and Activities and Non-Harassment Policy Statements are due for annual review by the Board for compliance purposes and fall under the purview of this Committee. There are no recommended changes to either policy at this time.

The Committee will be asked to re-affirm both policies included as Appendices A & B to Attachment 3.

*Action:* Resolution Reaffirming Equal Opportunity Statements. Attachment 3
Resolution Approving 4-H Foundations as Affiliated Organizations

4-H clubs, both in Vermont and nationally, previously operated as tax exempt entities via a group IRS ruling (GEN 2704) from the U.S. Department of Agriculture (USDA), as administered by the National Institute of Food and Agriculture (NIFA). However, Land Grant Universities were notified by the USDA during the summer of 2010 that the group exemption would sunset in March 2011, a deadline that was extended to July 2012, and Extension Services was charged by the USDA with “choosing the most appropriate means of maintaining the tax exemption of Vermont 4-H Clubs and Affiliates”.

Since UVM was originally notified of this change, a decision was made that 4-H Clubs, which do not have independent legal status, would be administered as educational activities of Extension Services and derive their tax exempt status from that of UVM. In addition to the 118 4-H Clubs around the State, consideration was also given to the status of several county 4-H foundations, whose sole purpose is to encourage, advance and promote the 4-H program administered by UVM Extension in a given Vermont county. As these 4-H foundations are legally separate 501(c)(3) entities, which will not rely on the University for their tax exempt status, they fit squarely within the confines of the University’s Affiliated Organization’s Policy, which states that Board approval is required to grant affiliated organization status to an entity established solely for the benefit and support of the University or a University unit, program or activity.

Under the terms of the Affiliated Organizations Policy, UVM and each foundation need to enter into a Memorandum of Understanding to make clear the relationship between UVM and the 4-H Foundation, and specify the rights and responsibilities of each therein. A standard MOU has been developed for this purpose.

You may recall that the Vermont State 4-H Foundation was brought before the Committee in May, 2012 for similar approval as an Affiliated Organization.

Action: Resolution approving the Addison, Rutland and Franklin County 4-H Foundations as Affiliated Organizations. Attachment 3

Resolution Re-Constituting the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research

The Committee will be asked to consider, for recommendation to the Full Board, reconstituting the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research.

Action: Resolution Approving Re-Constituting Work Group. Attachment 3
STATUS UPDATES

**International Pathway Program Update** – Vice President Chris Lucier and Associate Provost Gayle Nunley will update the Committee on the planning for development of an international pathway program that will enroll the first cohort of students in January, 2014. The update will include information about the third party partner as well as the planning framework along with a tentative list of key dates and milestones. **Attachment 5**

DISCUSSION ITEMS

**Provost’s Report** - Included as **Attachment 2** is my report that provides an overview of the planning process I am developing and provides comments on Envisioning Environment and Internationalization.

Time will be reserved at the end of my report to allow an opportunity for questions on routine reports submitted for informational purposes (see list below).

**Review of Proposed Revisions to Gift Policy** - The gift policy, included as **Attachment 4** in the meeting materials, will take the place of the currently posted Gifts Policy (V.5.0.2.2) to reflect the creation of the UVM Foundation, which has been recognized since January 2012 as the *primary* and *preferred* recipient of gifts for the benefit of the University. However, in those limited instances where donors are unable or unwilling to make a gift to the Foundation, the University may accept those gifts directly, as outlined in the draft policy.

The draft policy, with the exception of the change in responsible official from the Vice President of Development and Alumni Relations to the Vice President for Finance and Administration, contains three changes in practice:

- To be consistent with the named gift parameters established by the Foundation, the following funding levels have been adjusted:
  - Named Scholarship – minimum endowment gift decreased from $100,000 to $50,000.
  - Named Departmental or Programmatic Fund – minimum endowment gift decreased from $100,000 to $50,000.

- To be consistent with the named gift parameters established by the Foundation, the following named gift category has been added to the draft policy:
  - Named Research Fund – minimum endowment gift $50,000; current operating gift $10,000 per year.

- Name removal procedures for buildings and academic programs have been amended to require Board of Trustees approval to align with the level of approval to name the same, and in recognition of the implications of such a process. This change is also considered best practice when surveying peer institutions. This change will require an amendment to the Board’s Reserved Rights resolution, which is currently limited to Board approval for “(8) the *naming* of buildings and academic programs”.

This policy is also currently being circulated to the campus community for comment, and will be presented to the Board in March for final approval, taking into consideration any comments or concerns of the Committee and the campus. The Board will also be asked to approve the revision to the Board’s Reserved Rights resolution at that time.

**Academic Quality** – Associate Provost Brian Reed will continue the discussion of academic quality begun at the last meeting. Included as Attachment 6 in the meeting materials is a summary report on the assessment of student learning outcomes.

**Review of Committee Work Plan** - Time has been reserved at the end of the meeting to review the draft work plan for the year and preview agendas topics for our next meeting. Members are encouraged to share ideas for future agenda topics at the meeting. Attachment 7

**ROUTINE REPORTS**

Capital Projects Progress Report – Report C
Report by the Chair of the Faculty Senate Curricular Affairs Committee – Report D
A meeting of the Educational Policy and Institutional Resources Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, November 7, 2012 at 3:45 p.m., in 427A Waterman Building.

MEMBERS PRESENT: Chair Donna Sweaney, Co-Vice Chair Bill Botzow, Co-Vice Chair Jeffrey Davis, Christopher Bray, Frank Cioffi, Richard Gamelli, Dennis Mahoney, David Potter, and Jeanette White

TRUSTEES ABSENT: Dale Rocheleau, President Thomas Sullivan and Bill Ruprecht

OTHER TRUSTEES PRESENT: Vice Chair Harry Chen

REPRESENTATIVES PRESENT: Faculty Representatives Richard Galbraith and Cathy Paris; Staff Representatives Lesley Boucher and Amanda McIntire; Student Representatives Gavin Caster and Adam Kaufman; and Graduate Student Representatives Ashley Gunn and Lane Manning

REPRESENTATIVES ABSENT: Faculty Representative Stephanie Kaza, Alumni Representatives Penrose Jackson and Ted Madden

PERSONS ALSO PARTICIPATING: Senior Vice President and Provost Jane Knodell, Associate Provost for Curricular Affairs Brian Reed, Associate Provost for Faculty Affairs and Internationalization Gayle Nunley, Vice President for Research and Dean of the Graduate College Domenico Grasso, UVM Foundation President and Chief Executive Officer Richard Bundy, Director of Capital Planning and Management Robert Vaughan, Dean of the Honors College Abu Rizvi, Vice President for Enrollment Management Chris Lucier

Chair Donna Sweaney called the meeting to order at 3:48 p.m.

Chair Sweaney welcomed new members Student Representative Adam Kaufman and Graduate Student Representative Lane Manning.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the May 18, 2012 meeting.

Provost’s Report

Provost Jane Knodell provided an overview of current Provost’s Office activities including the enrollment initiatives in which enrollment management is being more selective. UVM is developing a pathways program and international enrollment strategy to diversify enrollment beyond the Northeast and the U.S. Gayle Nunley, Associate Provost for Faculty Affairs and
Internationalization, reported that the goal of the International Enrollment Strategy is to culturally diversify the student body and bring a broader range of perspectives to student life with international enrollment at 7% by FY 2017. The percentage of UVM undergraduates who study abroad is 37%, bringing to UVM the distinction of being 5th among public universities and 22nd among all universities. Research is being conducted across disciplines to find where student participation is less and the Provost’s Office is working with the deans and department chairs to increase participation. Continuing Education also has several Study Abroad Programs.

Provost Knodell also reported that UVM’s overall first-to-second year retention is currently 85%. The goal is to increase that percentage to 87.5% for next year. Each Dean has developed retention improvement plans with numerical targets and concrete strategies for retention using research from the Office of Institutional Research on the reasons students leave. Typical strategies for improving retention are to have all faculty use the Academic Alert early warning system; require that students meet with their advisors before they can register, and to identify and reach out to students with financial holds. In response to a question, Dean of the Honors College Abu Rizvi added that uncertainty concerning careers would also affect student retention and that a forthcoming plan to support career development would address this issue.

With the vacancy of the Dean’s position in the Rubenstein School of Environment and Natural Resources, the University is taking the opportunity to focus on how to achieve greater excellence in environmental education and research. The Offices of the President and Provost and the Faculty Senate developed a twelve-member Envisioning Environment at UVM faculty work group to inventory the strengths of environmental education and to develop or redesign UVM’s multidisciplinary environmental education and research. The work group will report its findings to the President, Provost and Faculty Senate President by December 20, 2012.

In response to questions concerning the Annual Enrollment Report, Vice President for Enrollment Management Chris Lucier reported that there was a decrease in Vermont student enrollments this year from 45% to 35%, but the percent of Vermont graduating seniors who enrolled at UVM was high. The University had the largest and highest quality pool of Vermont seniors in recent history. All articulation agreements with other colleges and universities are under review and new agreements are being developed to help increase Vermont student access to UVM.

Rich Bundy, CEO and President of the UVM Foundation, reported a record year for fundraising last year. There was a slow start this year but he predicts that this will pick up after the national presidential election. Unrestricted receipts are ahead of last year.

Domenico Grasso, Dean of the Graduate College and Vice President for Research, reported that graduate enrollments were down both at UVM and nationally due to changes in Federal financial aid.

Report by the Faculty Senate Curricular Affairs Committee Chair

Cathy Paris, Faculty Senate Curricular Affairs Committee Chair, reported the Faculty Senate reviewed and approved the termination of the graduate programs in Anatomy and Neurobiology.
This was a planned discontinuation of a department-based program as part of the transition to a larger cross-college Neuroscience Graduate Program that was approved in 2006. The last students in this program graduated two years ago. There are no resources saved as they were moved to the Neuroscience Graduate Program.

The Faculty Senate also approved the proposal to create the James M. Jeffords Center for Research and Policy Studies. Founded in 2008 with provisional approval, the Center is dedicated to providing a comprehensive interdisciplinary perspective on policy development in the areas of education, health care, environment and government. The Center received initial funding of $2.9 million from the Fund for the Improvement of Education Grant and $800,000 from the Educational Excellence Fund. The center has been operating for 30 months and has funded ten proposals and two pending proposals for a total of $720,000. The academic activities include partnering with the Vermont Legislative Research Service, CUPS, Policy and Governance Ph.D. Development, Institute for Environmental Diplomacy and Security, Teacher Quality Study and Response to Instruction. The Center will fund itself through the receipt of external grants and awards and expects to become sustainable by 2014.

Capital Projects

Bob Vaughan, Director of Capital Planning & Management, reported on the project scope, costs and funding plan for renovating the Living/Learning Building C, Given Atrium Dining, and the Stafford Research Lab.

- Living Learning Building C involves $3.5 million in deferred maintenance to windows and restrooms. The childcare center will temporarily relocate to Trinity Campus during the work.
- Given Atrium Dining involves a $1 million upgrade of the serving area and replacement of the walk-in freezer.
- Stafford Research Lab involves $2.8 million for renovating the basement into a research lab for College of Medicine Neuroscience research.

Action Items

Chair Sweaney presented the consent agenda for approval:

**Resolution Approving the Proposal to Terminate the Graduate Programs in Anatomy and Neurobiology**

RESOLVED, that the Board of Trustees approves the termination of the Graduate Programs in Anatomy and Neurobiology as approved and advanced by the Provost and the President on October 15, 2012.

**Resolution Approving the James M. Jeffords Center for Research and Policy Studies**

RESOLVED, that the Board of Trustees approves the creation of the James M. Jeffords Center for Research and Policy Studies as approved and advanced by the Provost and the President on October 15, 2012.
Resolution Approving Renovation of the Living & Learning Building “C”

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $3,500,000 for the proposed Living & Learning Building “C” Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

Resolution Approving Renovation of the Stafford Research Lab

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $2,800,000 for the proposed Stafford Research Lab Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

Resolution Approving Renovation of Given Atrium Dining

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $1,000,000 for the proposed Given Atrium Dining Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

Resolution Authorizing One-Year Renewal of U.S. Sino Pathways Program at the University of Vermont

RESOLVED, that the Board of Trustees hereby authorizes the President and/or Vice President for Enrollment Management to enter into a renewal of the existing contract with Northeastern University and Shanghai Kai Bo Education Investment Management Co., Ltd, for the purpose of continuing for a one-year period the multi-component pathways program for students from the People’s Republic of China (PRC) to begin studies in the PRC and complete them at the University of Vermont.

A motion was made and an opportunity for discussion was offered.
In response to the question of why the U.S. Sino Pathways Program was being renewed for only one year, Chris Lucier, Vice President for Enrollment Management, explained that improvements to the program were made this year after visits to China to review the program. UVM is seeking one more year of improvements before extending beyond a one-year contract.

There being no further discussion, the motion was seconded and it was unanimously voted to approve the resolutions for recommendation to the Budget, Finance & Investment Committee and to the full Board.

**International Pathways Program Framework**

Chris Lucier, Vice President for Enrollment Management, and Gayle Nunley, Associate Provost for Faculty Affairs and Internationalization, presented information to the Committee on the development of a UVM Pathway Program as part of the International Enrollment Strategy to improve cultural diversity. The program will have a duration of two terms with two intake points; January for spring and summer semesters and June for summer and fall semesters. The structure will include non-academic and para-academic components including increasing the level of English language competency for academic usage and transition to US society and student life. International students will come pre-matriculated, meaning that upon successful completion of the pathway program they would gain degree status. The expectation is to recruit 50 students to start then have 70 students in each cohort. Responses to the Request for Proposals have been received and are currently under review to find a recruitment partner that will help reach enrollment goals and provide consulting to UVM. The goal is to welcome the first group of UVM Pathway students in January 2014. In order for this to happen, an external partner needs to be identified by the end of the calendar year and to start marketing the program in April 2013. This will require the administration to bring the material terms of an agreement with a partner before the Executive Committee no later than their January 14, 2013 meeting. Following the presentation, the Chair entertained and the Committee endorsed a motion in support of the process and timeline as outlined.

At 5:08 p.m., Chair Sweaney recessed the meeting.

Chair Sweaney reconvened the meeting on Thursday, November 8, 2012 at 9:10 a.m. in room 427A Waterman Building.

MEMBERS PRESENT: Chair Donna Sweaney, Co-Vice Chair Bill Botzow, Co-Vice Chair Jeffrey Davis, Christopher Bray, Frank Cioffi, Richard Gamelli, Dennis Mahoney, David Potter, President Thomas Sullivan, and Jeanette White

TRUSTEES ABSENT: Dale Rocheleau and Bill Ruprecht

OTHER TRUSTEES PRESENT: Vice Chair Harry Chen
REPRESENTATIVES PRESENT: Staff Representatives Lesley Boucher and Amanda McIntire; Student Representative Adam Kaufman; and Graduate Student Representatives Ashley Gunn and Lane Manning

REPRESENTATIVES ABSENT: Faculty Representatives Richard Galbraith, Cathy Paris and Stephanie Kaza; Alumni Representatives Penrose Jackson and Ted Madden; Student Representative Gavin Caster

PERSONS ALSO PARTICIPATING: Senior Vice President and Provost Jane Knodell, Associate Provost for Curricular Affairs Brian Reed, Vice President for Research and Dean of the Graduate College Domenico Grasso, Dean of the College of Agriculture and Life Sciences Thomas Vogelmann, and Chief Diversity Officer Wanda Heading-Grant

Academic Quality

Provost Jane Knodell led a discussion on the Board’s role in ensuring academic quality. A diagram was distributed that provided suggested questions the Board could ask, examples of current activities to support and ensure quality, and examples of key measures of academic quality. Included in the diagram was a list of reports that the Board currently receives. Also distributed to the Committee were the Dashboard Indicators as of October 24, 2012, which included Inputs – Student Quality Indicators, and Outputs – Students’ Perceptions of Quality of UVM Experience & Institutional Quality, Faculty Research Indicators, and Financial Performance Indicators. Following a lengthy discussion the Committee members offered a number of suggestions.

In discussing the Academic Quality diagram, Trustee Botzow asked about the term “controls” to which Trustee Gamelli commented that a better term may be “measures.” Provost Knodell responded that a better term might be policies and procedures. She reminded the Committee that it is not the Board’s role to do the work but the Board’s role is to make sure the administration is doing its work. President Sullivan commented that in addressing the term “measures,” and consistent with the Board’s responsibility of governance and policies, is the question are there appropriate “oversights,” that’s really the role of the Board to “oversee” in their role of policy and governance.

Trustee Davis asked how rigorous the course evaluations by students are and if the evaluations are anonymous. Provost Knodell explained that every instructor is expected to provide a survey instrument/questionnaire to students at the end of the course. There is no standard course evaluation form at this time. The course evaluation forms are collected by someone other than the professor and delivered to the department office and the department chairs are responsible for generating the summary data and providing the results to the professor. Student Representative Kaufman added that most of the data is collected on bubble sheets but the most valuable part of the evaluation is the written section of the form even though most students don’t take the time to complete this section. Anytime a student is handed a bubble sheet, the tendency is to finish it as quickly as possible. Trustee Mahoney suggested having an enthusiastic instructor makes a difference in student participation.
Trustee White commented on the Examples of Current Activities to Support and Ensure Quality concerning “what our students are learning,” and suggested that the first three items (Admissions Standards, General Education, and Curricular Requirements [maj/min]) don’t have anything to do with what our students are learning. They may be a measure of how well prepared our students are when they come to UVM, but not what they’re learning when they’re here.

Trustee Botzow asked if we have the adequate mechanisms in place to truly understand what we want for outcomes. Trustee White asked if we can understand how much students have grown since they enrolled.

Associate Provost for Curricular Affairs Brian Reed described the Collegiate Learning Assessment (CLA), a standardized assessment tool, which was first implemented during the fall 2011 semester and again this semester. He explained that this year, in parallel to the CLA, the Provost’s Office also implemented the Critical Thinking Assessment Test (CTAT). Incoming students are tested in their first year in the fall semester and fourth year students in the spring semester giving you some idea of improvement in critical thinking skills. The goal is to find or develop the best tools and processes for assessing student learning at UVM. Associate Provost Reed explained they are also trying to support the assessment of programmatic learning objectives within UVM’s schools and colleges. The methods of assessment will vary across schools and colleges.

Trustee Chen asked if we are comfortable enough with General Education that every student will know how to write when they graduate from UVM regardless of what they major in.

President Sullivan asked how well are we doing with the University’s mission statement, which really is the student developmental outcomes and student learning outcomes, and how do we track and measure how well we’re doing on that mission statement.

Dean Tom Vogelmann reported that in the College of Agriculture and Life Sciences, they look at the overall portfolio but they need to communicate the experiential learning component better, which is an area they will be work on developing.

Associate Provost Reed responded to Trustee Chen’s question about writing by explaining there are six General Education outcomes and assessment will be built into each one. The first outcome is writing and information literacy. A faculty committee has been conducting a writing pilot which includes a writing assessment. The idea is that as the University moves on with each of the General Education outcomes, assessment will be embedded in each one of those outcomes.

Provost Knodell informed the Committee they she will bring back to the Committee the results from this year’s Critical Thinking Assessment Test and the Collegiate Learning Assessment, which will be added to the Committee Work Plan.

**Campus Climate Survey Focus Groups Update**

Chief Diversity Officer Wanda Heading-Grant presented the results of the Campus Climate Survey focus groups, which were conducted in the spring of 2012. The goal of the focus groups
was to get a deeper understanding of some of the survey results. A select group of faculty, staff and students were invited to participate in 90-minute sessions. Six group interviews of two faculty-only, two staff-only and two student-only groups provided insight and recommendations regarding what they value about UVM, the scope of any discriminatory or disparaging remarks they had encountered, and the things that they believe would make our community a better and more inclusive place for everyone. The focus groups shared many ideas about things that they felt would further improve the UVM community.

Chief Diversity Officer Heading-Grant reported that the next steps include development of the other two recommendations: conducting a diversity data inventory to be used as the basis of a comprehensive diversity assessment plan, and developing a proposal for a comprehensive professional development program for the University Community. As a result of the campus climate survey findings and the focus group interviews, Chief Diversity Officer Heading-Grant has recommended to President Sullivan the development of a University-wide diversity plan. The President and the Provost support this recommendation and have agreed on working to produce this plan by mid to late spring semester 2013. This plan would be a map to Classroom and Workforce Diversity, Inclusion and Sustainability at UVM.

Other Business

Provost Knodell reviewed the Workplan for next year and noted a placeholder in February for a report on the Residential Life Master Plan which may be better suited for discussion at the Committee of the Whole. The Provost also suggested that the Committee continue discussing academic quality. Trustee Cioffi asked that academic advising, career development and internships be put on the radar.

Adjournment

There being no further business, the meeting was adjourned at 9:55 a.m.

Respectfully submitted,

Donna Sweaney, Chair
Provost’s Report
February 8, 2013

Board of Trustees
Educational Policy and Institutional Resources Committee

Prepared By
Interim Provost Robert B. Low

Let this begin with a reminder that I am very new on the job. At the same time, that I am not new on the job having served as Provost in the 1990’s. But that I have a lot of catching up to do.

I shall first provide an overview of the planning process I am developing. Thereafter, I will comment on certain specific items.

Much of what will happen this semester will be in the service of “setting the table” for the new Provost. It is imperative that we engage in a thoughtful and deliberate planning process that will provide the new Provost with the opportunity to participate immediately in a variety of decisions that will have long-term strategic impact.

This is not to say that decisions, sometimes even very difficult ones, will not be made between now and next September. We simply cannot afford to stand still.

The Strategic Action Plan includes a number of important components. Most immediate among them: a new enrollment management strategy that will reduce overall undergraduate enrollment and increase international undergraduate enrollment; and investment in high-quality programs that are aligned with UVM’s strategic priorities.

Juxtaposed with this is the need to develop a sound fiscal plan that will deal with the current realities of our budget, while at the same time not jeopardizing the quality of our teaching, scholarship and service responsibilities.

An enormous amount of excellent work has been accomplished over the past few years through the diligent efforts of our faculty, our academic leadership and Provost Knodell. What has been made available is a group of tools and data sets that now permit an assessment, across our campus, of the strategic value and financial strength of our academic programs. The plan this Fall had been to engage in further campus discussion around a University-wide approach to the use of the tools and data to assess our academic programs. Rather I came to the belief that those data, as well as others in our hands, should be provided without delay to our academic leaders, and I have done so.
I believe it is essential to reinforce that our Deans and Vice Presidents have the responsibility and authority to move forward with academic and administrative budget planning in a multi-year fashion that must begin with FY 14. Accordingly, I believe it essential that leadership have access to, embrace, analyze and use all available data in their planning. I am providing our leadership with all of the analyses that have taken place to date. I have asked the Dean’s Council to come up with its view as to the criteria that should be used for programmatic evaluation, and leadership on the administrative side to do likewise. They are then to come back so we can reach a consensus on how to proceed with program evaluation. That evaluation must be far enough along for leadership to use the results to reshape and realign their programs in accord with the goals of the new Strategic Action Plan. An outcome of this process will be a realignment of the base budget by FY 15 that redistributes resources according to institutional priorities, in a fashion that does not harm in the process and, indeed, strengthens the educational, scholarship and service missions of our University.

As part of this process, we also must aggressively pursue opportunities to diversify our revenue streams; review the efficiency with which our administrative work is conducted; consider to what extent our allocation of resources is consistent with our articulated priorities; and find ways to incent desired behaviors and activities.

And now to the discussion of particular activities.

**Envisioning Environment** – In the Fall, a twelve-member, cross-college faculty work group was charged with conducting an inventory of the strengths of environmental education and research at UVM; identifying our comparative advantage in this realm; evaluating our current organizational structure related to environmental education and research; assessing “best practices” nationally and internationally; and developing several alternative models for how we might organize, support and maximize this work at the University of Vermont. The work group engaged in a highly consultative and participatory process. Its report has been shared with the entire campus community for comment, after which I will work with President Sullivan to determine how we can best move forward with the goal of having a program that will further establish our niche and national and international reputation in this arena.

**Internationalization** – Our new enrollment management plan calls for an increase in international student undergraduate enrollment from its current 1% to between 5% and 7%. We are developing an international pathway program that will be foundational to our international enrollment strategy. Contract negotiations with a company to provide international recruitment services and provide administrative support to operate a successful pathway program will have been completed by the time of the February Board meeting. Vice Provost Nunley will be leading this effort, working closely with Vice President Chris Lucier and other key individuals. The goal is to have this program up and running by January, 2014.

It is further intended that this effort will be consistent with and even merged with the effort to establish a summer semester by 2015.

**General Education** – We continue to advance the General Education initiative. A writing pilot in support of the Communication and Information Literacy outcome is underway this year. Work on two other outcomes Cultures, Diversity and Global Perspectives; and Sciences, Systems, and
Sustainability will begin this Spring. Among my goals is to gain a better understanding of this initiative and accelerate its implementation to the extent possible and appropriate.

Additionally, our progress continues in the areas of career advising, high-impact learning practices, improving retention rates and administrative program review. We will share developments in several of these areas in more detail at your May meeting.

Clearly, it’s early days, but I am confident that we will – in fact we must – make progress between now and next September. I am grateful for the support I have received from my colleagues across campus, I am pleased to serve the University during this time of transition, and I look forward to working with all of you.
EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

February 8, 2013

Resolution Approving Creation of a Doctorate of Nursing Practice Degree

RESOLVED, that the Board of Trustees approves the creation of a Doctorate of Nursing Practice Degree, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

Resolution Approving Creation of Master of Science Degree in Clinical Nurse Leadership

RESOLVED, that the Board of Trustees approves the creation of a Master of Science Degree in Clinical Nurse Leadership, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

Resolution Approving Termination of Canadian Studies Major

RESOLVED, that the Board of Trustees approves the termination of the Canadian Studies Major, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

Resolution Reaffirming Equal Opportunity Statements

RESOLVED, that the Board reaffirms the Equal Employment Opportunity/Affirmative Action Policy Statement, as attached hereto as Appendix A, and the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement, attached hereto as Appendix B, both effective as of February 9, 2013.

Resolution Approving the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc., and the Franklin County 4-H Foundation, Inc. as Affiliated Organizations

BE IT RESOLVED, that the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc. and the Franklin County 4-H Foundation, Inc. are approved as affiliated organizations of the University of Vermont in support of 4-H programs administered by UVM Extension Services, subject to the execution of a Memorandum of Understanding pursuant to the University’s Affiliated Organization’s Policy.

BE IT FURTHER RESOLVED, that the President is authorized to enter into these Memoranda of Understanding for a term of three years each.
Resolution Reconstituting the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research

WHEREAS, the Board earlier established a Work Group, the UVM/FAHC Affiliation Agreement Work Group, comprised of Trustees designated meet periodically at the request of the Board Chair or the President to receive status reports and advise the administration on matters relating to the University's Affiliation Agreement with Fletcher Allen Health Care; and

WHEREAS, the Board recognizes the present and continuing importance of academic program initiatives and arrangements relative to medical, nursing and health sciences education and related academic programs and clinical activities, as well as medical, nursing and health sciences research;

BE IT RESOLVED, that the scope of the Work Group be expanded to receive status reports and advise the administration and the Board on academic program initiatives and arrangements relative to medical and health sciences research, and education and related academic programs and clinical activities of the College of Medicine and the College of Nursing and Health Sciences; and

BE IT FURTHER RESOLVED, that the Work Group shall be re-named the Work Group on Medical, Nursing and Health Sciences Education and Research; and

BE IT FINALLY RESOLVED, that the Work Group shall be comprised of the Board Chair ex officio, the President or the President’s designee, and three additional Trustees.
Equal Employment Opportunity/Affirmative Action Policy Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The University will accordingly recruit and hire into all positions the most qualified persons in light of job-related requirements, and applicants and employees shall be treated in employment matters without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, other protected veteran or Armed Forces service medal veteran, as these terms are defined under applicable law, or any other factor or characteristic protected by law.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment or retaliation because they have engaged in or may engage in the following: filing a complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or participating in an investigation, compliance evaluation, or any other activity related to the administration of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of federal, state or local law; opposing any act or practice made unlawful by VEVRAA, requiring equal employment opportunities for individuals with disabilities, disabled veterans, recently separated veterans, other
protected veterans, or Armed Forces service medal veterans; or exercising any rights under VEVRAA or the Rehabilitation Act.

Sources: Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state and local non discrimination laws. It shall be applied co extensively with such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.

**Contacts**

Questions regarding this policy statement or compliance with its provisions may be directed to:

Chief Diversity Officer and  
Special Assistant to the President for Multicultural Initiatives  
University of Vermont  
346 Waterman Building  
Burlington, VT 05405  
(802) 656-8426

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.

The President is the University official responsible for the interpretation and administration of this policy.

**Related Documents/Policies**

Equal Opportunity in Educational Programs and Activities Policy Statement  
Sexual Harassment Policy – Employees
http://www.uvm.edu/~uvmppg/ppg/hr/sexharasemp.pdf

Procedures for Investigating and Resolving Discrimination Complaints

**Effective Date**

Approved by:

____________________ President ________________
E. Thomas Sullivan Date

____________________ Chair Board of Trustees ________________
Robert F. Cioffi Date
Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state and local non discrimination laws. It shall be applied co-extensively with such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.
Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Dean of Students
University of Vermont
41-43 South Prospect Street
Burlington, VT 05405
(802) 656-3380

or to:

Chief Diversity Officer and
Special Assistant to the President for Multicultural Initiatives
University of Vermont
346 Waterman Building
Burlington, VT 05405
(802) 656-8426

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.

The President is the University official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Equal Employment Opportunity/Affirmative Action Policy Statement
http://www.uvm.edu/~uvmppg/ppg/general_html/affirm.pdf
Harassment – Students
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf
Procedures for Investigating and Resolving Discrimination Complaints
Sexual Harassment Policy – Students
http://www.uvm.edu/~uvmppg/ppg/student/sexharasstudent.pdf
Effective Date

Approved by:

____________________ President ____________________
E. Thomas Sullivan Date

____________________ Chair Board of Trustees ____________________
Robert F. Cioffi Date
Gifts

Policy Statement

It is important that the University of Vermont has policies and guidelines in place to set forth gift acceptance protocols, honor donor intentions, and expedite the processing of gifts from acceptance to deposit and receipt, thereby maximizing the impact of gifts to the University.

For gifts made to the University on or after January 1, 2012, the University of Vermont and State Agricultural College Foundation, Inc. (the “Foundation”) has been recognized by the University as the primary and preferred recipient for charitable gifts to or for the benefit of the University. To make a gift to the Foundation, and see its policies and guidelines on the acceptance and processing of gifts, please visit: http://alumni.uvm.edu/foundation/.

In limited circumstances, gifts may be made directly to the University on or after January 1, 2012 in accordance with the terms of this Policy.

Reason for the Policy

This policy is designed to provide guidance regarding gift acceptance and administration for the limited circumstances in which gifts may be made directly to the University after January 1, 2012. Gifts made to the University prior to January 1, 2012 also remain subject to this Policy.

Strategic Direction

This policy supports the following goals in the University’s Strategic Plan http://www.uvm.edu/~presdent/?Page=mission.html:

- Institutional Efficacy: As an institution, model the highest standard of ethical conduct, accountability and best practice, public service, and strong commitment to lifelong learning.
Applicability of the Policy

This policy applies to all gifts made directly to the University of Vermont, including but not limited to academic units, administrative units, student services and activities, and auxiliary services, such as Athletics, Libraries, Fleming Museum, Lane Series, Morgan Horse Farm, and Extension, where it is not possible or desirable for the donor to make a gift of the same to the Foundation after January 1, 2012. **This policy does not apply to gifts made to the University of Vermont Foundation, Inc.**

Policy Elaboration

In the limited circumstance that gifts are made directly to the University after January 1, 2012, they must be designed and administered in a manner consistent with legal requirements and the terms of this policy.

In accepting a gift, the University acquires a responsibility to the donor to steward that gift. This stewardship includes administering the gift properly, directing the gift’s use as the donor intends, providing the donor with appropriate financial information about the gift, and reporting to the donor about the use of the funds.

Solicitations of new gifts after January 1, 2012 shall be coordinated *exclusively* by and through the Foundation.

**A) Gift Purposes and Naming Opportunities for Gifts Made Directly to the University**

This policy establishes minimum gift levels and approvals required for gift purposes and naming opportunities at the University. Depending upon the uniqueness of purpose, level of existing and future University support, and other factors, the University may require higher levels of gifts in order to achieve and sustain the donor's intent. **This policy does not govern naming opportunities where there is no gift.**

1) Common Purposes and Funds — When it is not possible or desirable for a donor to make a gift of the same to the Foundation, donors may make gifts to the UVM Fund (the University’s unrestricted fund); discretionary funds designated to individual colleges, schools, departments or other units; existing current operating gift funds supporting such purposes as scholarships, departmental research or student activities; and the University’s unrestricted endowment or other existing endowments, where permitted. Donors may also make gifts not involving a naming opportunity, but with new or special restrictions, for individual colleges, schools, departments or other units by submitting a request to the Vice President for Finance and Administration for review and approval, in consult with the department’s respective Dean or Vice President.

2) Named Funds — When it is not possible or desirable for a donor to make a gift of the same to the Foundation, donors wishing to establish new named funds may propose the name and any restrictions to the University, which will be reviewed and approved according to the following standards:
a) Named Deanship — Provides support to a range of discretionary uses, including but not limited to a dean's salary and related expenses, faculty research and scholarship, public service, professional conferences and other programs related to the promotion of academic excellence in the school or college. The minimum endowment gift will be set by the President; factors to be considered shall include but are not limited to the size of the college or school; the marketability of the deanship to prospective donors; actual costs of the dean's office; and the uniqueness of the naming opportunity. Named Deanships proposals are reviewed and recommended by the Provost and the Vice President for Finance & Administration, with the appropriate Dean or Vice President and the University Budget Director. The President approves Named Deanships.

b) Named Chair or Professorship — Provides support to a faculty member's salary and related expenses, including but not limited to teaching, instructional programs, research, public service and professional conferences. The minimum endowment gift is $3.0 million for a Chair, $1.0 million for a Professorship and $250,000 for a Green & Gold Professor. Named Chair and Professorship proposals are reviewed and recommended by the Provost, the Vice President for Finance & Administration, and the appropriate Dean or Vice President and the University Budget Director. The President approves Named Chairs or Professorships; the Provost approves Named Green & Gold Professors.

c) Named Faculty Teaching or Research Award — Provides support to a faculty member’s scholarly activities including teaching, research, public service, professional development and other general purposes. The minimum endowment Gift is $100,000. The minimum current operating gift is $10,000 per year. Named Faculty Teaching or Research Award proposals are reviewed and recommended by the Vice President for Finance and Administration and the appropriate Dean. The Provost approves Named Faculty Teaching or Research Awards.

d) Named Graduate Fellowship — Provides support in the form of financial aid, stipends or other support to graduate students for education, research and scholarly work. The minimum Endowment Gift is $250,000. The minimum current operating gift is $25,000 per year. Named Graduate Fellowship proposals are reviewed and recommended by the Vice President for Finance and Administration and the Dean of the Graduate College and appropriate School or College Dean. The Provost approves Named Graduate Fellowships.

e) Named Scholarship — Provides financial aid to students. Donors may specify additional restrictions (including undergraduate/graduate, academic unit, degree/program, residency, or merit/need). The minimum endowment gift is $50,000. The minimum current operating gift is $10,000 per year. Named Scholarship proposals are reviewed and recommended by the Vice President for Enrollment Management and appropriate Dean or Vice President. The Vice President for Finance and Administration approves Named Scholarships.

f) Named Departmental or Programmatic Fund — Provides support to a department, program or other unit for its general purposes, including but not limited to teaching, research, professional development, lectureships, and equipment. The minimum endowment gift is $50,000. The minimum current operating gift is $10,000 per year. Named Departmental or Programmatic Fund proposals are reviewed and recommended
by the appropriate Dean or Vice President. The Vice President for Finance and Administration approves Named Departmental or Programmatic Funds.

g) Named Research Fund — Provides support for the research activities of a department, including equipment, supplies, wages, and other general research purposes. The minimum endowment gift is $50,000. The minimum current operating gift is $10,000 per year.

3) Named Facilities — The minimum gift level for the naming of a facility varies in accordance with the type of facility being named. Generally, the associated gift for a named facility will be used to support construction, renovation and operating expenses of the facility or support other general purposes designated by the University. The naming of a facility is intended to last for the useful life of the facility and, at that time, the Vice President for Finance and Administration is tasked to find a suitable way to honor the original name, based on options available.

When it is not possible or desirable for a donor to make a gift of the same to the Foundation, donors wishing to name new, renovated or existing facilities may propose the name and any restrictions to the University, which will be reviewed and approved according to the following standards:

a) Named Buildings — Includes buildings, halls, wings, arenas, fields and other substantial indoor and outdoor physical spaces. The minimum gift level is as set by the President. The factors the President must consider shall include but are not limited to the value of the space to the University; the marketability of the space to prospective donors; actual costs to build, renovate and/or operate the space; the uniqueness of the naming opportunity; and the useful life of the space. Named Building proposals are reviewed and recommended by the Provost and the Vice President for Finance and Administration, with the appropriate Dean or Vice President and the University Budget Director. The President approves Named Building proposals for transmission to the University Board of Trustees, for resolution specific approval as outlined in the Board of Trustees Resolution on Delegation and Retention of Board Authority.

b) Named Rooms — Includes classrooms, laboratories, offices and other minor physical spaces. The minimum gift level is as set by the Provost. The factors the Provost must consider shall include but are not limited to: the value of the space to the University; the marketability of the space to prospective donors; actual costs to build, renovate and/or operate the space; the uniqueness of the naming opportunity; and the useful life of the space. Named Room proposals are reviewed and recommended by the Vice President for Finance and Administration, with the appropriate Dean or Vice President and the University Budget Director. The Provost approves Named Rooms.

4) Named Academic Units — The minimum gift level for the naming of an academic unit varies with the academic unit being named. The factors to be considered shall include, but are not limited to, the history, reputation, and visibility of the academic unit; the marketability of the academic unit to prospective donors; actual costs to operate the academic unit; and the uniqueness of the naming opportunity. Generally, the associated gift for a
named academic unit will be used to support faculty scholarly activity, student scholarships and programmatic needs, and other general purposes of the academic unit.

When it is not possible or desirable for a donor to make a gift of the same to the Foundation, donors wishing to name academic units may propose the name and any restrictions to the University for review and approval. Named Academic Unit proposals are reviewed and recommended by the Provost and the Vice President for Finance and Administration, with the appropriate Dean or Vice President and the University Budget Director. The President approves Named Academic Units proposals for transmission to the Board of Trustees for resolution specific approval as outlined in the Board of Trustees Resolution on Delegation and Retention of Board Authority.

5) Name Approval — The University recognizes its commitment to the public trust and will only approve naming gifts that are consistent with UVM’s mission and values. In addition, the following factors will be considered: the standing of the donor in the community or profession; the nature and duration of the relationship of the proposed honoree to the University; the honor and distinction the proposed name will bring to the University; and whether any philanthropic commitments connected with the naming can be realized.

6) Name Removal — The University reserves the right to remove any name should the donor not fulfill the associated pledge or if the name comes into disrepute in the University or in the general community. The Vice President for Finance and Administration and the Provost are responsible for making name removal recommendations to the President based on individual gift and naming circumstances. Name Removal proposals related to buildings and academic programs must receive resolution specific approval as outlined in the Board of Trustees Resolution on Delegation and Retention of Board Authority.

7) Name Based on a Pledge — A naming is contingent upon fulfillment of the associated pledge, and the time frame for fulfillment of a pledge, whether by means of installment payments or otherwise, shall not exceed five years. A donor establishing a named endowment with a multi-year pledge may choose to make additional current operating gifts during the pledge period in support of the same purpose as the named endowment (e.g., professorship, scholarship, and the like). These gifts, which provide immediate support during the pledge period, should approximate the income to be generated from the fully-funded endowment. Example: A donor establishes a $1 million professorship with a five year pledge of $200,000 per year. To appoint the professor immediately, the donor increases the pledge to $1.2 million, whereby annually $200,000 is added to the endowment and $40,000 is immediately available for the professorship.

B) Gift Types

The University may accept the gift types outlined below directly when the same cannot be directed to the Foundation after January 1, 2012:

1) Common Gift Types — Common gift types include cash, publicly traded securities, unrestricted and restricted realized bequests, tangible personal property or gifts in kind retained by the University for its use. Common gift types must be proposed to and accepted by the University’s Controller.
2) Special Gift Types — Special gift types include but are not limited to real estate; partnership interests; stock options; bargain sales; life income arrangements; bequest intentions; retirement plan designations; life insurance policies; charitable lead trusts; retained life estates; charitable funds managed by others; private grants with no or very limited reporting requirements; tangible personal property or gifts in kind that require undue expenditures, require special IRS documentation or involve the University in unexpected responsibilities because of their source, conditions, or purposes; or any other gift situation not clearly governed by this policy. These special gift types must be proposed to and approved by the Vice President for Finance and Administration in consultation with the General Counsel. In addition, the President must approve all gifts of real estate before the proposed gift is advanced to the University Board of Trustees for approval. In certain cases, such as gifts of real estate or tangible personal property, the University will generally look to the donor to bear expenses incurred in receiving or maintaining gifts; these expenses may include, but are not limited to, real estate appraisal fees, environmental audit expenses incurred by the University as part of due diligence, and ongoing maintenance costs incurred for holding the asset prior to sale.

C) Donor Anonymity

The University recognizes a donor's right to privacy as to personal matters. Donors may request anonymity, and the University will honor that to the maximum extent permitted by law (including the State Public Records Act), as a condition of a gift or potential gift.

D) Gift Agreements and Authorized Signers

Gift agreements are used to document the understanding of the donor and University regarding the gifts and pledges therein. Written agreements are required for Named Funds, Named Facilities, Named Academic Units, Special Gift Types, or special designations or restrictions by donors of $10,000 or more.

Common Gift Types under $10,000 to Common Purposes and Funds may be documented by means of pre-printed response cards, solicitation devices, emails, letters, or any other communications to/from the donor are acceptable.

The President and Vice President for Finance and Administration are the authorized signers on behalf of the University for all gift agreements involving Named Deanships, Named Chairs, Named Professorships, Named Buildings, Named Academic Units and gifts of real estate. The Vice President for Finance and Administration is the authorized signer on behalf of the University for gift agreements involving all other naming opportunities and Special Gift Types (signature is not required for current operating Named Funds).

Definitions

None

Forms
None

**Contacts**

Questions related to the daily operational interpretation of this policy should be directed to:

Vice President for Finance and Administration  
350B Waterman Building  
Phone: (802) 656-0219

The Vice President for Finance and Administration is the official responsible for the interpretation and administration of this policy. The President shall consider exceptions to this policy in consultation with the Board of Trustees.

**Related Documents/Policies**

Gifts Administration University Operation Procedure [WIP]

Financial Management Operations Manual – Section 5.16: Gifts and Fundraising  
http://www.uvm.edu/~fmoprman/FM-OM_Content.html#5.16_Gifts_and_Fundraising

Board of Trustees Resolution on Delegation and Retention of Board Authority  
http://www.uvm.edu/trustees/policymanual/II%204%20Resolution%20and%20Chart%20regarding%20Board%20Delegation%20and%20Retention%20of%20Authority.pdf

Endowment Administrative Fee Policy  

**Effective Date**

Approved by:

________________________  President  ___________________

Date

Reviewed and approved by the Board of Trustees on ____________________
International Pathway Program Update
February 8, 2013

Board of Trustees
Educational Policy and Institutional Resources

Prepared by:
Chris Lucier, Vice President for Enrollment Management
Gayle Nunley, Associate Provost for Faculty Affairs and Internationalization

Developing a first class international pathway program is foundational to our international enrollment strategy. We are in the final stages of negotiating a contract with a company to provide international recruitment services and provide administrative support to operate a successful pathway program. The contract negotiations should be complete and the contract finalized by the Board meeting.

We have established an Executive Steering Committee, chaired by Interim Provost Low, to manage the development and implementation of the pathway program. There are seven workgroups that report to the steering committee:

1. Academic Workgroup
2. Admissions and Immigration Workgroup
3. Marketing and Recruitment Workgroup
4. Student Services Workgroup
5. Facilities Workgroup
6. Communications, Town-Gown and Alumni Relations Workgroup
7. Finance and Administration Workgroup

Success Metrics:

- Pathway
  - 70% or more matriculate from the pathway to degree status
  - Average GPA for degree students is no lower than .20 below that of domestic students (by school or college) and ideally equal to or greater
  - 90% or more are retained from the first year as a degree student to the second year
  - 75% or more graduate within 3.5 years of matriculating as a degree student

- Net tuition revenue derived from increasing international enrollment, including the pathway program, exceed expenses, including recoupment of initial investments, by FY 16.
Key dates/milestones (many are still tentative)

- January, 2013 Establish workgroups and tentative planning timeline
- January, 2013 Complete contract with external partner
- February, 2013 Site visit(s) by key planning staff to other universities who operate their own pathway program
- January, 2013 Admissions standards determined
- February 8, 2013 Update to Educational Policy & Institutional Resources Committee
- February – March, 2013 Marketing materials complete
- March – April, 2013 Start recruiting, accepting first applications for January, 2014 pathway
- March – September, 2013, International travel to meet field agents
- May 25, 2014 First day of classes of second cohort, first cohort begins 2d semester
- May 2013 - Finalize ESOL program structure and build Spring course schedule
- May 17, 2013 Update to Educational Policy & Institutional Resources Committee
- July, 2013 Pathway Director appointed
- October 25, 2013 Update to Educational Policy & Institutional Resources Committee
- **January 4-5, 2014 Students for first cohort arrive**
- **January 7-9, 2014 Orientation**
- **January 13, 2014 First day of classes**
- May, 2014 Second cohort arrives
- June, 2014, USPP students arrive and bridge is managed by pathway staff and faculty
- August, 2014 First cohort completes pathway and qualified students progress to degree status
- December, 2014 Second cohort completes pathway and qualified students progress to degree status
Academic Quality: Assessment of Student Learning Outcomes
February 8, 2013

Board of Trustees – Educational Policy & Institutional Resources Committee

Prepared by
Brian Reed, Associate Provost for Curricular Affairs
John Ryan, Director, Office of Institutional Research
Jacqueline Weinstock, Associate Professor of Leadership & Developmental Sciences

Background

In recent years colleges and universities have been under increasing pressure from accrediting agencies, trustees and the public to demonstrate that their students learn some things of value over the course of their undergraduate education. Since knowledge can quickly become obsolete, particular focus has been placed on critical thinking and information acquisition skills. Many colleges and universities have turned to standardized tests such as the Collegiate Learning Assessment (CLA) to assess gains in critical thinking across the nominal four years of undergraduate education. In theory the difference in scores between representative samples of first and fourth year students represents “value added” gains in learning, and this is a proxy for learning gains across all students. Institutions that are members of the Association of Public and Land Grant Universities’ Voluntary System of Accountability (including UVM) are required to post their “value added” data and other descriptive information on their websites.

We will report here UVM’s efforts in the assessment of critical thinking at the University level, but it is important to note that student learning is also regularly assessed at the course level and in some cases at the program level. In addition, as each General Education outcome is developed, assessment is being woven in. Finally, the ultimate metric for how well we prepare students for life in the 21st century is the success of our alumni. We will report on efforts to support assessment at the course, program, general education and alumni levels at future Educational Policy & Institutional Resources Committee meetings.

At all levels our philosophical approach to the assessment of learning outcomes is rooted in the University’s mission:

To create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct.

Assessment is best when it is multi-modal because no single mode can provide a comprehensive picture. Assessment should serve both formative and summative purposes. Formative assessment provides useful feedback to students and nurtures growth toward identified learning objectives. Summative assessment provides useful information to inform practice at the broader curricular, program, and institution levels.
There is strong evidence that “High Impact Practices” (HIPs) promote positive student outcomes including advances in critical thinking, problem solving and communication skills, and they increase student satisfaction and retention. HIPs are engaged teaching and learning practices. Recent analyses of NSSE (National Survey of Student Engagement) data by our Office of Institutional Research confirm that the extent of students’ participation in HIPs at UVM is directly related to their academic performance and satisfaction with their educational experience. In addition, HIPs appear to have a differential benefit for the success and retention of underrepresented populations of our students, and this too is consistent with national research findings. Therefore, the active promotion of “High Impact,” integrative learning practices should probably be a key tenet in the vision for undergraduate education. This will help our students connect the dots, not just collect the dots, so they can succeed and adapt to changing needs in the 21st century. Our ongoing research, described below, will help us understand whether HIPs are particularly useful in promoting UVM students’ critical thinking by looking at whether those students who most improve have been most involved with such practices.

Assessment of Critical Thinking

We have been working to determine the best ways to assess gains in students’ critical thinking. We have been trialing two commercially available assessments: (1) the Collegiate Learning Assessment (CLA), a standardized exam recommended by the Faculty Senate’s Curricular Affairs committee as the best choice among three options designated by the Voluntary System of Accountability; and (2) the Critical Thinking Assessment Test (CTAT), an assessment tool that was developed at Tennessee Technological University with partial support from the National Science Foundation.

We attempted to administer the CLA in the fall of 2011. We encountered a number of problems, not the least of which was the inability to recruit an adequate sample of first-year students despite the incentive of a drawing among the participants for an iPad and another drawing for an iPad among the top 10% of performers (to incentivize performance). In the end we were able to recruit only 25 students, well short of the target of 100 students from across all schools and colleges. As a result, we could not proceed with testing of fourth-year students in the Spring 2012 semester because the statistical findings would have been invalid.

And so we were faced with a challenge in finding a good way to assess gains in students’ critical thinking abilities. It was clear that if we were to continue with the CLA, a different mode of recruitment would be needed such as embedding the CLA in a first-year and a fourth-year course, but doing so would raise other sampling concerns.

It was decided to trial the CLA again in AY 2012-13, but to make it part of a research study. Thus, we are administering the CLA differently and in parallel with a second assessment tool, the Critical Thinking Assessment Test (CTAT). This comparison research, sponsored by the Provost’s Office, is unique and

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we expect the findings will contribute to the national discussion on assessment as well as help us determine the best methods for formative and summative assessment here at UVM. Even more important, the findings will help us to better understand our students and to provide useful information for informing curricular practice.

The Study
The purpose of the study is to gain insight into the impact of the UVM experience on students’ development of critical thinking skills (by comparing first-year students’ critical thinking scores to senior level students’ scores). The information gained through the study will contribute to faculty members’ understanding of students’ critical thinking skills and the identification of particularly effective strategies for promoting critical thinking and related competencies. The data will also allow us to compare the relative strengths of the CLA and the CTAT in considering their future use for the assessment of critical thinking.

We are recruiting students from several first-year (fall semester) and fourth-year (spring semester) courses in a manner that provides a representative sample. The course instructors provide an incentive for volunteers by means of course credit. The students are randomly assigned to either the CLA or the CTAT which they take at a designated time outside of class (up to 90 minutes available) or if instructors agree, during class time. The students also complete a brief survey focused on demographic and attitudinal questions.

We will demonstrate sample test items from the Collegiate Learning Assessment (CLA) and the Critical Thinking Assessment Test (CTAT) at the Educational Policy & Institutional Resources Committee meeting and we will be pleased to discuss the status of the research project.

Summary

We are moving ahead to find the best ways to both assess and promote students’ critical thinking skills and expect to be on the cutting edge of the discussion nationally. The assessment of learning outcomes is complex, and so we look forward to explaining our efforts and results at the course, program, and general education and alumni levels in the future.
### 2013 Workplan for UVM BOT Educational Policy & Institutional Resources Committee

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<td><strong>Provost Report</strong>&lt;br&gt;<strong>CAC Report</strong>&lt;br&gt;<strong>Capital Projects</strong>&lt;br&gt;<strong>International Pathway Program Update</strong></td>
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Additional Policies due for cyclical review in 2013 that fall under EPIR’s purview include: Diversity Statement and Hazing Policy. If changes are recommended, committee review will be scheduled following the internal review process.

Agenda topics proposed at the November 2012 meeting for future meetings: academic advising, career development & internships. Other topics for consideration: University-wide diversity plan & development of comprehensive professional development program.
AGENDA

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<th>Item</th>
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<td>Call to Order</td>
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<tr>
<td>1. Approval of November 8, 2012 meeting minutes</td>
<td>Attachment 1</td>
<td>David Potter</td>
<td>7:30 – 7:35</td>
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<td>2. State Funding Discussion</td>
<td>Attachment 2</td>
<td>Tom Sullivan</td>
<td>7:35 – 7:55</td>
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<td>3. Selection of Trustees</td>
<td>Attachment 3</td>
<td>David Potter</td>
<td>7:55 – 8:25</td>
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<td>4. Other Business*</td>
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<td>David Potter</td>
<td>8:25 – 8:30</td>
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* Executive Session as needed.
ACTION ITEMS

**Background:** The minutes for the November 8, 2012 meeting are included in Attachment 1.

**Action:** Motion to approve the minutes.

DISCUSSION ITEMS

I. **State Funding Discussion**

President Tom Sullivan will provide an overview of the state appropriation and capital appropriations requests for FY2014. Included as Attachment 2 are two documents: The FY 2014 Budget Narrative and Supplemental Budget Request.

II. **Guidelines for the Selection of Trustees**

Included as Attachment 3 in the meeting materials, for discussion, are the Guidelines for the Selection of Trustees.

III. **Other Business**

Time will be reserved at the end of our meeting for other business as necessary.
VERMONT AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

A meeting of the Vermont Agricultural College Board of Trustees of the University of Vermont and State Agricultural College (the Board) was held on Thursday November 8, 2012, at 8:00 a.m., in Room 427A of the Waterman Building.

MEMBERS PRESENT: Chair David Potter, Vice Chair Kesha Ram, Secretary Joan Lenes, Bill Botzow, Christopher Bray, Joan Lenes, Harry Chen, Donna Sweaney and Carolyn Branagan

MEMBERS ABSENT: None

OTHER TRUSTEES PRESENT: Kyle DeVivo

ALSO PARTICPATING: President Tom Sullivan and Director of State Relations Clarence Davis

Chair David Potter called the meeting to order at 8:00 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes from the May 19, 2012 meeting.

Overview of President Sullivan’s Outreach Travel

President Tom Sullivan provided an overview of his Vermont outreach travel.

Guidelines for the Selection of Trustees

Chair David Potter led a discussion of the selection of trustees.

Adjournment

There being no further business, the meeting adjourned at 9:00 a.m.

Respectfully submitted,

Joan Lenes, Secretary
To: Jeb Spaulding, Secretary of Administration

From: E. Thomas Sullivan, President

Subject: Supplemental Budget Request

What follows is a supplement to the University of Vermont’s FY 14 budget request. In order for the University to return its’ 2008 level of funding, approximately $2,500,000 would need to be restored to UVM’s base appropriation. Additionally, $1,000,000 would need to be invested in the Next Generation fund in order to restore it to FY 2008 funding levels. While we understand that a scenario that returns UVM to its’ previous level of fund is unlikely, the following proposals would, in our view begin to address some of the financial burden of students and their families.

1) We would propose that in the FY 2014 budget the funds currently designated for the Next Generation scholarships be moved from the Next Generation fund into the University’s base appropriation, thereby securing the funds against further reduction and eliminating the additional step of requesting the funds as a separate allocation. This will allow the University to continue to award the funds in the form of non-loan financial aid to Vermont students. This step would increase the University’s base appropriation by $600,000 ($500,000 scholarship and $100,000 tech commercialization.)

2) Additionally we would request $1,000,000 in funds that would go directly toward helping to reduce the debt burden of Vermont students attending UVM by allowing the University to apply the additional funds directly to the proposed FY 14 tuition increase, thereby insulating Vermont students and their families from any tuition increase for FY 2014.

3) The University will report out annually on the number of students that receive the “Vermont scholarship” much as we currently do with students that receive dollars from both the Higher Education Trust Fund and the Next Generation scholarship fund. The freedom to apply additional state dollars directly toward tuition reduction for Vermont students and families would greatly alleviate the financial burden and would yield more positive results for needy students and families.

4) Finally the University requests that the State explore the possibility of utilizing some of the State’s bonding capacity to help fund the construction of a STEM Center on campus that would house state of the art engineering and physical sciences laboratories. We believe this expansion of STEM laboratories is a high priority for the State regarding a direct link to economic development in the State.
Since the inception of the Next Generation scholarship fund in fiscal year 2008, $5,414,000 has been distributed to 1527 Vermonters seeking bachelor’s degrees in fields that are scientific or technical in nature, tied to the land grant mission of the University and are important to the economic health of the State. These funds have supported students in the following areas: nursing and other essential health professions, agriculture, environmental studies, STEM fields to support the growing technology sector, pre-K and secondary education with STEM skills, and business to support Vermont's small family and entrepreneurial business sector. These scholarships have been part of UVM's efforts to offer an affordable path for Vermont students to matriculate and graduate in record numbers and percentages and enter the workforce with requisite skills to succeed. The University committed to applying the $500,000 of fiscal year 2013 Next Generation scholarships to students in fields necessary to support a strong Vermont economy.

UVM used FY 2013 Next Generation Scholarship funds from the state of Vermont to support critical workforce development in areas unique to or of particular strength at the University. This continues to insure an adequate and high quality workforce for the Vermont economy. As Vermont’s only land grant and Research University UVM has a responsibility to partner in statewide economic growth in order to create, attract, and maintain high-quality jobs, strengthen local businesses and communities, and promote life-long learning.

Additionally, the University committed to continue to utilize the $100,000 in Technology Transfer funds to aid in helping to bring University research innovations to the marketplace by:

1) Promoting public benefit from the commercialization of technologies emerging from UVM research, including the creation of new business;

2) Promoting innovation and economic development in Vermont and beyond by fostering interaction between the University and the private and public sector; and

3) Supporting research operations by enabling service and industry sponsored research agreements.

A recent poll of UVM’s spin-out companies revealed that 14 companies have emerged from UVM’s research since 2004, with 8 of those in the past 3 years. 6 of the 8 got started with the help of UVM Ventures funds. These companies have created 45 full time jobs and have raised just over $21 million. All but 2 of the companies are in Vermont.

I would be happy to discuss this any of these requests with you and/or the Governor as may be convenient.
FY 2014 Appropriation Request to the State of Vermont

UVM General Appropriation and Morgan Horse Farm
MISSION STATEMENT

The University of Vermont's mission is to create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct. Chartered in 1791, the same year that Vermont became the fourteenth state in the Union, the University of Vermont was established as the fifth college in New England. It became the state's land-grant institution in 1865, when it was merged with the Vermont Agricultural College that had been formed one year earlier in accord with provisions of the Morrill Act. In 1955, the General Assembly recognized the University of Vermont and State Agricultural College "as an instrumentality of the State for providing public higher education." Previous to that recognition, Vermont had annually appropriated funds specifically to the College of Medicine and to the Agricultural Services and had appropriated tuition scholarship funds for Vermont residents in certain fields of study.

Beginning in 1956, new funding subsidizing the cost of educating Vermont students was added to the appropriations going to the College of Medicine and Agricultural Services. From that date forward, the statutory requirement is that in-state tuition cannot exceed 40% of the out-of-state tuition rate.

DESCRIPTION OF APPROPRIATIONS, DIVISIONS, and PROGRAMS

The University of Vermont is comprised of seven separate undergraduate colleges and schools (the College of Agriculture and Life Sciences, the College of Arts and Sciences, the College of Education and Social Services, the College of Engineering and Mathematical Sciences, the School of Business Administration, the College of Nursing and Health Sciences, the Rubenstein School of Environment and Natural Resources), the Graduate College, the College of Medicine, the Honors College, the Extension System, and the Division of Continuing Education that operate statewide and nationally. The University offers a rich environment for research, scholarship, and creative work in many realms of human inquiry, sharing the excitement and fruits of investigation and discovery with students and society.

The University lives out its mission through teaching, research, and service. This tri-part mission supports a full range of inquiry and application within the University and in the broader community. The University of Vermont is unique in the Vermont educational system because of its comprehensive and complex offerings. The University is involved not only in undergraduate education but also to a significant extent in graduate and professional education, research, and public service activities. These high level and complex educational opportunities which are vital for the welfare of this state are more costly than are programs of institutions that do not offer degrees in, for example, engineering, medicine, clinical health programs, advanced science, or agriculture. These areas, as well as the general educational mission of the University of Vermont, are critical for Vermont's well-being in the future.
OUTCOMES

The state appropriation is used to support the following areas of activity at UVM and in the projected amounts indicated.

**EPSCOR ($383,000)**

The Experimental Program to Stimulate Competitive Research (EPSCoR) is a program designed to fulfill the National Science Foundation's (NSF) mandate to promote scientific progress nationwide and is directed at those jurisdictions that have historically received lesser amounts of NSF Research and Development (R&D) funding. This includes Vermont and we are required to allocate some state support to be eligible for federal funding. These funds serve as required State cost sharing administered through the University.

**Vermont Technology Council ($134,000)**

The Vermont Technology Council is a catalyst for the creation of science- and technology-based business in Vermont and is funded in part from the state appropriation to UVM.

**Medicine ($9,788,000)**

The University applies $4,000,000 of the appropriation to physician education fulfilling the agreed global commitment as part of a $5.3 million direct University allocation to medicine programs. $4.4 million is allocated within the University to the support College of Medicine infrastructure and facilities.

**Agriculture and Extension. ($9,573,000)**

Our land grant status and federal partnership with Extension (Smith Lever Act) and USDA Agricultural Experiment Station (Hatch Act) funding requires matching state funds. We allocated a total $6,425,000 directly to agricultural programming and a further $3,148,000 is allocated within the University to agriculture infrastructure support.

**Tuition Support ($20,869,000)**

Since 1959 UVM has been required by statute to offer in-state tuition rates that do not exceed 40% of out of state tuition rates Vermont resident undergraduate and graduate students. In addition to this 60% discount rate for all Vermont students, UVM provides additional scholarships and need based aid to Vermont students, which the additional $20.8 million of the state appropriation helps to fund. In FY11, this subsidy was equivalent to a little over $5,000 per VT student. The 60% discount per undergraduate student in 2012 is equivalent to $19,640.
State funding of the University of Vermont's base state appropriation will allow the University to continue to provide these services.

The University stresses the importance of educating individuals, thereby providing the State with strong leadership, good citizens, entrepreneurship, and social responsibility. In addition to high quality education, the University of Vermont is a distinguished, comprehensive research institution of nationally renowned reputation—a critical driver for enhancing the State’s economy, health, and well-being. The newly-educated professionals entering the workforce, research dollars generated, the businesses created, and the hundreds of millions of dollars brought into Vermont from other states and countries by the University of Vermont are essential to Vermont's future vitality.

The University of Vermont: Educating Vermonters

- Vermonters comprise 37.7% of the University's student body (fall 2012: 4,943 Vermonters out of a total enrollment of 13,097)

- The University is attracting academically strong Vermont students from all parts of the State.

- First to second year retention for Vermont students is currently 90.8%, and the six year graduation rate for Vermonters in May 2012 was 81.3%.

- The University supports Vermonters through academic scholarships including: the Green and Gold Scholarship for the top student in each Vermont public high school and select private high schools; the Vermont Scholars Award, the Patrick Family Scholarship, and the Justin Morrill Scholarship for
students who have demonstrated a high level of achievement in high school; and Vermont Merit Scholarships for high-achieving Vermonters who qualify as National Merit Scholars, National Achievement, and National Hispanic Scholars.

- The University also supports Vermonters through institutional grant aid based on financial need. Approximately 87% of Vermont undergraduates will receive some form of financial aid this year. The University currently ensures that the cost of tuition for all Federal Pell Grant-eligible Vermonters is covered with grants and scholarships. In addition to state and federal support, almost $15.5 million in grant and scholarship aid from the University’s own funds went to Vermonters in FY 2012. Starting in FY 2008, the University began awarding financial aid from the Next Generation scholarship funds.

- The University provides continuing education to more than 8,500 individuals from Vermont and beyond.

**The University of Vermont: A Research Enterprise to the State**

- In FY 2012, UVM was awarded $129.5 million in grants and contracts.

- In FY 2012, 84% of grant and contract funding came from out-of-state sources.

- University spin-off companies as a result of intellectual property generated at UVM include: Apollo Bioscience, Plomics, Stromatec, TeleMedTest, Vermedx, Vermont Natural Coatings, PhosphoReduc, Costa Enterprises, Microgen, and Green Mountain Spark. In addition, the following companies did not have UVM intellectual property but were founded by UVM faculty: Bio-Tek Instruments, Haematologic Technologies, Green Mountain Antibodies, Rowing Innovations, Inc., and Vermont Soy.

- One million dollars ($1M) in FY 2007 one-time funds was invested in agriculture and environmental innovations, advanced engineering and technology, and public knowledge programs. In FY 2012, $100,000 appropriated from the Next Generation fund was used by the University’s technology transfer program to help bring University research innovations to the marketplace.

- The Vermont Business Center, a partnership between the School of Business Administration and Continuing Education, provides executive and professional education for Vermont employers, and the Center’s Family Business Initiative offers support to small businesses.

- The University supports Vermont agriculture through research-based programs such as the Proctor Maple Laboratory, the Center for Sustainable Agriculture, the Center for Rural Studies, and a partnership with the non-profit Center for an Agricultural Economy.
The University of Vermont: Service to Vermont

- UVM students perform more than 110,000 hours of community and internship service annually.

- Medical, nursing, and allied health students help to meet a broad range of health care needs in communities throughout the State. Physician graduates of UVM/Fletcher Allen programs account for 42% of Vermont’s primary care doctors, and 35% of all physicians practicing in Vermont.

- Education and information are provided in Vermont communities with more than 1,000 significant educational programs to over 9,400 non-traditional students focusing on issues important to Vermonters. The University’s Extension programs make over 75,000 direct contacts annually, including more than 10,000 youth, through workshops, consultations and various other educational events.

- The University’s George Bishop Lane Series, among Vermont’s premier presenters of performing arts, entertained over 7,500 patrons last year.

- Keep Local Farms (KLF) is part of a broad effort to stabilize and enhance milk prices paid to dairy farmers in the Northeast -while also helping to secure the farms of today for future generations. KLF has identified The University of Vermont and Sodexo as key partners in this effort due to their commitment to environmental stewardship and their recognition as leaders in sustainability and social responsibility. 10 cents from the sale of all single serve Hood milk has been collected and transferred to the Keep Local Farms program in support of New England dairy farmers. Since the launch of this initiative to June 2010 $4,800.00 has been raised to aid these farms.

- In the wake of tropical storm Irene the University has committed extensive efforts to assisting recovery through the Extension systems working with Vermont framers and the Agency of Agriculture, provision of extensive soil testing and agricultural services and the provision of laboratory space to displaced state scientists. In addition here has been extensive volunteer activity by faculty, staff and students, donations throughout the UVM and alum community.
The University of Vermont: A Major Vermont Industry

- Over 30,000 alumni -- 30% of all UVM graduates -- reside in Vermont and contribute to their communities. Their earnings are estimated at $1.7 billion annually.

- The University of Vermont is the fourth largest employer in the state. Almost 3,900 employees will receive wages and benefits of almost $384 million this year.

- The direct and indirect economic impact of the University, faculty, staff, student, and visitor spending in Vermont is estimated at almost a billion dollars annually.

- Since the beginning of 2002, the University has invested $437 million in 422 major capital construction projects.

- The University's total operating budget for FY 2012 was $601 million. This resulted in a 15 to 1 return on the state's base appropriation of $40.7 million.

The competition for high quality students is intense. In order to remain competitive, the University must make additional strategic investments to:

- Nurture and promote a reputation for academic excellence,
- Recruit and retain high quality faculty and staff,
- Construct and maintain excellent facilities,
- Invest in state-of-the art technology, and
- Provide adequate financial aid for students who need it.

These investments will allow the University of Vermont to maintain its position as a distinguished institution of higher learning, critical to the long-term economic security and overall vitality of Vermont. The University's plan to improve its competitive position involves strategic cost reductions, focused academic programming, and garnering additional resources from multiple sources including planned growth in the student body, private giving, and sponsored research.
## UNIVERSITY OF VERMONT APPROPRIATION SUMMARY BY MAJOR OBJECT

<table>
<thead>
<tr>
<th>Appropriation</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>University Request</th>
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<td>$36,740,473</td>
<td>$36,740,473</td>
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<td><strong>TOTAL</strong></td>
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<td>$40,746,629</td>
<td>$40,746,629</td>
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<tr>
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<td>$40,746,629</td>
<td>$40,746,629</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>$40,746,633</td>
<td>$40,746,629</td>
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STATE OF VERMONT
FISCAL YEAR 2014 BUDGET RECOMMENDATIONS
UVM - Morgan Horse Farm

UVM-MORGAN HORSE FARM APPROPRIATION SUMMARY BY MAJOR OBJECT

<table>
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<th>FY 2014</th>
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<tr>
<td>TOTAL</td>
<td>$1</td>
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MORGAN HORSE FARM

The Morgan Horse Farm was established in 1878 by Joseph Battell of Middlebury, who in 1907 deeded the farm to the U.S Government. In 1951, the Government turned the farm over to the University of Vermont. The University operates the Morgan Horse Farm as a center for the improvement of the Morgan Horse, Vermont's state animal and source of outstanding stock to Morgan breeders throughout the country. The farm also serves as an educational facility for use by University classes in animal science, 4-H clubs, adult horse groups, and breeding associations. The farm, which is open to the public, provides information to horse breeders and others on horse care, breeding, and training. It is largely supported by contributions, admission fees, and the sale of horses, and was the recipient of a Federal grant through the Department of the Interior’s “Save America’s Treasures” program. In the 57 years that the University has been custodian of the farm, it has produced over 80 national and world champions. The UVM Morgan Horse Farm is a symbol of excellence and a tribute to the role of the Morgan horse in the history of the state and the nation.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

Guidelines for Selection of University Trustees

With full deference to the discretion of the bodies and officials who appoint trustees to the University of Vermont and Agricultural College Board, the Board offers the guidelines set forth below for trustee selection. A trustee’s qualifications should encompass:

- Endorsement of the vision and mission of the institution
- Capacity to understand a large, complex organization
- High integrity and sensitivity to conflicts of interest
- Strong leadership and decision-making skills
- Commitment to the best interests of the University as a whole as well as the larger communities within which it operates
- Full acceptance of trustee responsibilities (as set forth in the Statement of Trustee Responsibilities), including preparation for and regular attendance at Committee and Board meetings and prompt completion of all work required of a trustee and participation in the life of the University through attendance at ceremonial and social events, as feasible
- Support of the principles articulated in Our Common Ground

In addition, the Board strives to include in its composition trustees who have the following skills and/or experience, recognizing that the University and the Board are best served by having a Board comprised of members with complementary skills and experience:

- Financial acumen
- Knowledge of nonprofit organizations
- Experience in higher education or with issues facing educational institutions
- Appreciation of the diverse constituencies of which the University is comprised
- Familiarity with the regulatory and political processes
- Fundraising
- Familiarity with the needs of the community, the state, and the geographical areas and populations specially served by the University

Board and Committee Leadership, the University President and a student trustee selected by the Board Chair, will meet at least once annually as vacancies arise to discuss the Board’s compositional needs.

Attachments:
- ✔ Strategic Plan
- ✔ Board Bylaws
- ✔ Conflict of Interest Policy
- ✔ Board Schedule and Workload Expectations (appended)

Approved by the Executive Committee: January 8, 2007
Amendments endorsed by the Committee on Board Governance: September 24, 2010
The Board meets three times per-year— in early February, May (in conjunction with Commencement weekend) and late October. Standing Committees meet throughout the day on Friday (8AM- 5PM); the full Board meets on Saturday morning, usually adjourning before noon. Meetings are held on campus. Meeting dates are posted on the trustee website. Trustees receive meeting materials one week in advance of a scheduled meeting and are expected to allocate the necessary time (approximately 4-6 hours) to review these materials, in advance, in order to be effective and actively engaged at meetings.

Standing Committees that meet routinely during each regularly scheduled Board meeting include:

The **Committee of the Whole** convenes during each regularly scheduled Board meeting. All Trustees sit as the Committee of the Whole to enable the Board to give detailed consideration to a matter(s) under conditions approximating those of a Committee of the Board. The Committee takes no action on behalf of the Board other than referral of recommendations for action to the Full Board. At each of these meetings, reports are offered by the Board Chair, the President and Governance Leaders.

The **Budget, Finance & Investment Committee** oversees the development of strategic, long-range institutional financial plans and related plan objectives. The Committee engages in ongoing assessment of the current and long-range financial status of the institution. It oversees the formation and approval of annual budgets and the creation, implementation, and periodic review and revision of financial, treasury, investment and debt management policies.

The **Educational Policy & Institutional Resources Committee** is responsible for overseeing the development and status of strategic, long-range University programmatic and resource use plans and related plan objectives. The Committee oversees matters relating to educational policies and programs, including student enrollment; the University’s strategic diversity initiatives; rates and fees associated with enrollment and financial aid; the quality of student and campus life; accreditation; academic programs; research and scholarship, instructional, and service activities; and faculty affairs. It oversees matters relating to the procurement, use, quality, condition, and disposition of the University’s buildings and other facilities, and its assets, infrastructure, technologies, and other institutional resources. The Committee also oversees the University’s development and advancement programs and campaigns.

There are additional standing Committee, Subcommittee and Work Group meetings scheduled throughout the year, some on a regular basis and others as necessary.
• The **Audit Committee** routinely meets approximately every other month for 2 hours to promote the development and monitoring of effectiveness of an institutional system of risk assessment and internal controls and to review and make recommendations to the Board as appropriate regarding institutional policies relevant to the scope of Committee responsibilities, including conflict of interest, ethical and fraudulent conduct, whistleblower protection and document retention. The Committee has full authority and oversight of the internal audit function including appointment decisions, performance evaluations, and employment termination of the Chief Internal Auditor. The Committee selects the independent auditor and reviews the results of internal and external audits (including the annually audited financial statements), assesses the quality and timeliness of management’s response to corrective actions, and reviews the effectiveness of the University’s practices related to monitoring its compliance with laws and regulations. The Committee also reviews the results of management’s investigation and resolution of any reported, or otherwise discovered, significant instances of noncompliance.

• The **Budget, Finance & Investment Committee** meets off-cycle in early April to review budget premises (tuition/fees/room & board and general fund) for Board approval at the annual meeting in May. This planning meeting typically is scheduled for 3 hours.

• The **Committee on Board Governance** meets off-cycle, as necessary, to review Board policies and to develop recommendations regarding new Trustees’ orientation, and training and development programs for continuing Trustees. The Committee oversees Board and Committee self-assessment and considers and makes recommendations to the Board regarding Board policy and protocol matters as referred by the Board Chair, following consultation with the Board. The Committee also serves as the Nominating Committee of the Board for candidates for Board and University officer appointments.

• The **Executive Committee**, which may exercise the authority of the Board except as may otherwise be provided by law, meets monthly (except for February, May and October) for 1.5 hours to oversee the work of the Committees and the University planning process. Membership includes the standing committee chairs and other members as assigned by the Chair of the Board. Annually, a subset of the Executive Committee is appointed to an Annual Review Subcommittee to assess the performance of the President and convey it assessment and a compensation recommendation to the Executive Committee for its deliberation and referral by the Committee of a recommendation to the full Board.

• The **Investment Subcommittee**, a subcommittee of the Budget, Finance & Investment Committee, meets monthly (except for January, April, July and August) for 2 hours and has the responsibility for oversight, hiring, and termination of managers and advisors engaged for the investment of the University’s Long-Term Investment pool and reports on these actions regularly at meetings of the Budget, Finance & Investment Committee. The Subcommittee is responsible for making adjustments to individual investment allocations to confirm to the University’s asset allocation policy and annual reviews the policy and makes recommendations to the Committee. The Subcommittee oversees the work of the University
Treasurer with respect to execution of investment decisions and cash management policies in regards to the Limited-Term Investment Pool.

- The ad hoc Labor Advisory Group meets periodically at the request of the Chair of the Board, the President, or their designees, to receive status reports on matters relating to University Labor Relations and associated collective bargaining agreements.

Over a six-year term of service, Trustees can expect to be assigned to at least one, and up to three, standing committees with opportunities for committee leadership in the latter years of service. Additionally, Trustees will be asked to serve on Subcommittees or Work Groups that will benefit from their knowledge and expertise. From time to time, Trustees will be asked to serve on Work Groups that have a finite task (such as a Foundation Work Group or Tuition Strategy Work Group).

Trustees asked to serve on the Committee and Work Groups referenced above will receive meeting materials one week in advance of a scheduled meeting and are expected to allocate the necessary time (approximately 1-2 hours) to review these materials, in advance, in order to be effective and actively engaged at meetings.

Trustee attendance is expected at Board retreats scheduled annually in the fall (off campus) for the purpose of improving Board and institutional effectiveness. Retreats typically begin at 12N on Friday and adjourn early afternoon on Saturday.

Lastly, in addition to attending Board dinners scheduled on the Friday evening of each regularly scheduled Board meeting, Trustees are encouraged to participate in the life of the University through attendance at ceremonial and social events. Trustees will receive invitations through the Office of the President to the following annual events in addition to receptions and dinners throughout the year:

- Commencement Weekend Activities (in conjunction with annual Board meeting in May)
- Emeriti Faculty Luncheon (August)
- New Faculty Reception (August)
- Convocation Ceremony (kick off to academic year, day before classes begin)
- Reunion & Parent’s Weekend/Homecoming (October)
- December Grad’s Reception
AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosures</th>
<th>Discussion Leader</th>
<th>Times</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Call to Order</strong></td>
<td></td>
<td></td>
<td><strong>7:30 a.m.</strong></td>
</tr>
<tr>
<td>1. Approval of November 8, 2012 meeting minutes</td>
<td>Attachment 1</td>
<td>David Daigle</td>
<td>7:30-7:32</td>
</tr>
<tr>
<td>3. Wilbur Trust Update</td>
<td>Report E</td>
<td>David Daigle</td>
<td>7:35-7:38</td>
</tr>
<tr>
<td>4. Executive Session*</td>
<td></td>
<td>David Daigle</td>
<td>7:38-8:25</td>
</tr>
<tr>
<td>5. Other Business</td>
<td></td>
<td>David Daigle</td>
<td>8:25-8:30</td>
</tr>
<tr>
<td><strong>ADJOURN</strong></td>
<td></td>
<td></td>
<td><strong>8:30 a.m.</strong></td>
</tr>
</tbody>
</table>

*The Chair will entertain a motion to enter into Executive Session to discuss the evaluation and appointment of public officers.

**Time is approximate
The Board will review the Wilbur Trust Report and annual report of the Wilbur Trust Fund Grant and Scholarship awards for the 2011-2012 academic year. The remainder of the meeting will be held in executive session for the purpose of discussing the appointment/evaluation of a public officer.

ACTION ITEMS

Approval of Previous Minutes
The November 8, 2012 meeting minutes are included as Attachment 1.

Action: Motion to approve the minutes.

Acceptance of Annual Wilbur Trust Grant & Scholarship Awards Report

Attachment 2 is a report of the University of Vermont Wilbur Trust Fund Grant and Scholarship awards for the 2011-2012 academic year. Board approval of student recipients is required and achieved through the issuance of an annual report for our review and acceptance.

Action: Motion to accept the annual Wilbur Trust Grant and Scholarship Awards Report.

ROUTINE REPORTS

Wilbur Trust Report – Included in your meeting materials as Report E is a summary of the University of Vermont Wilbur Trust Fund financial report from July 2012 through November 2012.

EXECUTIVE SESSION

I will entertain a motion to enter into Executive Session for the purpose of discussing the appointment/evaluation of a public officer.
UNIVERSITY OF VERMONT  
BOARD OF TRUSTEES

A meeting of the University of Vermont Board of the University of Vermont and State Agricultural College Board of Trustees was held on Thursday, November 8, 2012, at 8:00 a.m., room 351 Waterman Building.

MEMBERS PRESENT: Chair David Daigle, Secretary Samuel Bain, Robert Brennan, Robert Cioffi, Richard Gamelli, Deborah McAneny, and Lisa Ventriss

ABSENT: Vice Chair William Ruprecht and Dale Rocheleau

ALSO PARTICIPATING: *President Thomas Sullivan and UVM Foundation President and CEO Richard Bundy

*joined the meeting at 8:30 a.m.

Chair David Daigle called the meeting to order at 8:05 a.m.

Approval of Minutes

A motion was made, seconded, and voted to approve the May 19, 2012 meeting minutes.

Wilbur Trust Update

The UVM Board reviewed the Wilbur Trust report.

Executive Session

At 8:10 a.m., the Chair entertained a motion to enter into executive session for the purpose of discussing the appointment of a public officer. Foundation President and CEO Bundy was invited to remain.

The meeting was re-opened to the public at 9:11 a.m.

Adjournment

There being no further business, the meeting was adjourned

Respectfully submitted by,

Samuel Bain, Secretary
TO: The University of Vermont Board
FROM: Marie Johnson, Director of Student Financial Services
SUBJECT: Wilbur Trust Grant and Scholarship Awards
DATE: January 9, 2013

Pursuant to the terms of the Wilbur Trust, following is a summary report of the University of Vermont Wilbur Trust Fund Grant and Scholarship awards and demographic breakdown for the 2011-12 academic year. The following procedures and guidelines were followed in the selection and processing of grants and scholarships for the recipients of the Wilbur Trust Grants and Scholarships.

1. Wilbur Trust Grant funds were utilized as a budget relief tool for the general UVM Grant Fund due to a change in fiscal process.

2. Wilbur Trust Scholarships in the amount of an additional $1,500 are awarded to those needy students with exceptionally strong academic credentials among the Vermont applicant pool.

3. Recipients have been notified electronically that they are Wilbur Scholarship recipients.

4. Scholarship notification includes a proviso that indicates that receipt of the funding is subject to Board approval.

5. Returning upper-class Wilbur Scholarship recipients will continue to be awarded the Scholarship throughout their tenures at UVM provided they maintain academic progress consistent with academic requirements published in the University catalog and they otherwise continue to meet the Trust criteria.
## WILBUR GRANT/SCHOLARSHIP FOR FY12
### DEMOGRAPHIC BREAKDOWN

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<th>ETHNICITY</th>
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<th>Male</th>
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</tr>
</thead>
<tbody>
<tr>
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<td>1</td>
<td>1</td>
</tr>
<tr>
<td>American Indian/Alaska Native</td>
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<td>1</td>
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<tr>
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<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Caucasian/White</td>
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<td>83</td>
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</tr>
<tr>
<td>Hispanic or Latino</td>
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<td>2</td>
<td>2</td>
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<tr>
<td>Mixed Race/ALANA</td>
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<td>2</td>
<td>2</td>
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<td><strong>Grand Total</strong></td>
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<td><strong>199</strong></td>
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<tr>
<td>Student</td>
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<td>Gender</td>
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<tr>
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</tr>
<tr>
<td>1</td>
<td>North Ferrisburg</td>
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<td>2</td>
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<tr>
<td>3</td>
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<td>7</td>
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<td>8</td>
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<td>1. Approval of November 8, 2012 meeting minutes</td>
<td>Attachment 1</td>
<td>Robert Cioffi</td>
<td>8:30-8:35</td>
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<tr>
<td>2. Public Comment</td>
<td></td>
<td>Robert Cioffi</td>
<td>8:35-8:50</td>
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<td>3. Committee Reports</td>
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<td>8:50-9:20</td>
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<tr>
<td>Educational Policy &amp; Institutional Resources</td>
<td></td>
<td>Donna Sweaney</td>
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<td>Budget, Finance &amp; Investment</td>
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<td>Debbie McAneny</td>
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<td>Audit</td>
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<td>Mark Young</td>
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<td>Board Governance</td>
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<td>Frank Cioffi</td>
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<td>4. VT Agricultural College Board</td>
<td></td>
<td>David Potter</td>
<td>9:20-9:25</td>
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<td>5. UVM Board</td>
<td></td>
<td>David Daigle</td>
<td>9:25-9:30</td>
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<tr>
<td>6. Election of Board &amp; University Officers</td>
<td></td>
<td>Robert Cioffi</td>
<td>9:30-9:35</td>
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<tr>
<td>Retiring Trustee Resolutions</td>
<td></td>
<td>Frank Cioffi</td>
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<tr>
<td>8. Approval of Consent Agenda</td>
<td>Attachment 2</td>
<td>Robert Cioffi</td>
<td>9:40-9:50</td>
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<tr>
<td>10. Other Business</td>
<td></td>
<td>Robert Cioffi</td>
<td>11:20-11:30</td>
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<td>ADJOUR</td>
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<td>11:30 a.m.</td>
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*Executive Session as necessary.

**Times are approximate
A meeting of the Board of Trustees of the University of Vermont and State Agricultural College as held on Thursday, November 8, 2012 at 1:15 p.m. in Memorial Lounge, room 338 Waterman Building.

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Samuel Bain, Bill Botzow, Carolyn Branagan, Christopher Bray, Robert Brennan, Frank Cioffi, David Daigle, Jeff Davis, Kyle DeVivo, Richard Gamelli, Joan Lenes, Dennis Mahoney, Debbie McAneny, David Potter, Kesha Ram, President Thomas Sullivan, Lisa Ventriss, Jeanette White and Mark Young

MEMBERS ABSENT: Dale Rocheleau, Bill Ruprecht and Governor Peter Shumlin

ALSO PARTICIPATING: Vice President for Legal Affairs and Assistant Secretary to the Board Francine Bazluke, Provost Jane Knodell, Vice President for Executive Operations Gary Derr, Vice President for Finance and Administration Richard Cate, Vice President for University Relations and Campus Life Thomas Gustafson and John Evans, Senior Advisor to the President.

Chair Robert Cioffi called the meeting to order at 1:15 p.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the September 14, 2012 meeting as presented.

Public Comment

Chair Cioffi opened the public comment period noting that two requests had been submitted. He invited David Shiman, faculty member and President of United Academics, to address the Board. Professor Shiman reported that contract negotiations between the part-time faculty and the University are at an impasse and awaiting mediation following the Thanksgiving holiday. He presented petitions with signatures from over 1,500 members of the campus community and highlighted some of their concerns:

- Many part-time faculty teach full-time but are not eligible for full-time status and benefits.
- Many part-time faculty have taught at UVM for 10 years or more, teaching the same courses, but are single-semester appointments, which restricts access to benefits.
- Part-time benefits are sub-standard with all but one member choosing the state’s health plan. Library faculty has no paid sick days.
- The University’s 1% proposed wage increase is below inflation projections.

Professor Shiman concluded his comments by calling upon the administration to be cognizant of the University’s ‘Our Common Ground’, specifically the values of respect and justice in offering a fair contract.
Chairman Cioffi next invited Daniel Cmejla, student and Director of Public Communications and member of Student Climate Culture to address the Board.

Mr. Cmejla thanked the Board for the opportunity to share the goals of the Student Climate Culture, which include freezing all new investments in fossil fuel companies and divesting from two particular endowment accounts that are heavily invested in fossil fuels. The group looks forward to working with the newly formed Socially Responsible Investing Council on both goals with the intention of bringing forward recommendations to the Board at its next meeting in February.

A copy of the proposal that has been endorsed by the 900+ supporters of Student Climate Culture was distributed to Trustees. Mr. Cmejla shared the Student Climate Culture’s belief that the University and its student body have an opportunity to be at the forefront of these issues and that the University has a responsibility to uphold its commitment to innovation as stated the University’s ‘Our Common Ground’.

Mr. Cmejla suggested that the endowment could still earn a decent return by moving investments out of fossil fuel industries and that divesting from fossil fuels is integral to maintaining UVM’s Green image. He encouraged Trustees to support the fight against the fossil fuel industry to ensure a just and stable future for our society.

Chairman Cioffi recognized the students, faculty, and community members in attendance in support of part-time faculty and the Student Climate Culture group at the meeting.

**Committee Reports**

*Educational Policy and Institutional Resources Committee (EPIR)*

Chair Donna Sweaney restated that the Committee received a report from the Provost on current strategic initiatives and annual reports on enrollment management, research and graduate education and the UVM Foundation. Routine reports were provided on capital projects progress and Cathy Paris, Chair of the Curricular Affairs Committee, reported on activities since the last meeting and offered two recommendations for consideration.

The Committee endorsed the following action items for Board approval:

- termination of the Graduate Programs in Anatomy & Neurobiology;
- creation of the James M. Jeffords Center for Research and Policy Studies;
- a one-year extension to the current contract between UVM and Northeastern University and Kaplan-China.

The Committee also endorsed for referral to the Budget, Finance & Investment Committee three capital projects including renovations to the Living & Learning Building C, the Given Atrium Dining and the Stafford Research Lab. Vice President for Enrollment Management Chris Lucier and Associate Provost Gayle Nunley presented information on the academic aspects of the International Pathway Program that is under development with the goal of welcoming the first
group of UVM Pathway students in January 2014. The timeline to achieve this goal includes identifying an external partner by the end of the calendar year. This will require the administration to bring material terms of an agreement with a partner before the Executive Committee no later than its January 14, 2013 meeting. Following the presentation, a motion was approved supporting the process and timeline as outlined.

When the Committee reconvened on Thursday, it discussed the Board’s role in ensuring academic quality. A diagram was distributed that suggested questions that the Board could ask, examples of current activities to support and ensure quality, and examples of key measures of academic quality. The Committee discussed the list of reports that the Board currently receives and also looked at the Dashboard Indicators as of October 24, 2012, which included Inputs – Student Quality Indicators, and Outputs – Students’ Perceptions of Quality of UVM Experience & Institutional Quality, Faculty Research Indicators, and Financial Performance Indicators. Following a lengthy discussion, the Committee agreed that it should continue to discuss this topic at future meetings.

The meeting concluded with a presentation by Chief Diversity Officer Wanda Heading-Grant of the results from the Campus Climate Survey focus groups conducted in the spring of 2012. Next steps include development of two recommendations: conducting a diversity data inventory to be used as the basis of a comprehensive diversity assessment plan, and developing a proposal for a comprehensive professional development program for the University community.

**Budget, Finance and Investment Committee (BFI)**

Chair McAneny reported on the Committee’s discussion regarding the use of a portion of the FY 2012 Fund Balance to achieve the President’s goal to expand aggressively the University’s domestic and international recruitment. The total FY 2012 fund balance is $3.7 million and the Committee unanimously endorsed and recommends for Board approval utilizing $2 million of the balance for a FY 2014 financial aid reserve, and $500,000 for additional expenses to be incurred by the Enrollment Management Division for expanded recruiting efforts and additional financial aid. She noted that using one-time money for ongoing costs is not customary and that these on-going needs will be built into the base of future operating budgets. If these funds were not used for these purposes, they would have remained in the University’s unobligated general reserve.

The Committee also discussed the FY 2014 budget process, including steps leading up to a more detailed discussion of major elements of the budget, with the projected less than 3% tuition increase and financial aid levels to be discussed at the February 2013 meeting.

The Committee referred the following additional action items for Board approval:

- housekeeping amendments to its charge;
- approval of summer session tuition rates, including an all-inclusive USPP Bridge Program fee for Summer 2013;
- use of University Relations and Campus Life unrestricted plant funds to finance renovations to the Living & Learning Building C and to the Given Atrium Dining;
use of College of Medicine general funds and University Medical Education Association funds to finance renovations to the Stafford Research Lab.

The Committee decided to defer its annual review of the University’s Debt Policy until the February meeting in light of the strategic goals presented by President Sullivan yesterday.

Sam Bain, Chair of the Investment Subcommittee (ISC), reported that the current value of the University endowment is up 1.9%, at $347.6 million. There have been a few manager changes as a result of interviews held in New York and the Subcommittee approved shifting certain monies from Rhumbline S & P 500 to High Yields. The ISC will focus on reviewing its charge, targeting benchmarks and considering private investments versus venture capital.

Action items recommended by the ISC and approved by BFI for recommendation to the Board include the re-affirmation of the Endowment Budget Policy at 4.5% and Endowment Administration Fee Policy at 0.25%.

The Committee also approved the ISC’s recommendation to dissolve the existing Socially Responsible Investing Work Group (SRIWG) and to establish a Socially Responsible Advisory Council, which will align UVM with the approach taken at other public universities. The new Council will serve as an advisory body to the Vice President for Finance and Administration and no longer include trustees as sitting members. The process will otherwise remain the same, with the ISC reviewing proposals recommended by the Advisory Council and the ISC making recommendations to BFI for approval by the Board.

All recommended action items are on today’s consent agenda for Board approval.

Audit Committee

Chair Mark Young referred Trustees to the detailed written summary distributed in today’s meeting materials and offered highlights from the July 9, September 10 and November 7, 2012 Committee meetings. At all three meetings, Chief Internal Auditor William Harrison provided updates regarding internal audit activity, including completed and outstanding audits. Chief Compliance Officer (CCO) Anna Drummond also offered reports at each of the meetings regarding the status of initiatives under way. She presented her FY 2013 work plan, which will address research issues and international education/immigration issues as well as three multi-year projects that are being carried forward from the prior year: (a) Privacy, Information Security and Records Retention, (b) Export Controls, (c) Research Financial Conflict of Interest.

At all three meetings, Information Security Officer (ISO) Dean Williams provided the Committee with updates in the areas of Payment Card Industry Data Security Standards (PCI DSS), Privacy, Information Security, and Data Retention, as well as consultations and support work performed by his team. In September, Mr. Williams announced the selection of Sam Hooker as the new Information Security Engineer. At yesterday’s meeting, Mr. Williams reviewed plans for an external vulnerability assessment.

In July and September, KPMG provided a brief status report on the FY 2012 financial statement and OMB Circular A-133 audits. There were no significant findings or internal control
weaknesses to report. KPMG was in agreement with management on year-end timing. KPMG presented the FY 2012 audit of the financial statements, noting that the University received an unqualified opinion. At yesterday’s meeting, the Committee reviewed the financial statements and recommends them to the full Board for acceptance.

Also at yesterday’s meeting, Senior Strategist for Enterprise Risk and Planning Al Turgeon provided the Committee with a brief summary of Enterprise Risk Management activities since the April 2012 Audit Committee meeting. UVM’s first Preliminary Risk Inventory was finalized following a review by senior management and the ERM Advisory Committee. The Committee was advised of the schedule of ERM work planned through October 2013, noting that the presentation of risk portfolio to the Board at next fall’s meeting.

Chair Young concluded his remarks by sharing that following yesterday’s executive session discussion, the Committee made and accepted an unanticipated motion regarding the administration’s proposal regarding a planned restructuring of Compliance Services. The Committee planned to schedule a follow-up meeting in the near future to ensure that Committee representatives have an opportunity to review and comment on the proposal before it is referred to the Executive Committee for approval at its December 10th meeting.

Committee on Board Governance

Chair Frank Cioffi reported that, as a result of the Committee of the Whole’s endorsement, the following resolutions are included on today’s consent agenda:

- Revisions to the University Bylaws to identify expressly each of the current standing committees, to include representation from the UVM Foundation and to clarify the number of representatives to the standing committees of the Board.

- Amendments to the Trustee Conflict of Interest Policy to conform to best practices regarding honoraria and similar remuneration offered to Trustees from external parties or the University.

Chair Cioffi noted that the Committee is scheduled to meet on Monday and would address a question that arose at the previous meeting regarding whether a Trustee may accept an offer of UVM employment or serve as a consultant to UVM. At the Board Chair’s request, the Committee will also review the Guidelines for Selection of Trustees.

Chair Cioffi concluded his report by reviewing the nominations process for Board and University Officers. Last week, he issued a memo to all Trustees outlining the process and timeline. He informed Trustees that the incumbent Chair is eligible for re-election and that Chair Robert Cioffi is willing to stand for re-election. Committee Chair Cioffi noted that the incumbent Vice Chair and Secretary will be completing their terms of service in February and that their successors must be elected. Following next week’s meeting, Committee members will be reaching out to each trustee to ensure full participation in the nominations process. After nominations have been received, Committee Chair Cioffi will contact each nominee to determine whether they are interested in standing for election. The Committee will reconvene on December 10th to deliberate on a proposed slate of officers after which the Board will be notified of the proposed slate of candidates. In view of provisions of the University Charter, the slate for Vice
Chair and Secretary will be presented to the Board for approval at our February 9th meeting, as well as the slate for University officers. The Board will hold a special meeting on March 11, 2013 at 1:00 p.m. to elect the Chair and to approve Committee and Committee Chair assignments.

Vermont Agricultural College Board

Chair David Potter reported that President Sullivan provided an overview of his Vermont outreach travel, during which he has traveled over 1,400 miles, visited 14 counties and met with hundreds of Vermonters at numerous and various events.

The Board discussed the process for the selection of trustees and whether the pool can be enlarged and if so, how. Board members agreed that, in addition to various needed skill sets, diversity and region are factors that should be considered.

University of Vermont Board

Chair David Daigle reported that the Board reviewed the Wilbur Trust report and met in executive session to discuss the evaluation and appointment of a public officer.

Approval of Consent Agenda

Chair Cioffi presented the consent agenda for approval noting the addition of resolution #8, approving the purchase of three buses from Daimler Buses North America, and the removal of the resolution regarding the annual review of the Debt Policy which has been tabled to the next meeting.

AUDIT

(1) Acceptance of Fiscal Year 2012 Audited Financial Statements

WHEREAS, the books and accounts of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2012, have been audited by KPMG LLP, Certified Public Accountants and the report of the audit has been published in detail in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Board of Trustees hereby accepts the recommendation of the Audit Committee for acceptance of the FY 2012 Audited Financial Statements presented today, and acknowledges receipt of the FY 2012 Financial Report.

COMMITTEE OF THE WHOLE

(2) Resolution Approving Amendments to the Policy on Presidential Spouse or Partner Services

RESOLVED, that the Board hereby approves the amendments to the Policy on Presidential Spouse or Partner Services appearing as Appendix A to this document.
Resolution Adopting Revisions to the Resolution Regarding Delegation and Retention of Board Authority

RESOLVED, that the Board hereby adopts revisions to its Resolution Regarding Delegation and Retention of Board Authority appearing as Appendix B to this document.

(As recommended by the Executive Committee – October 1, 2012)

(3) Resolution Approving Amendments to the Executive Committee Charge

RESOLVED, that the Board hereby approves amendments to the Executive Committee charge appearing as Appendix C to this document.

(As recommended by the Committee on Board Governance – October 10, 2012)

(4) Resolution Approving University Bylaws Amendments

RESOLVED, that the Board hereby approves amendments to the University Bylaws, appearing as Appendix D to this document.

(As recommended by the Committee on Board Governance – October 10, 2012)

(5) Resolution Approving Revision to Trustee Conflict of Interest Policy

RESOLVED, that the Board hereby approves revisions to the Trustee Conflict of Interest Policy appearing as Appendix E to this document.

(6) Resolution Approving Renewal of Library Journal Acquisition Contract with EBSCO, Inc.

BE IT RESOLVED, that the Vice President for Finance and Administration, in consultation with the Dean of Libraries, is hereby authorized to renew the contract with EBSCO, Inc. as subscription agent for library acquisitions. The renewal contract for EBSCO, Inc. shall not exceed $2,500,000 for calendar year 2013 nor exceed $2,650,000 for calendar year 2014.

(7) Resolution Approving the Purchase of Three Buses from Daimler Buses North America

BE IT RESOLVED, that the Vice President for Finance and Administration is hereby authorized to contract for the purchase of three buses from Daimler Buses North America for a total cost not to exceed $750,000.
EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES

(8) Approval of Proposal to Terminate the Graduate Programs in Anatomy and Neurobiology

RESOLVED, that the Board of Trustees approves the termination of the Graduate Programs in Anatomy and Neurobiology as approved and advanced by the Provost and the President on October 15, 2012.

(9) Approval of the James M. Jeffords Center for Research and Policy Studies

RESOLVED, that the Board of Trustees approves the creation of the James M. Jeffords Center for Research and Policy Studies as approved and advanced by the Provost and the President on October 15, 2012.

(10) Living & Learning Building “C” Renovation Resolution

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $3,500,000 for the proposed Living & Learning Building “C” Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

(11) Stafford Research Lab Renovation Resolution

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $2,800,000 for the proposed Stafford Research Lab Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

(12) Given Atrium Dining Renovation Resolution

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $1,000,000 for the proposed Given Atrium Dining Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;
THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval.

(13) Resolution Authorizing One-Year Renewal of U.S. Sino Pathways Program at the University of Vermont

RESOLVED, that the Board of Trustees hereby authorizes the President and/or Vice President for Enrollment Management to enter into a renewal of the existing contract with Northeastern University and Shanghai Kai Bo Education Investment Management Co., Ltd, for the purpose of continuing for a one-year period the multi-component pathways program for students from the Peoples Republic of China (PRC) to begin studies in the PRC and complete them at the University of Vermont.

BUDGET, FINANCE & INVESTMENT

(14) Resolution Approving Amendments to the Budget, Finance & Investment Committee Charge

RESOLVED, that Board hereby approves amendments to the Budget, Finance & Investment Committee charge appearing as Appendix F to this document.

(15) Summer Tuition Resolution

RESOLVED, that the Board of Trustees hereby approves the change in tuition for the Summer Session from $456 to $472 per credit hour for in-state students and from $1,151 to $1,191 per credit hour for out-of-state students. The changes will become effective for the 2013 Summer Session.

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves an all-inclusive fee for the US-Sino Pathway Program (USPP) Bridge Program for Summer 2013 of $15,480, pending re-approval of that academic initiative via the Educational Policy and Institutional Resources Committee.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE – September 26, 2012)

(17) Resolution Reaffirming the Endowment Budget Policy

RESOLVED, that the Endowment Budget Policy is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and
BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the Endowment Budget Policy each year no later than October-December 31.

Adopted by: Board of Trustees - May 13, 1995
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
Board of Trustees – October 30, 2010
Board of Trustees – October 22, 2011
Board of Trustees – November 8, 2012

(18) Resolution Reaffirming Endowment Administration Fee Policy

RESOLVED, that the Endowment Administration Fee Policy is reaffirmed as reads below:

BE IT RESOLVED, that the Board of Trustees hereby approves a 0.25 percent fee applied to the University endowment for FY 2012-2013 to cover reasonable costs associated with endowment administration, management and operation; and

BE IT FURTHER RESOLVED, that on a fiscal year basis, the fee will be reviewed and assessed annually as 0.25 percent of the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the Endowment Administration Fee Policy each year no later than October December 31.

Adopted by: Board of Trustees - September 13, 2003
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Amended: Board of Trustees - October 24, 2009
Reaffirmed: Board of Trustees - October 30, 2010
Board of Trustees – October 22, 2011
Board of Trustees – November 8, 2012
(AS RECOMMENDED BY THE INVESTMENT SUBCOMMITTEE - AUGUST, 22, 2012)

(19) Resolution Authorizing the Establishment of a Socially Responsible Investing Advisory Council

WHEREAS, the Board on September 5, 2008, established the Socially Responsible Investing Work Group, whose charge was to consider specific investment policy proposals based on moral, ethical or social criteria, review the impact of any such proposal on current and potential University investments, solicit input on policy proposals from the campus community at large and forward its investment policy recommendations to the Investment Subcommittee which in turn shall report its recommendations to the Budget, Finance and Investment Committee; and

WHEREAS, the Investment Subcommittee subsequently instructed the administration to research how socially responsible investing recommendations are developed at other universities, as well as proxy voting practices, shareholder initiatives, and the screening and monitoring of existing investment portfolio for indications of social harm; and

WHEREAS, this research was completed and the Socially Responsible Investing Work Group (“Work Group”) made formal recommendations on May 2, 2012, specifically, that the Work Group be dissolved and a Socially Responsible Investing Advisory Council be established to support the Vice President for Finance and Administration in fulfilling his/her responsibilities as liaison to the Investment Subcommittee; and

WHEREAS, the Budget, Finance and Investment Committee, following a favorable recommendation from the Investment Subcommittee, recommended that the Board accept the Work Group recommendations;

THEREFORE, BE IT RESOLVED, that the Board hereby dissolves the Work Group and authorizes the creation of the Socially Responsible Investing Advisory Council (“Council”) to be advisory to the Vice President for Finance and Administration, the Council charge to include assessment of investment issues involving ethical, moral, and socially responsible criteria using Our Common Ground, with a focus on proxy voting and shareholder advocacy.

(20) Resolution Approving Living and Learning Building “C” Renovations

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $3,500,000 for the Living & Learning Building “C” Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and
WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and

WHEREAS, the Division of University Relations and Campus Life has budgeted $3,500,000 of its unrestricted plant funds for this project;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the University Relations and Campus Life unrestricted plant funds to finance the $3,500,000 Living & Learning Building “C” Renovation; and

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

(21) Resolution Approving Stafford Research Labs

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $2,800,000 for the Stafford Research Lab Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and

WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the College of Medicine general funds and University Medical Education Association funds to finance the $2,800,000 Stafford Research Lab Renovation; and

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

(22) Resolution Approving Given Atrium Dining Renovations

WHEREAS, the Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $1,000,000 for the Given Atrium
Dining Renovation (the “Project”) and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and

WHEREAS, the Educational Policy and Institutional Resources Committee has also endorsed the Project and remitted it to the Budget, Finance, and Investment Committee for financial review and approval; and

WHEREAS, the Division of University Relations and Campus Life has budgeted $1,000,000 of its unrestricted dining facility funds for this project;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to utilize the University Relations and Campus Life unrestricted dining facility funds to finance the $1,000,000 Given Atrium Dining Renovation; and

BE IT FURTHER RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

(23) Resolution Approving the Use of FY 2012 Fund Balance

WHEREAS, the President has determined that the University would benefit from elevating its level of selectivity when deciding which undergraduate applicants should be admitted; and

WHEREAS, heightened selectivity will necessitate expanded recruiting efforts and additional financial aid;

NOW, THEREFORE BE IT RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Administration; to allocate, from the FY 2012 general fund operating budget year-end balance, the sum of up to $500,000 for additional expenses incurred by the Enrollment Management Division during FY 2013 and the sum of $2 million to be placed in a financial aid reserve account for FY 2014.

An opportunity for discussion was offered. There being none, a motion was made, seconded and it was unanimously voted to approve the consent agenda as presented.

Other Business

Chair Cioffi reminded Trustees that Sunday is Veterans’ Day and encouraged Trustees to recognize and celebrate the men and women for their service in the armed forces. He called for a five minute break and announced the Board would reconvene in executive session.
Executive Session

At 2:25 p.m., Chair Cioffi entertained a motion to enter into executive session to consider contracts and litigation. The motion was made, seconded and approved. All in attendance were excused from the meeting with the exception of Provost and Senior Vice President Jane Knodell; and Vice Presidents Francine Bazluke, Richard Cate, Thomas Gustafson, and Gary Derr. John Evans, Senior Advisor to the President, was invited to remain for the first topic.

Provost and Senior Vice President Jane Knodell; and Vice Presidents Bazluke, Cate, Gustafson and Derr were excused from the meeting at 3:00 p.m.

At 3:55 p.m., the meeting was re-opened to the public.

Adjournment

There being no further business the meeting was adjourned.

Respectfully submitted,

Donna Sweaney, Secretary
Appendix A

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

POLICY ON PRESIDENTIAL SPOUSE OR PARTNER SERVICES

On behalf of the University, the Board welcomes participation by a President’s spouse or partner (“partner”) in University activities. A partner is not, however, obligated or expected to participate in such endeavors.

If a partner is seeking employment with the University, the same policies and procedures that govern other UVM job-seekers apply.

If a partner wishes to offer ongoing volunteer services to the University, the procedures below apply.

PARTNER VOLUNTEER SERVICES

At an appropriate time during the process of recruiting a president, the University shall, in writing, provide the candidate(s) with a copy of this policy. The University shall not, however, ask candidates about their (marital or) partner status.

A partner who wishes to offer volunteer services must contact the Vice President for Executive Operations, who will in turn contact the appropriate University official(s)\(^1\). The official(s) will then meet with the partner about prospects for a suitable assignment in view of the interests, qualifications and experience of the partner. The official(s) shall obtain the approval of the Board Chair before offering a volunteer appointment to the partner. A final volunteer appointment letter must describe the nature and extent of any proposed services, including his or her reporting line, and be signed by the partner and the appropriate official(s), including the Board Chair.

Due to his or her status as a volunteer, the partner is not, and shall not be, authorized to enter into negotiations or contracts on behalf of the University. In addition, the partner shall not have supervisory authority over University employees or the right to direct the actions of a University employee in any way. Thus, University employees who are assigned to assist the partner in his or her performance of volunteer work shall be supervised by, and report to, their department head or next-level supervisor.

\(^1\) The officials must minimally include the senior-most person responsible for the activity, operations or program, such as a Vice President.
The University will provide the same insurance coverage otherwise maintained for volunteers to cover the activities of a partner while he or she is engaged in volunteer services assignments. The University shall also cover or reimburse the business travel and entertainment expenses of the partner in accordance with otherwise applicable University policies.

The Board Chair shall meet at least once annually with the partner and the appropriate officials to discuss the ongoing suitability of the volunteer assignment and any adjustments to the assignment that the partner or the officials wish to request. The partner is free to withdraw from his or her volunteer role with reasonable notice to the responsible officials and the Board Chair. Any decision to decline further volunteer services from the partner shall be made by the Board Chair.

To ensure that the partner can maintain the utmost confidence in her or his ability to carry out with integrity any responsibilities she or he assumes as a volunteer, the partner must annually file the Conflicts of Interest Disclosure Form utilized by University personnel pursuant to the University’s Conflict of Interest and Commitment Policy. Any disclosures shall be reviewed and administered by the Board Chair.

To carry out the volunteer duties assumed, the partner may opt for any or all of the following:

- University ID
- University Email account
- Business Cards
- Parking Permit

The Board Chair must approve any other consideration including equipment purchases, in advance and in writing.

Adopted by: Board of Trustees – October 22, 2011
Amended by: Board of Trustees – November 8, 2012
Resolution Regarding Delegation and Retention of Board Authority
(see appended chart)

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University, and reserving to itself the power to act on its own initiative as necessary to the fulfillment of its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

1. statements of institutional mission, principles and values;

2. the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

3. the establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

4. the appointment of University Trustees to the boards of other corporate entities or public bodies in their capacity as University Trustees;
(5) the appointment and employment of the President, election of the other officers of the Board and the University in accordance with the University Bylaws, and authorization of severance payments in excess of the standard amount University policy specifies for officials who report to the President;

(6) the creation or elimination of an academic unit, curriculum, research or service endeavor as defined in Faculty Senate protocols; and approval of faculty medical or other clinical practice plans;

(7) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(8) the naming of buildings and academic programs;

(9) through its Investment Subcommittee of the Budget, Finance and Investment Committee (“Investment Subcommittee”), the selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that: the Board must itself approve policies for the Long-Term Investment Pool and the Limited Term Asset Pool, the endowment spending rate, the endowment management fee, declaration of financial exigency, and the dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(10) the institutional annual budget and acceptance of the annual audited financial statements;

(11) tuition, room and board rates, student fees, and in-state status regulations for purposes of determining tuition;

(12) the purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;

(13) payments in lieu of taxes;

(14) the issuance of bonds and approval of the institutional debt policy;

(15) the procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;
(16) contracts for facilities construction or renovation and the purchase or sale of goods, equipment or services at an aggregate cost of ≥ $1,000,000, including increases in project costs for previously approved projects whose value in aggregate equals or exceeds $1,000,000; provided that (and subject to the provisions of (18) below), the Board shall approve all contracts for consulting services whose aggregate value equals or exceeds $250,000, and the Board shall also authorize, through its Investment Subcommittee, the selection and retention of all investment advisors regardless of contract cost;

(17) the selection and retention of independent audit firm to conduct the annual audit of financial statements and/or compliance audits, regardless of contract cost; contracts at an aggregate cost of $10,000 or more for non-audit consulting services with the audit firm that is conducting the annual audit of financial statements;

(18) the material terms of collective bargaining agreements and, within the context of annual budget preparation and approval, the annual salary pool for non-union-represented employees;

(19) the settlement of claims and/or lawsuits at a cost that equals or exceeds $250,000, regardless of insurance coverage; and authorization to file and/or settle lawsuits in which the Board or a University officer is a named party or a Board-approved policy is in dispute;

(20) all self-governance matters reserved to the Board in the University Bylaws, including without limitation the election of Board officers, approval of Board Committee appointments, or as otherwise required or permitted by law; and

(21) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion; and

(21)(22) contracts or leases whose aggregate term does or may exceed five years, regardless of contract value or amount; but Board approval is not required for licenses and option agreements, confidentiality agreements, material transfer agreements, or other similar agreements that are developed by the University’s Office of Technology Commercialization program and that typically run for the life of the intellectual property protection value (usually the term of the patent).
AND BE IT FURTHER RESOLVED, that notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.

Adopted by the Board of Trustees: September 11, 2004
Approved as revised by the Executive Committee: March 14, 2005
Approved as revised by the Board of Trustees: May 19, 2007
Approved as revised by the Board of Trustees: May 17, 2008
Approved as revised by the Board of Trustees: September 5, 2008
Approved as revised by the Board of Trustees: February 7, 2009
Approved as revised by the Board of Trustees: February 6, 2010
Approved as revised by the Board of Trustees: March 8, 2010
Approved as revised by the Board of Trustees: February 5, 2011
Approved as revised by the Board of Trustees: March 14, 2011
Approved as revised by the Board of Trustees: May 19, 2012
Approved as revised by the Board of Trustees: November 8, 2012
EXECUTIVE COMMITTEE

During intervals between meetings of the Board of Trustees ("the Board"), the Executive Committee shall have all the powers of the Board in management of the property and affairs of the University, and may exercise the authority of the Board except as may otherwise be provided by law. The Chair of the Executive Committee shall be the Chair of the Board ex officio.

The Executive Committee shall oversee the work of the Committees of the Board and the University planning process, and it shall assist the Board in the discharge of its responsibilities to support the President and to assess his or her performance.

With respect to evaluation of presidential performance, the Chair shall annually appoint an Annual Review Subcommittee. The subcommittee shall assess the performance of the President and convey its assessment and a compensation recommendation to the Executive Committee for its deliberations and referral by the Committee of a recommendation to the full Board. In conjunction with the presidential evaluation, the President will also provide a report on the status of his or her direct reports, including their proposed compensation for the upcoming year.

Approved by the Board of Trustees: September 9, 2006
Approved as revised by the Executive Committee: March 9, 2009
Approved as revised by the Board of Trustees: November 8, 2012
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

UNIVERSITY BYLAWS

ARTICLE I: Name

Section 1.1. Name: The name of the corporation is the University of Vermont and State Agricultural College. These Bylaws refer to the corporation as the "University."

ARTICLE II: Purpose

Section 2.1. Purpose: The University shall be recognized and utilized as an instrumentality of the State of Vermont for providing public higher education, with all the rights and powers incident to corporations. The University shall not carry on any activity not permitted to be carried on by a corporation exempt from federal income taxation under Sections 501(a) and 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future federal tax code).

ARTICLE III: Offices

Section 3.1. Offices: The principal office of the University shall be located in Burlington, Vermont. The University Board of Trustees (hereinafter “Board of Trustees”) may designate other offices within or without the State of Vermont as the business of the University may require.

ARTICLE IV: Trustees

Section 4.1. Number and Qualification: The Board of Trustees shall consist of twenty-five (25) persons. The Board of Trustees shall be composed of the following members:

- Three (3) members shall be individuals appointed by the Governor of the State of Vermont with the consent of the Vermont Senate
- Nine (9) members shall be individuals elected by the Vermont Legislature, said nine members being the same individuals who constitute the Board of Trustees of the Vermont Agricultural College
- Nine (9) members shall be individuals elected by the Board of Trustees of the University of Vermont, said nine members being the same individuals who constitute the Board of Trustees of the University of Vermont
Two (2) members shall be full-time students enrolled at the University (each of whom must be at least 18 years old) elected by the Associated Directors for the Appointment of the University of Vermont and State Agricultural College Student Trustees, Inc.

One (1) member shall be the Governor of the State of Vermont, by virtue of the office ("ex officio")

One (1) member shall be the President of the University, ex officio

Section 4.2. Manner of Appointment and Election: The trustees shall be appointed or elected in the manner set forth in Section 4.1 of these Bylaws and in the Charter.

Section 4.3. Term of Office: The term of office of each trustee, other than the two student members and the ex officio members, shall be six (6) years and until his or her successor has been duly elected or appointed. The term of office of each student trustee shall be two (2) years. The ex officio trustees shall have a term of office lasting for such period as they serve in their respective offices. The term of office for each trustee other than the ex officio trustees shall begin on March 1 of the initial year of such term and expire on the last day of February in the final year of said term.

Section 4.4. Duties and Powers: The Board of Trustees shall have the entire management and control of the property and affairs of the University. All corporate powers shall be exercised by or under the authority of the Board of Trustees. The trustees may adopt such rules and regulations for the conduct of their meetings and the management of the University as they deem proper, not inconsistent with law or these Bylaws. These Bylaws and resolutions of the Board of Trustees shall take precedence over other documents and policies of the University.

Section 4.5. Resignation: Any trustee may resign his or her office at any time by delivering written notice of the resignation to the Chair of the Board, the President, or the Secretary of the Board. Unless the notice of resignation specifies a later effective date, the resignation shall take effect immediately.

Section 4.6. Vacancies: Any vacancy occurring in the Board of Trustees by death, resignation, or otherwise shall be promptly filled by the appointing authority. The trustee thus chosen shall hold office for the unexpired term of his or her predecessor and until the election and qualification of his or her successor.

Section 4.7. Conflict of Interest Policy: The Board of Trustees shall adopt a written conflict of interest policy, by resolution, which policy shall be reviewed periodically and revised as determined to be necessary or desirable.
ARTICLE V: Meetings of the Board of Trustees

Section 5.1. Notice of Meeting: Notice of regular and special meetings of the Board of Trustees and its committees shall be given, and meetings shall be conducted, in accordance with the Vermont Nonprofit Corporation Act and the applicable state public access laws.

Section 5.2. Waiver of Notice: Whenever under the provisions of these Bylaws or of any statute any trustee is entitled to notice of any regular or special meeting, such meeting may be held without the giving of notice to trustees if every trustee entitled to notice waives the required notice in writing or by attendance at or participation in the meeting; provided, however, such waiver by trustees shall not affect the University's obligations, if any, to provide notice to persons other than trustees, including its obligations under state public access laws.

Section 5.3. Meetings: The regular meetings of the Board of Trustees shall include the annual meeting of the Board of Trustees shall be held in May of each year, the date and time to be fixed by the trustees by resolution. The annual meeting shall be held in Burlington, Vermont or such other place as the Board of Trustees may approve from time to time by resolution. Other regular meetings of the Board of Trustees shall be held at such times and places as the Board may determine at the annual meeting or from time to time. Special meetings of the Board of Trustees may be called by the Chair of the Board of Trustees, the President, or at the request of any five members of the Board of Trustees.

Section 5.4. Telephone Meetings: Members of the Board of Trustees and members of any committee appointed by the Board of Trustees may participate in a meeting of the Board or such committee by any means of communication, including audio conference or conference telephone call, by which all persons participating in the meeting may simultaneously hear each other, and participation in a meeting in such manner shall constitute presence in person at the meeting.

Section 5.5. Quorum; Vote Necessary for Action: At any meeting of the Board of Trustees, the presence of a majority of the Board shall be necessary to constitute a quorum for the transaction of business. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless a greater vote is required by the Charter, these Bylaws, or by law. Should a quorum not be present, a lesser number may adjourn the meeting to some later time. At all meetings of the Board of Trustees, each trustee shall have one vote. Trustees are not entitled to vote by proxy.
ARTICLE VI: Officers

Section 6.1. Officers and Qualifications: The officers of the University shall be the Chair, Vice Chair, and Secretary of the Board of Trustees; the University President, Provost, and Treasurer; and such other officers as the Board of Trustees may determine. Any two or more offices may be held by the same person, except (a) the offices of President and Secretary and (b) the offices of President and Provost. The Chair Vice Chair, and Secretary of the Board of Trustees, and the President, shall be members of the Board of Trustees. No trustee may be initially elected Chair unless he or she has at least two years of his or her term as trustee remaining. The Provost shall be an individual nominated by the President.

Section 6.2. Election: All officers of the University other than the President and the Chair of the Board of Trustees shall be elected annually by the Board of Trustees at a regular meeting held in the month of February, or at such other time as is determined by the trustees by resolution. The Chair of the Board of Trustees shall be elected in a manner consistent with the Charter. The President shall be elected at a regular or special meeting and said election shall be for an unspecified term.

Section 6.3. Term of Office: Except where a vacancy is being filled pursuant to the requirements of these Bylaws, all officers of the University shall take office effective March 1. All officers shall hold office until their successors have been duly elected and have qualified, or until removed from office in accordance with such procedures as may be adopted by the Board of Trustees from time to time.

Section 6.4. Duties of Officers: The duties and powers of the officers shall be as follows and as set by resolution of the Board of Trustees from time to time:

(a) Chair of the Board. The Chair of the Board shall preside at all meetings of the Board of Trustees. If the Chair is absent, the Vice Chair of the Board shall preside. In the absence of both, the Secretary shall preside for the election of a chair pro tempore.

(b) President. The President shall be the chief executive officer of the University and his or her duties shall be those that commonly pertain to the office of the president of a university. The President shall be the administrative head of the University and its constituent parts and he or she shall have the power to veto any act or resolution of any committee or other collective body within the University or its constituent parts except for the Board of Trustees and committees of said Board, subject to such procedures as the Board may adopt from time to time. The President shall cause to be called regular and special meetings of the Board of Trustees in accordance with the requirements of the Vermont Nonprofit Corporation Act, these Bylaws, and applicable state public access laws. The President shall prepare the agenda for meetings of the Board of Trustees and the Executive Committee in consultation with the Chair of the Board. The President shall have authority to sign and execute all contracts in the name of the University and all notes, drafts, or other orders for the payment of money, unless restricted in any specific instance by resolution of the Board of Trustees.
(c) **Treasurer.** The Treasurer shall be responsible for the receipt and investment of funds. The Treasurer shall also be responsible for the management of cash and securities. The Treasurer shall ensure that all trustees receive financial statements from the University, including comparisons of revenues and expenditures with the budget of the University. The Treasurer shall have such other responsibilities as may be assigned to him or her by the President or the Board of Trustees from time to time.

(d) **Secretary.** The Secretary shall record all votes and proceedings of the Board of Trustees or any committee thereof, unless the Board later delegates such duties to another person. The Secretary shall be custodian of the records and seal of the University and shall authenticate records of the University when required, unless the Board later delegates such duties to another person. The Secretary shall cause the University to maintain an office in Burlington, Vermont where the corporate records of the University shall be kept, and the Secretary shall procure and file in said office certified copies of all papers required by law to be filed with the Secretary of State. The Secretary shall cause the University to make records and documents available to the public in accordance with the applicable requirements of state public access laws. The Secretary shall perform the duties incident to the office of the Secretary as specifically delegated from time to time by the Board of Trustees and as may be required by the laws of the State of Vermont.

(e) **Provost.** The Provost shall be responsible for academic and administrative duties assigned by the President. During the absence or incapacity of the President, or in the case of the death or resignation of the President, the Provost shall assume the administrative duties of the President until such time as the Board of Trustees shall, by resolution, determine who shall exercise said duties or until the vacancy in the office of the President shall have been filled. When so acting, the Provost shall have all the powers and shall be subject to all the responsibilities of the office of the President and shall perform such duties and functions as the Board of Trustees may prescribe.

(f) **Other Officers.** Other officers shall perform such duties and such powers as may be assigned to them by the Board of Trustees.

**Section 6.5. Vacancies:** All vacancies in any office shall be filled by the Board of Trustees, either at a regular meeting or at a meeting specifically called for that purpose.

**ARTICLE VII: Committees**

**Section 7.1. Standing Committees:** The standing committees of the Board of Trustees shall be as follows: Executive Committee, Investment Board Governance Committee, Audit Committee, Budget, Finance & Investment Committee, Educational Policy & Institutional Resources Committee and such other standing committees as may be established by the Board of Trustees from time to time. Any committees, including standing committees, that include non-trustees shall be advisory in nature and shall not have the right to exercise the authority of the Board of Trustees. The President of the University shall be an *ex officio* member of all committees except for the Audit Committee. The chair of each committee other than the Executive Committee shall...
prepare the agenda for meetings of the committees. The President shall prepare the agenda for meetings of the Executive Committee in consultation with the Chair of the Board.

**Section 7.2. Composition and Duties of Standing Committees:** The standing committees shall be comprised of such members as may be determined by resolution of the Board of Trustees from time to time. Appointment of members to each standing committee must be approved by a majority of all trustees in office when the action is taken. Standing committees other than the Executive Committee shall have such duties as may be determined by resolution of the Board of Trustees from time to time.

**Section 7.3. Duties of the Executive Committee:** During the intervals between meetings of the Board of Trustees, the Executive Committee shall have all the powers of the Board of Trustees in management of the property and affairs of the University and may exercise the authority of the Board of Trustees except as may otherwise be provided by law. In addition to its authority to take action on matters that cannot or should not be deferred to the next scheduled meeting of the Board of Trustees, the Executive Committee shall oversee the work of committees of the Board of Trustees, University planning processes, and the responsibility of the Board of Trustees to support the President and to assess his or her performance.

**Section 7.4. Ad hoc Committees:** The Board of Trustees may create ad hoc committees and appoint members to them from time to time. The creation of such committees and appointment of members must be approved by a majority of all the trustees in office when the action is taken. Each committee shall have at least two persons who are members of the Board of Trustees. If a committee includes non-trustees, the committee shall be advisory in nature and shall not have the right to exercise the authority of the Board of Trustees. The President of the University shall be an *ex officio* member of all ad hoc committees.

**Section 7.5. Liaisons and Representatives on Committees:** The President shall designate one or more members of his or her administrative staff as liaison officer to each standing and ad hoc committee and specify their duties. The Faculty Senate, the Student Government Association, the Graduate Student Senate, the Alumni Council, UVM Foundation, and the Staff Council may respectively designate a *up to two* representatives to the Budget, Finance & Investment and Educational Policy & Institutional Resources Committee and one representative to the Audit Committee, each of the committees at their discretion. The representatives may attend meetings of the committees and participate in discussions but shall not have any voting rights.

**Section 7.6. Meetings, Notices, Quorum:** The provisions set forth in Sections 5.1, 5.2, 5.4, and 5.5 of these Bylaws shall also apply to meetings of committees of the Board of Trustees.
**Section 7.7. Vacancies:** Any vacancy occurring on a committee by death, resignation, or otherwise may be filled by the Board of Trustees. Such appointments to fill vacancies must be approved by a majority of all the trustees in office when the action is taken.

**ARTICLE VIII: Fiscal Year**

**Section 8.1. Fiscal Year:** The fiscal year of the University shall begin on the 1st day of July in each year and end on the 30th day of June in each year or such other dates as the Board of Trustees may determine from time to time by resolution.

**ARTICLE IX: Indemnification**

**Section 9.1. Mandatory Indemnification:** The University shall indemnify any individual who is or was a trustee or officer of the University to the extent that such indemnification is required under the Vermont Nonprofit Corporation Act.

**Section 9.2. Discretionary Indemnification:** The University may indemnify a trustee, officer, employee, or agent of the University to the extent permitted by the Vermont Nonprofit Corporation Act. The determination as to whether the University will consider providing discretionary indemnification shall be made by resolution of the Board of Trustees, provided that the determination as to whether an individual has met the standard of conduct necessary to entitle him or her to be indemnified shall be made in the manner specified by the Vermont Nonprofit Corporation Act.

**Section 9.3. Advance for Expenses:** The University may pay for or reimburse the reasonable expenses incurred by a trustee, officer, employee, or agent of the University in advance of the final disposition of the proceeding in accordance with the Vermont Nonprofit Corporation Act.

**Section 9.4. Insurance:** Nothing herein shall affect the University's right to purchase and maintain insurance on behalf of an individual who is or was a trustee, officer, employee, or agent of the University. No individual for whom indemnification is intended hereunder shall be indemnified for any expenses or liability for which coverage is provided and reimbursement is paid under an insurance policy.

**ARTICLE X: Amendments**

**Section 10.1. Amendments:** The Bylaws may be amended by an affirmative vote of a majority of all of the members of the Board of Trustees. The Bylaws may be amended at any meeting of the trustees, provided that the notice of the meeting at which proposed amendments to the Bylaws are to be considered must state that the purpose, or one of the purposes, of the meeting is to consider proposed amendment to the Bylaws. The notice must also contain or be accompanied by a copy or summary of the amendment.
ARTICLE XI: Miscellaneous

Section 11.1. References to Vermont Act: All references in the Bylaws to the Vermont Nonprofit Corporation Act shall mean and include said Act as it may be amended, supplemented, or replaced from time to time.

Section 11.2. References to the Charter: All references in the Bylaws to the Charter shall mean the Charter of the University of Vermont and State Agricultural College as it may be amended, supplemented, or replaced from time to time.

Section 11.3. Inconsistencies with Charter: To the extent that any provision of the Bylaws is inconsistent with the Charter, the Charter shall govern.

Adopted by the Board of Trustees: February 7, 1998
Revised and adopted by the Board of Trustees: September 8, 2007
As further revised and adopted by the Board of Trustees: October 24, 2009
As further revised and adopted by the Board of Trustees: November 8, 2012
Policy Statement

University Trustees work in service to the institution and the public trust and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and its members individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the University, and with due regard for the University’s reputation. It is therefore the policy of the University and this Board that Trustees have an affirmative duty to identify, disclose and manage conflicts in conformance with this Policy and the law.

Definitions

Conflict of interest. A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Trustee’s private interests and his or her fiduciary duties as a University Trustee. Conflicts may affect non-financial as well as financial Trustee interests. The Trustee may be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the University is dealing, or have a family relationship with a person or entity with which the University is engaged.

For purposes of this Policy, a conflict of interest arises where the relevant material facts affect a Trustee, a member of his/her immediate family, or an affiliate, as herein defined. In the case of conflicts involving a member of the immediate family or an affiliate of a Trustee, the Trustee is obligated to make disclosure when he or she knows or reasonably should know of a conflict.

An apparent conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s ability to discharge his or her duties as a Trustee, as summarized in the Policy Statement above, are compromised by personal interest.

A member of the immediate family of a Trustee includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership (wherever residing), person claimed as a dependent for federal income tax purposes partnership (wherever residing), and any relative residing in the same household as the Trustee. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.
An *affiliate* includes a business, association, corporation, or other legal entity in which a Trustee or a member of his/her immediate family is a director, trustee, officer, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or a controlling interest. In addition, an affiliate is an entity from which the Trustee or a member of his/her immediate family otherwise annually receives or has the right to receive $10,000 or more compensation, income, or other financial consideration or value.

**Policy Elaboration**

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. In general, Trustees may not use their positions or confidential information to which they become privy as Trustees for the gain of themselves or others. Below are examples of situations presenting potential, actual or apparent conflicts.

1. **Commercial transactions.** Commercial transactions between a Trustee and the University are not *per se* barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is strict adherence to disclosure and recusal protocols. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the University considers alternative competitive proposals; and (c) the University determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict.

2. **Confidential, Proprietary or Privileged Information.** Except as required by law, no Trustee shall, without proper Board or institutional authorization, give or release University information or data (“Information”) of a confidential, proprietary or privileged nature, or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Trustees during and after their University service relative to Information acquired in the course of their Trusteeship.

3. **Business Opportunities.** No Trustee shall divert from the University for private gain of self or others a business opportunity in which the University would foreseeably engage in furtherance of its mission, unless the University has been offered, and through an authorized official declined, a right of first refusal.

4. **Employment or Retention of Immediate Family Members or Affiliates.** No Trustee may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the University of an immediate family member or an affiliate.
5. **Remuneration, Gifts, and other Consideration**

   a. **From External Parties.** No Trustee shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the University, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Trustee’s influence with the University has been exchanged for such consideration. This prohibition applies without limitation to vendors, contractors, sponsors, donors, and job or admissions applicants.

   b. **From the University.** It shall not be considered a conflict of interest for a Trustee to accept from the University (1) gifts or other items of value in consideration of his/her service or retirement from University service; (2) customary *honoraria*; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with University Trusteeship pursuant to applicable University policy and procedures; or (4) complimentary tickets for a Trustee and his/her guest at University functions or events when the presence of the Trustee is deemed to serve the best interests of the University.

   c. **From External Parties or the University.** No Trustee shall solicit or accept any fee or honorarium offered in return for a speech or appearance or article made or written in the individual’s official capacity as a Trustee. Reasonable and necessary expenses reimbursed to the Trustee for participation in such an event are permissible subject to the filing of a conflicts disclosure form. Any such appearance shall be subject to the provisions of the Statement of Trustee Responsibilities, and in particular the requirement that a Trustee recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board and that, when a Trustee engages in communications with University personnel, students, the citizenry, and the media on an individual basis, the Trustee shall be guided by the duty of loyalty as set forth in the Statement of Trustee Responsibilities.

6. **Employment of University Personnel.** A Trustee wishing to employ or retain a University officer of administration for private consulting or other non-University purposes must first obtain from the General Counsel an opinion as to whether such engagement does, or may, give rise to a conflict of interest. If the General Counsel concludes that a conflict does, or may, arise, the Trustee shall disclose the proposed employment or consulting arrangement to the Board Chair. The Board Chair will either authorize or decline to authorize the proposal, conferring with the Executive Committee in his/her discretion. If the proposal is authorized, the Chair shall communicate the authorization in writing to the Trustee, with a copy to the General Counsel. The Trustee’s Conflict of Interest Disclosure Form shall then be amended to reflect the affiliation. In the case of proposed employment of other University
personnel, the Trustee should consider whether such employment might reasonably result in a conflict of interest and, if so, he/she should thus amend the Conflict of Interest Disclosure Form.

7. **Testimony.** A Trustee who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when s/he is speaking on the matter as a University representative. Trustees shall obtain authorization to speak on behalf of the University by means of customary governance protocols.

8. **Political or Appointive Office.** The constituency of each Trustee is the University, regardless of the source of appointment. Trustees whose service on the Board is incidental to elective or appointive office shall engage in such service with due regard for the fiduciary duties of a Trustee, and in a manner consistent with this Policy.

**Summary of Protocol**

Upon commencement of Board service, Trustees file Conflicts Disclosure Forms, amending them no less than once annually and otherwise as circumstances dictate.

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict to the Committee Chair (and/or to the Board Chair if the conflict will arise during a Board meeting). The Trustee, Committee Chair, or Board Chair may request an opinion on the existence of a conflict from the General Counsel. In the event that a Board Chair or a Committee Chair conflict is in issue, the disclosure shall be made to the Vice Chair, who may also request a legal opinion from the General Counsel.

Once having disclosed the conflict, the Trustee may him/herself decide to decline to participate in discussion of, and any vote upon, the matter as to which a conflict exists. In such instances, the meeting record shall reflect his/her self-recusal and abstention.

If the Trustee does not her/himself decline to participate in discussion of the matter as to which a conflict exists, the Committee (or Board) Chair shall, prior to consideration of the matter, and in open session, identify the conflict. In the event that a Board Chair or Committee Chair conflict is in issue, the Vice Chair shall identify the conflict. The Trustee as to whom a conflict is identified may participate in open session discussion of the matter if a majority of the members of the Committee or the Board authorize such participation by majority vote; if such authorization is given, the Trustee shall nonetheless abstain from voting on the matter. The Trustee shall be excused from any portion of an Executive Session devoted to the matter as to which a conflict arises.
A Trustee who recuses from participation in discussion of, and/or voting upon, a matter before a Committee or the Board shall not be counted toward a quorum.

Protocol

Disclosure Forms

Each Trustee shall file a Trustee Disclosure Form at the time of initial appointment and by March 1 of each subsequent year of service. The Form will require the Trustee to acknowledge his/her review of the Policy and to agree to disclose on the Form and as otherwise required by the Policy any matter as to which a conflict does, or may, exist. The Trustee shall update the Form during the year as circumstances dictate. Forms will be filed with the Trustee Coordinator, and maintained by the Assistant Secretary of the Board, with a copy to the General Counsel.

Disclosure Obligation

In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict and all relevant material facts to the Committee (or Board) Chair. If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be disclosed to the Vice Chair, who shall instead preside for the agenda item as to which the matter arises.

Relevant material facts may include the benefits that could inure to the Trustee; the extent to which, if any, the Trustee is participating in a competitive process to enter into a transaction or business affiliation with the University; whether the Trustee is privy, in his or her capacity as a Trustee, to proprietary or other non-public University information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and/or if the University would be likely to enter into the proposed transaction or relationship in the absence of the Trustee’s University affiliation

A Trustee may elect, following such disclosure, to self-recuse from participation in discussion of the matter as to which disclosure is made. Alternatively, if a Trustee submits a disclosed conflict for consideration by a Committee or the Board, when the item arises on the agenda the Chair shall, for the record, identify to the Committee or the Board the conflict and the material facts relating thereto. (If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be identified by the Vice Chair, who shall preside for the agenda item as to which the matter arises.)

The Trustee shall request authorization from the Committee or the Board to participate in any discussion of the agenda item that takes place in open session, and shall be recused from any portion of an Executive Session devoted to the matter as to which a conflict arises. If the Committee or Board by majority vote authorizes the Trustee’s participation in such public discussion, the Trustee shall nonetheless abstain from voting on any such item.
In all instances, the determination as to whether to permit the Trustee to participate in discussion of the agenda item as to which a conflict arises shall be made following full disclosure by the Trustee of the nature of the conflict, and on the basis of whether, in the considered judgment of the Committee or the Board, the University’s interests will be best served by participation of the Trustee notwithstanding the conflict.

**Role of the University General Counsel**

Prior to each Committee and Board meeting, the General Counsel shall review the agenda in relation to Trustee Disclosure Forms to determine whether a conflict may, or will, arise. If a conflict is identified, the General Counsel shall contact the Trustee and the Committee (or Board) Chair regarding the relevant agenda item. The Trustee and the Chair shall otherwise proceed as described in the first section of this Protocol (“Disclosure Obligation”).

Upon request of the Trustee and/or the Committee or Board Chair, the General Counsel shall provide an opinion as to whether a conflict of interest arises as to such Trustee. All such opinions shall be subject to applicable privileges under law.

**Approval of a Conflict of Interest Transaction**

If a conflict is identified for the first time subsequent to any action by the Board in which a conflicted Trustee participated, such action shall be voidable by the Board in accordance with the Vermont Nonprofit Corporation Act and otherwise applicable procedures relating to Board meetings and action.

Notwithstanding the preceding paragraph, a conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if the transaction (a) was fair at the time it was entered into or (b) is approved in advance by vote of the Board or a Committee if (i) the material facts of the transaction and the Trustee’s interest are disclosed or known to the Board or Committee; and (ii) Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the University. Any approval must receive an affirmative vote of a majority of the Trustees on the Board, and any Trustee who recuses from participation in discussion of, and/or voting upon, a matter before the Committee or Board shall not be counted toward a quorum.

In cases in which the Board or a Committee considers approval of a conflict of interest transaction, its review of the material facts and its resulting decision shall be documented in the meeting minutes.

**Post-Transaction Challenge Procedure**

Complaints of non-compliance with this Policy shall be filed promptly and in writing with the Chair of the Board, with copies to the Secretary and Assistant Secretary of the Board. Disposition of such complaints shall be handled in the same manner as proposed or approved
transactions under this Policy and, and as to a non-compliant Trustee, under relevant provisions of the University Charter, Bylaws and Vermont Nonprofit Corporation Act.

**Governing Law**

This Policy incorporates by reference any obligations imposed upon the University, the Board, and/or a Trustee by federal or State law.

*Adopted by the Board of Trustees: February 12, 2005*

*Amended by the Board of Trustees: February 4, 2012*

*Amended by the Board of Trustees: November 8, 2012*
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

COMMITTEE ON BUDGET, FINANCE AND INVESTMENT

The Committee shall have responsibility for overseeing the development of strategic, long-range institutional financial plans and related plan objectives. It shall engage in ongoing assessment of the current and long-range financial status of the institution.

The Committee shall oversee the formation and approval of annual budgets. It shall oversee the creation, implementation, and periodic review and revision of financial, treasury, investment and debt management policies.

The Committee shall retain investment managers and financial advisors as necessary and desirable in the conduct of its work.

The Committee will exercise its charge in a manner consistent with University governance, including the Board’s reserved rights and delegations of authority.

Approved by the Board of Trustees: September 9, 2006
Approved as amended by the Board of Trustees: November 8, 2012
Operational Elaboration of Charge

The subject matter of the Committee may include:

- Strategic financial planning, including short and long-range financial status assessment
- The annual capital and operating budgets, and quarterly institutional financial statements
- State appropriations and capital requests
- Gifts and grants; Wilbur Fund reports
- Fund investment decisions (such as those relating to the endowment and similar funds, agency funds, trusts and, as lawfully available, funds from bonds, loans, and other sources in excess of immediate debt payment requirements), including assets management and allocation, and policies relating to socially responsible investment
- Purchase, retention, sale, transfer, exchange, investment or reinvestment, or other disposition of securities or similar investments
- Endowment and investment manager performance, and the retention and termination of investment managers and advisors
- Debt management, including the adequacy of assets to meet external debt obligations
- Cash, central bank, and commercial paper policies
- Dissolution, merger, sale, pledge, or transfer of all or substantially all of institutional assets
- Such other matters consistent with its charge as may be referred to the Committee by the Board Chair
CONSENT AGENDA

February 9, 2013

AUDIT

1) Resolution Authorizing Retention of External Audit Firm for FY 2013

RESOLVED, that the Committee authorizes and directs the Committee Chair to retain KPMG LLP, Certified Public Accountants, to conduct the mandatory annual audit of the financial statements and compliance audits for the fiscal year ending June 30, 2013, in accordance with the fee schedule set forth in KPMG’s proposal for services dated December 23, 2008. The annual audits shall be conducted in compliance with the requirements of the University Bylaws and state and federal law.

2) Approval of Amended Trustee Conflict of Interest Policy

WHEREAS, the Trustee Conflict of Interest Policy has been revised to include a new definition of “substantial interest” and additional policy elaboration on commercial transactions and Trustee employment with UVM; and

WHEREAS, the Committee on Board Governance endorsed the revisions to the Trustee Conflict of Interest Policy on December 17, 2012;

BE IT RESOLVED, the Audit Committee hereby approves the amended Trustee Conflict of Interest Policy appearing as Appendix A to this document and recommends it to the Board of Trustees for approval.

COMMITTEE OF THE WHOLE

3) Resolution Awarding Contracts for Vehicle Rental

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is authorized to execute contracts with Hertz Corporation, Thrifty Car Rental, and Majestic Car Rental Group, Inc. for vehicle rental services. Each contract will begin February, 15, 2013 and end February 14, 2016, with the option of two one-year renewals, and the total of all three contracts over a five-year period will not exceed $2.5 million.

4) Resolution Approving STERIS Corporation Contract

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of Technical Services Partnership (TSP), is authorized to enter into a contract with STERIS Corporation for maintenance management services for an amount not to exceed a total of $1.1 million for FY 2013 and FY 2014.
5) **Resolution Approving Contract Extension with University Health Plans**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, in consultation with the Director of the Center for Health and Wellbeing and the Director of Risk Management and Safety, is hereby authorized to negotiate a one-year contract extension for student health insurance with University Health Plans, at an estimated amount of $3.8 million beginning August 1, 2013 and ending July 31, 2014.

6) **Resolution Approving Increase in Expenditure Authority for Library Acquisition Agreement with Elsevier, Inc.**

BE IT RESOLVED, that the authority for expenditures authorized by Resolution of the Board of Trustees on September 12, 2011 with Elsevier, Inc., is increased by $1,500,000 resulting in a total authorization of $5,550,000 through the period ending December 31, 2014.

**EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES**

7) **Resolution Approving Creation of a Doctorate of Nursing Practice Degree**

RESOLVED, that the Board of Trustees approves the creation of a Doctorate of Nursing Practice Degree, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

8) **Resolution Approving Creation of Master of Science Degree in Clinical Nurse Leadership**

RESOLVED, that the Board of Trustees approves the creation of a Master of Science Degree in Clinical Nurse Leadership, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

9) **Resolution Approving Termination of Canadian Studies Major**

RESOLVED, that the Board of Trustees approves the termination of the Canadian Studies Major, approved and advanced by the Provost on January 22, 2013 and the President on January 23, 2013.

10) **Resolution Reaffirming Equal Opportunity Statements**

RESOLVED, that the Board reaffirms the Equal Employment Opportunity/Affirmative Action Policy Statement, as attached hereto as Appendix B, and the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement, attached hereto as Appendix C, both effective as of February 9, 2013.
11) **Resolution Approving the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc., and the Franklin County 4-H Foundation, Inc. as Affiliated Organizations**

BE IT RESOLVED, that the Addison County 4-H Foundation, Inc., the Rutland County 4-H Foundation, Inc. and the Franklin County 4-H Foundation, Inc. are approved as affiliated organizations of the University of Vermont in support of 4-H programs administered by UVM Extension Services, subject to the execution of a Memorandum of Understanding pursuant to the University’s Affiliated Organization’s Policy.

BE IT FURTHER RESOLVED, that the President is authorized to enter into these Memoranda of Understanding for a term of three years each.

12) **Resolution Re-Constituting the UVM/FAHC Affiliation Agreement Work Group as the Work Group on Medical, Nursing and Health Sciences Education and Research**

WHEREAS, the Board earlier established a Work Group, the UVM/FAHC Affiliation Agreement Work Group, comprised of Trustees designated meet periodically at the request of the Board Chair or the President to receive status reports and advise the administration on matters relating to the University's Affiliation Agreement with Fletcher Allen Health Care; and

WHEREAS, the Board recognizes the present and continuing importance of academic program initiatives and arrangements relative to medical, nursing and health sciences education and related academic programs and clinical activities, as well as medical, nursing and health sciences research;

BE IT RESOLVED, that the scope of the Work Group be expanded to receive status reports and advise the administration and the Board on academic program initiatives and arrangements relative to medical and health sciences research, and education and related academic programs and clinical activities of the College of Medicine and the College of Nursing and Health Sciences; and

BE IT FURTHER RESOLVED, that the Work Group shall be re-named the Work Group on Medical, Nursing and Health Sciences Education and Research; and

BE IT FINALLY RESOLVED, that the Work Group shall be comprised of the Board Chair ex officio, the President or the President’s designee, and three additional Trustees.

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

13) **Annual Review of Debt Policy**

WHEREAS, in September 2004 the Board adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and since its creation in 2006, the Budget,
Finance, and Investment Committee has been charged with the annual review of the Debt Policy, which it most recently reaffirmed in October 2011; and

WHEREAS, the University Debt Policy states that the debt ratio will not exceed 6%; the current debt ratio is 5.05%; and on December 1, 2007 the Board of Trustees adopted the following statement: “That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017”; and

WHEREAS, the University’s Strategic Action Plan and Capital Project Priorities Plan call for addressing facilities needs for which the administration anticipates that some debt will be required;

NOW, THEREFORE, BE IT RESOLVED, that the language in the University Debt Policy reducing the debt ratio to 5% by 2017, cited above, is hereby rescinded and the debt ratio limit in the Policy will remain 6%.

BE IT FURTHER RESOLVED, that the Board hereby reaffirms the Policy, as amended, appearing as Appendix D to this document.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE – December 19, 2012)

14) Resolution Approving Revisions to the University of Vermont Statement of Investment Policies and Objectives

WHEREAS, in February 2011 the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Budget, Finance and Investment Committee was charged with the periodic review of the Statement of Investment Policies and Objectives; and

WHEREAS, on December 19, 2012, the Investment Subcommittee reviewed revisions to the Statement of Investment Policies and Objectives, as appended, to reflect changes to the indices used in the Target Benchmark, and the Investment Subcommittee is now recommending adoption of the Statement of Investment Policies and Objectives, as revised;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the Statement of Investment Policies and Objectives appearing as Appendix E to this document.

15) Resolution Approving Amendments to the Investment Subcommittee Charge

RESOLVED, that Board hereby approves amendments to the Investment Subcommittee charge appearing as Appendix F to this document.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

CONFLICT OF INTEREST POLICY

Policy Statement

University Trustees work in service to the institution and the public trust and are obligated to fulfill their responsibilities in a manner consistent with this charge. All decisions of the Board and its members individually must be made in good faith, with diligence and care, in a manner reasonably believed to be in the best interests of the University, and with due regard for the University’s reputation. It is therefore the policy of the University and this Board that Trustees have an affirmative duty to identify, disclose and manage conflicts in conformance with this Policy and the law.

Definitions

Conflict of interest. A conflict arises when there is a direct or indirect potential, apparent or actual divergence between a Trustee’s private interests and his or her fiduciary duties as a University Trustee. Conflicts may affect non-financial as well as financial Trustee interests. The Trustee may be personally involved in a proposed transaction, have an employment, fiduciary or investment relationship with an entity with which the University is dealing, or have a family relationship with a person or entity with which the University is engaged.

For purposes of this Policy, a conflict of interest arises where the relevant material facts affect a Trustee, a member of his/her immediate family, or an affiliate, as herein defined. In the case of conflicts involving a member of the immediate family or an affiliate of a Trustee, the Trustee is obligated to make disclosure when he or she knows or reasonably should know of a conflict.

An apparent conflict exists when a reasonable person would conclude from the circumstances that a Trustee’s ability to discharge his or her duties as a Trustee, as summarized in the Policy Statement above, are compromised by personal interest.

A member of the immediate family of a Trustee includes a spouse or civil union partner, child, parent, sibling, or such relations by marriage or civil union partnership (wherever residing), person claimed as a dependent for federal income tax purposes partnership (wherever residing), and any relative residing in the same household as the Trustee. There may be other family members as to whom disclosure should also be made to avoid the appearance of a conflict, and doubts should be resolved in favor of disclosure.
An affiliate includes a business, association, corporation, or other legal entity in which a Trustee or a member of his/her immediate family is a director, trustee, officer, partner, joint venturer, principal, employee, owner, and/or holder of five percent (5%) or more of voting stock or a controlling interest. In addition, an affiliate is an entity from which the Trustee or a member of his/her immediate family otherwise annually receives or has the right to receive $10,000 or more compensation, income, or other financial consideration or value.

A “substantial interest” means an interest in “business” “with which the Trustee is associated” in the manner and to the extent described in this paragraph. A “business” is any of the following organized for profit: a. Association; b. Business trust; c. Corporation; d. Enterprise; e. Joint venture; f. Organization; g. Partnership; h. Proprietorship; i. Vested trust; j. Every other business interest, including ownership or use of land for income. A business “with which the Trustee is associated” means a business in which the Trustee or any member of the Trustee’s immediate family: a. Is an employee; b. Holds a position as a director, officer, partner, proprietor, or member or manager of a limited liability company, irrespective of the amount of compensation received or the amount of interest owned; c. Owns a legal, equitable, or beneficial interest of five percent (5%) or more of the business, other than as a trustee on a deed of trust.

Policy Elaboration

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest. In general, Trustees may not use their positions or confidential information to which they become privy as Trustees for the gain of themselves or others. Below are examples of situations presenting potential, actual or apparent conflicts.

1. **Commercial transactions.** The University will consider engaging in commercial transactions, such as contracts for goods or services, with a Trustee or any business entity in which a Trustee has a substantial interest only if the proposed transaction has undergone the customary conflict of interest disclosure and University procurement processes and, after review, the Board Audit Committee determines that the transaction is in the best interests of the University, following which the Board must take action on the Audit Committee’s recommendations. Examples of when such a contract might be in the best interest of the University include, but are not limited to, when it has financially advantageous terms, when the goods or services to be provided are demonstrated to be unique, or when the contract is a continuation of a contract that was in effect before the person with the substantial interest became affiliated with the University. Commercial transactions between a Trustee and the University are not per se barred under this Policy. In such situations, however, due to the actuality or appearance of a conflict, it is essential that, as to such proposed transactions, there is strict adherence to disclosure and recusal protocols. Such transactions will be permissible if (a) the transaction is at fair market value; (b) the University considers alternative competitive proposals; and (c) the
University determines that the transaction is fair and reasonable to, and clearly in the best interests of, the institution, despite an actual or apparent conflict.

2. **Confidential, Proprietary or Privileged Information**. Except as required by law, no Trustee shall, without proper Board or institutional authorization, give or release University information or data (“Information”) of a confidential, proprietary or privileged nature, or use such Information to gain personal advantage or avoid personal detriment, insofar as such Information is not in the public domain. This rule applies to Trustees during and after their University service relative to Information acquired in the course of their Trusteeship.

3. **Business Opportunities**. No Trustee shall divert from the University for private gain of self or others a business opportunity in which the University would foreseeably engage in furtherance of its mission, unless the University has been offered, and through an authorized official declined, a right of first refusal.

4. **Trustee Employment at UVM**. Except under extenuating circumstances as determined by a two-thirds (2/3) majority of the Board, no Trustee may enter into compensated employment with the University while the individual is a Trustee and for a period of one year after leaving the Board. This prohibition does not apply to student trustees who wish to engage in part-time University employment during their trusteeship, subject to the conflict of interest disclosure rules otherwise state in this Policy.

5. **Employment or Retention of Immediate Family Members or Affiliates**. No Trustee may be directly or indirectly involved in the hiring, supervision, performance evaluation, compensation or retention of personal or business services by the University of an immediate family member or an affiliate.

56. **Remuneration, Honoraria, Gifts, and other Consideration**

   a. **From External Parties**. No Trustee shall solicit or accept from any person, organization, corporation, or other legal entity (or representatives thereof) seeking to do, or doing, business with, or otherwise gain benefit from, the University, any remuneration, gift, gratuity, services, loans, travel, entertainment or other consideration of more than nominal value in exchange for a promise, or reasonable inference, that the Trustee’s influence with the University has been exchanged for such consideration. This prohibition applies without limitation to vendors, contractors, sponsors, donors, and job or admissions applicants.

   b. **From the University**. It shall not be considered a conflict of interest for a Trustee to accept from the University (1) gifts or other items of value in consideration of his/her service or retirement from University service; (2) customary *honoraria*; (3) reasonable reimbursement for travel, food, or lodging for expenses incurred in connection with
University Trusteeship pursuant to applicable University policy and procedures; or (4) complimentary tickets for a Trustee and his/her guest at University functions or events when the presence of the Trustee is deemed to serve the best interests of the University

c. **From External Parties or the University.** No Trustee shall solicit or accept any fee or honorarium offered in return for a speech or appearance or article made or written in the individual’s official capacity as a Trustee. Reasonable and necessary expenses reimbursed to the Trustee for participation in such an event are permissible subject to the filing of a conflicts disclosure form. Any such appearance shall be subject to the provisions of the Statement of Trustee Responsibilities, and in particular the requirement that a Trustee recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board and that, when a Trustee engages in communications with University personnel, students, the citizenry, and the media on an individual basis, the Trustee shall be guided by the duty of loyalty as set forth in the Statement of Trustee Responsibilities.

67. **Employment of University Personnel.** A Trustee wishing to employ or retain a University officer of administration for private consulting or other non-University purposes must first obtain from the General Counsel an opinion as to whether such engagement does, or may, give rise to a conflict of interest. If the General Counsel concludes that a conflict does, or may, arise, the Trustee shall disclose the proposed employment or consulting arrangement to the Board Chair. The Board Chair will either authorize or decline to authorize the proposal, conferring with the Executive Committee in his/her discretion. If the proposal is authorized, the Chair shall communicate the authorization in writing to the Trustee, with a copy to the General Counsel. The Trustee’s Conflict of Interest Disclosure Form shall then be amended to reflect the affiliation. In the case of proposed employment of other University personnel, the Trustee should consider whether such employment might reasonably result in a conflict of interest and, if so, he/she should thus amend the Conflict of Interest Disclosure Form.

78. **Testimony.** A Trustee who testifies in person or through recorded or written communication before any public body or public official, whether judicial, legislative or administrative, shall make it initially and clearly known on the record when s/he is speaking on the matter as a University representative. Trustees shall obtain authorization to speak on behalf of the University by means of customary governance protocols.

89. **Political or Appointive Office.** The constituency of each Trustee is the University, regardless of the source of appointment. Trustees whose service on the Board is incidental to elective or appointive office shall engage in such service with due regard for the fiduciary duties of a Trustee, and in a manner consistent with this Policy.


Summary of Protocol

Upon commencement of Board service, Trustees file Conflicts Disclosure Forms, amending them no less than once annually and otherwise as circumstances dictate.

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Once having disclosed the conflict, the Trustee may him/herself decide to decline to participate in discussion of, and any vote upon, the matter as to which a conflict exists. In such instances, the meeting record shall reflect his/her self-recusal and abstention.

If the Trustee does not her/himself decline to participate in discussion of the matter as to which a conflict exists, the Committee (or Board) Chair shall, prior to consideration of the matter, and in open session, identify the conflict. In the event that a Board Chair or Committee Chair conflict is in issue, the Vice Chair shall identify the conflict. The Trustee as to whom a conflict is identified may participate in open session discussion of the matter if a majority of the members of the Committee or the Board authorize such participation by majority vote; if such authorization is given, the Trustee shall nonetheless abstain from voting on the matter. The Trustee shall be excused from any portion of an Executive Session devoted to the matter as to which a conflict arises.

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In advance of any meeting at which a conflict may foreseeably arise, the Trustee must disclose the conflict and all relevant material facts to the Committee (or Board) Chair. If the Trustee with
such conflict is the Committee or Board Chair, the conflict shall be disclosed to the Vice Chair, who shall instead preside for the agenda item as to which the matter arises.

Relevant material facts may include the benefits that could inure to the Trustee; the extent to which, if any, the Trustee is participating in a competitive process to enter into a transaction or business affiliation with the University; whether the Trustee is privy, in his or her capacity as a Trustee, to proprietary or other non-public University information that could be advantageous to the Trustee in relation to other parties interested in a proposed transaction; and/or if the University would be likely to enter into the proposed transaction or relationship in the absence of the Trustee’s University affiliation.

A Trustee may elect, following such disclosure, to self-recuse from participation in discussion of the matter as to which disclosure is made. Alternatively, if a Trustee submits a disclosed conflict for consideration by a Committee or the Board, when the item arises on the agenda the Chair shall, for the record, identify to the Committee or the Board the conflict and the material facts relating thereto. (If the Trustee with such conflict is the Committee or Board Chair, the conflict shall be identified by the Vice Chair, who shall preside for the agenda item as to which the matter arises.)

The Trustee shall request authorization from the Committee or the Board to participate in any discussion of the agenda item that takes place in open session, and shall be recused from any portion of an Executive Session devoted to the matter as to which a conflict arises. If the Committee or Board by majority vote authorizes the Trustee’s participation in such public discussion, the Trustee shall nonetheless abstain from voting on any such item.

In all instances, the determination as to whether to permit the Trustee to participate in discussion of the agenda item as to which a conflict arises shall be made following full disclosure by the Trustee of the nature of the conflict, and on the basis of whether, in the considered judgment of the Committee or the Board, the University’s interests will be best served by participation of the Trustee notwithstanding the conflict.

**Role of the University General Counsel**

Prior to each Committee and Board meeting, the General Counsel shall review the agenda in relation to Trustee Disclosure Forms to determine whether a conflict may, or will, arise. If a conflict is identified, the General Counsel shall contact the Trustee and the Committee (or Board) Chair regarding the relevant agenda item. The Trustee and the Chair shall otherwise proceed as described in the first section of this Protocol (“Disclosure Obligation”).

Upon request of the Trustee and/or the Committee or Board Chair, the General Counsel shall provide an opinion as to whether a conflict of interest arises as to such Trustee. All such opinions shall be subject to applicable privileges under law.
Approval of a Conflict of Interest Transaction

If a conflict is identified for the first time subsequent to any action by the Board in which a conflicted Trustee participated, such action shall be voidable by the Board in accordance with the Vermont Nonprofit Corporation Act and otherwise applicable procedures relating to Board meetings and action.

Notwithstanding the preceding paragraph, a conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if the transaction (a) was fair at the time it was entered into or (b) is approved in advance by vote of the Board or a Committee if (i) the material facts of the transaction and the Trustee’s interest are disclosed or known to the Board or Committee; and (ii) Trustees approving the transaction in good faith reasonably believe that the transaction is fair to the University. Any approval must receive an affirmative vote of a majority of the Trustees on the Board, and any Trustee who recuses from participation in discussion of, and/or voting upon, a matter before the Committee or Board shall not be counted toward a quorum.

In cases in which the Board or a Committee considers approval of a conflict of interest transaction, its review of the material facts and its resulting decision shall be documented in the meeting minutes.

Post-Transaction Challenge Procedure

Complaints of non-compliance with this Policy shall be filed promptly and in writing with the Chair of the Board, with copies to the Secretary and Assistant Secretary of the Board. Disposition of such complaints shall be handled in the same manner as proposed or approved transactions under this Policy and, as to a non-compliant Trustee, under relevant provisions of the University Charter, Bylaws and Vermont Nonprofit Corporation Act.

Governing Law

This Policy incorporates by reference any obligations imposed upon the University, the Board, and/or a Trustee by federal or State law.

Adopted by the Board of Trustees: February 12, 2005
Amended by the Board of Trustees: February 4, 2012
Amended by the Board of Trustees: November 8, 2012
Amended by the Board of Trustees:
Equal Employment Opportunity/Affirmative Action Policy Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The University will accordingly recruit and hire into all positions the most qualified persons in light of job-related requirements, and applicants and employees shall be treated in employment matters without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, other protected veteran or Armed Forces service medal veteran, as these terms are defined under applicable law, or any other factor or characteristic protected by law.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment or retaliation because they have engaged in or may engage in the following: filing a complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or participating in an investigation, compliance evaluation, or any other activity related to the administration of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of federal, state or local law; opposing any act or practice made unlawful by VEVRAA, requiring equal employment opportunities for individuals with disabilities, disabled veterans, recently separated veterans, other
protected veterans, or Armed Forces service medal veterans; or exercising any rights under VEVRAA or the Rehabilitation Act.

**Sources:** Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

**Note:** This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state and local non-discrimination laws. It shall be applied coextensively with such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non-discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.

**Contacts**

Questions regarding this policy statement or compliance with its provisions may be directed to:

Chief Diversity Officer and
Special Assistant to the President for Multicultural Initiatives
University of Vermont
346 Waterman Building
Burlington, VT 05405
(802) 656-8426

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.

The President is the University official responsible for the interpretation and administration of this policy.

**Related Documents/Policies**

Equal Opportunity in Educational Programs and Activities Policy Statement
Effective Date

Approved by:

______________________  President  ________________________
E. Thomas Sullivan  ________________________  Date

______________________  Chair Board of Trustees  ________________________
Robert F. Cioffi  ________________________  Date
Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities, and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state and local non discrimination laws. It shall be applied co-extensively with such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.
Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Dean of Students
University of Vermont
41-43 South Prospect Street
Burlington, VT 05405
(802) 656-3380

or to:

Chief Diversity Officer and
Special Assistant to the President for Multicultural Initiatives
University of Vermont
346 Waterman Building
Burlington, VT 05405
(802) 656-8426

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.

The President is the University official responsible for the interpretation and administration of this policy.

Related Documents/Policies

Equal Employment Opportunity/Affirmative Action Policy Statement
http://www.uvm.edu/~uvmppg/ppg/general_html/affirm.pdf
Harassment – Students
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf
Procedures for Investigating and Resolving Discrimination Complaints
Sexual Harassment Policy – Students
http://www.uvm.edu/~uvmppg/ppg/student/sexharasstudent.pdf
### Effective Date

Approved by:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Date</th>
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<tbody>
<tr>
<td>E. Thomas Sullivan</td>
<td>President</td>
<td></td>
</tr>
<tr>
<td>Robert F. Cioffi</td>
<td>Chair Board of Trustees</td>
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</tr>
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University of Vermont
Debt Policy
As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, February 2013

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Portfolio Management of Debt................................. 7
The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.
INTRODUCTION AND OBJECTIVES

<table>
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<tr>
<th>Purpose</th>
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<tr>
<td>1. Articulate UVM’s philosophy regarding debt.</td>
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<tr>
<td>2. Establish objectives for debt policy.</td>
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<tr>
<td>3. Provide for regular review and potential update of policy to reflect evolving needs.</td>
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Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution’s policy objectives, with an overarching objective of managing the balance sheet. The objectives of the policy are to:

(i) Maintain the University’s access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;

(ii) Manage the University’s credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.

(iii) Limit risk of the University’s debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management’s continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and

(iv) Permit the optimization of the investment of the University’s working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM’s debt capacity and financial management to both internal and external parties.
**OVERSIGHT**

**Purpose**

1. Provide mechanism for oversight and review on periodic basis.
2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and Administration and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

**POLICY RATIOS**

**Purpose**

1. Identify core ratios.
2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

**Ratio 1 – Debt Burden Ratio**

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

\[
\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 6\% \quad *.
\]
The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management recognizes that a growing expense base would make this ratio appear more attractive. The limit for this ratio is not to be greater than 6.0%. If more than 6.0% of the University’s annual budget were committed to debt service expense, flexibility to devote resources to fund other objectives could be diminished. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

“As adopted by the Board of Trustees, December 1, 2007:
“...That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017.”

Ratio 2 - Viability Ratio (also called Expendable Financial Assets to Debt)
This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net assets compared to aggregate debt. The ratio measures the medium to long-term health of the University’s balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the viability ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a viability ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of 1.0x to ensure that sufficient balance sheet strength is maintained at all times.

\[
\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT AGGREGATE DEBT}}{\text{AGGREGATE DEBT}} > 0.8x
\]

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 0.8x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 0.8x.

Annually, based on the results of the audited financial statements, the Vice President for Finance and Administration will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.
**Ratios as a Credit Factor**

The University has established its ratios and associated ratio limits based on internally-established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process.

The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s assessment of self-determined debt capacity and affordability, which is subject to ongoing review.

<table>
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<tr>
<th>TYPES OF FINANCINGS</th>
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<tr>
<td><strong>Purpose</strong></td>
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<tr>
<td>1. Review of all potential funding sources for projects.</td>
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<tr>
<td>2. Maximize tax-exempt University-issued debt.</td>
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<tr>
<td>3. Commercial Paper program.</td>
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<tr>
<td>a. Provide bridge funding.</td>
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<tr>
<td>b. Provide continual access to capital.</td>
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<tr>
<td>c. Issuance on a taxable or tax-exempt basis.</td>
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<tr>
<td>4. Manage derivative products, including swaps.</td>
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<tr>
<td>5. Consider other financing sources.</td>
</tr>
<tr>
<td>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</td>
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The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source.

**Tax-Exempt Debt**

The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.

**Taxable Debt**

While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance.
Commercial Paper

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

Derivative Products

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University’s interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University’s financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures. Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

Other Financing Sources

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University’s credit while the University’s limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the University’s credit and also often can be more expensive than traditional University debt structures.

Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the
likely impact on the University’s debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.

<table>
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<tr>
<th>PORTFOLIO MANAGEMENT OF DEBT</th>
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<tr>
<td><strong>Purpose</strong></td>
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</table>
| 1. Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.  
2. Manage variable rate exposure of the debt portfolio.  
   a. Limit variable rate exposure.  
   b. Manage the overall liquidity requirements associated with outstanding debt.  
   c. Target overall variable rate debt exposure.  
3. Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis. |
| The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University’s cash and investments.  

**Variable Rate Debt**  
It is recognized that a degree of exposure to variable interest rates within the University’s debt portfolio may be desirable in order to:  

(i) take advantage of repayment/restructuring flexibility;  
(ii) benefit from historically lower average interest costs; and  
(iii) diversify the debt portfolio; and,  
(iv) provide a hedge to short-term working capital balances  

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University’s variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University’s outstanding debt. This limit is based on the University’s desire to (i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University’s variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

<table>
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<tr>
<th>VARIABLE RATE AND LIQUIDITY EXPOSURE</th>
<th>&lt;35%</th>
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<tr>
<td>TOTAL LONG-TERM DEBT OUTSTANDING</td>
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</table>

The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University’s desired long-term variable rate allocation calculation. The numerator, Variable Rate and Liquidity Exposure, is
defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University’s liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.
Glossary

**Annual Debt Service** – refers to the principal and interest due on long-term debt in a fiscal year.

**Bridge Financing** – refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

**Capital Project** – refers to physical facilities or equipment or software that may be capitalized.

**Commercial Paper** – an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

**Derivative Products** – generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

**GAAP** – refers to Generally Accepted Accounting Principles.

**GASB 34/35** – Government Accounting Standards Board Statement Nos. 34 and 35. These statements dramatically changed the reporting format for the University effective Fiscal 2002 by consolidating fund balances into net assets and consolidating university-wide activity instead of distinct fund groups. The Statements also require a statement of cash flows and a change in representation of state appropriation and investment income.

**Leverage** – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and investment staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or investment staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within specified risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and consultants;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University’s policy of fiscal prudence shall not preclude the consideration of moral, ethical and social criteria in determining companies in which to invest.

The University may take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accordance with moral, ethical and social criteria. Investment managers may be asked to address various company or sector weights within their respective portfolios to help the University meet its social investing goals.

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objectives of the Fund are to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy that is also consistent with preserving and hopefully enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return\(^1\) (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended

\(^1\) Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external consultants, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

**Overall Fund**

There are a number of different benchmarks for assessing performance at the overall Fund level:

**Undiversified Benchmark** – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment
in U.S. index funds. This simple weighted market benchmark should reflect the broad policy allocation between equities and fixed income of the Fund.

**Target Benchmark** – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

**Current Allocation Benchmark** – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

**Cambridge Associates’ Universe of Endowment Pool Returns** – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions with similar characteristics.

**Asset Classes & Managers**

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

**Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below.** For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Index Used in Target Benchmark</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>Non-U.S. Equities</td>
<td>MSCI All-Country World Index ex-US (ACWI)</td>
<td>Portfolios are expected to focus on the world’s developed and developing equity markets, excluding the U.S.</td>
</tr>
<tr>
<td>Marketable</td>
<td>ML 90-day Treasury bills + 5%Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td>Alternatives</td>
<td>S&amp;P 500 + 5.3%</td>
<td>This asset class includes non-publicly traded securities. Market values and</td>
</tr>
</tbody>
</table>

\[2\] Indices used in Target Benchmark are effective as of November 28, 2012.
return information are lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.

<table>
<thead>
<tr>
<th>Private Equity</th>
<th>S&amp;P 500 + 5.3%</th>
<th>This asset class includes non-publicly traded securities such as buyout funds, secondaries, and distressed debt. Market values and return information is lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate (private)</td>
<td>CPI-U + 5% NCREIF Property Index</td>
<td>Investments will be predominately in private real estate funds invested in various segments of the real estate market, including: office, industrial, multi-family, and retail.</td>
</tr>
<tr>
<td>Natural Resources and Timber (private)</td>
<td>CPI-U + 5%</td>
<td>Investments will be in private oil and gas transactions and in timberland, possibly including related logging operations.</td>
</tr>
<tr>
<td>TIPSs and Commodities, and Natural Resource Equities</td>
<td>CPI-U + 5% Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one-third each: Barclays US TIPS; DJ UBS Commodities Index; BlackRock Custom Energy Equity Benchmark, Based on Actual Weights</td>
<td>Holdings consist of U.S.-issued TIPSs and diversified commodities futures positions, and energy related equity securities</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>Barclays Capital Aggregate Bond Index</td>
<td>Holdings consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>ML 90-day Treasury-Bill index</td>
<td></td>
</tr>
</tbody>
</table>

Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in
effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at cost and at market value, and purchases and sales for the quarter. Traditional marketable managers may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

*Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.*

*Approved as revised by the Board of Trustees:*
APPENDIX A

ASSET ALLOCATION POLICY TARGETS

*Revised, as of January 2012*

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>22.5</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>22.5</td>
<td>15-45</td>
</tr>
<tr>
<td>Developed Markets</td>
<td>10.5</td>
<td>10-25</td>
</tr>
<tr>
<td>Emerging Markets</td>
<td>12.0</td>
<td>5-20</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>22.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>14.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>11.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td><strong>92.0</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>8.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td><strong>8.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Appendix A Targets revised by Investment Subcommittee: January 6, 2012*
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

INVESTMENT SUBCOMMITTEE

Resolution Approving Creation of Investment Subcommittee and Appointment of its Initial Members

RESOLVED, that the Board of Trustees hereby establishes an Investment Subcommittee of the Committee on Budget, Finance, and Investment and charges it with the oversight of investment management decisions as set forth in the charge hereinstated between regular meetings of the full Committee and such other duties as may be delegated by the Committee.

BE IT FURTHER RESOLVED, that the initial members of this Subcommittee will be Robert Cioffi, chair; John Snow; Ian Boyce; Susan Hudson-Wilson, and Thomas Little.

Subcommittee Charge

The Subcommittee shall have responsibility for oversight, hiring, and termination of managers and advisors engaged for the investment of the University’s Long-term Investment Pool, and shall report on these actions at regular meetings of the Budget, Finance, and Investment Committee (“the Committee”). The Subcommittee shall also exercise the responsibilities assigned to it with respect to investment of the Wilbur Fund under an Investment Management Agreement in effect between the University of Vermont and State Agricultural College Board and the University of Vermont Board (“UVM Board”) ("Investment Management Agreement") under which Wilbur Fund assets are co-invested with those of the University. In addition, the Subcommittee shall exercise the responsibilities assigned to it under an Investment Management Agreement in effect between the University and The University of Vermont Foundation under which Foundation assets are co-invested with the assets of the University.

The Subcommittee shall also be responsible for making adjustments to individual investment allocations to conform to the University’s asset allocation policy as recommended by the Committee and approved by the Board. The Subcommittee shall also review the asset allocation policy and make recommendations to the Committee for its consideration at least once annually.

For as long as the Investment Management Agreement remains in effect between the University of Vermont and State Agricultural College Board and the University of
Vermont Board, at least one member of the University of Vermont Board of Trustees ("UVM Board") shall be appointed to this Subcommittee; (also thus also serving as a member of the Budget, Investment, and Finance Committee), who shall among other responsibilities as a member of the Subcommittee act on behalf of, and report to, the UVM Board with respect to the investment of the Wilbur Fund.

The Subcommittee shall, between meetings of the Committee, make decisions relating to investment managers and investments that are necessary in the best interests of the University. Any such decisions shall be reported to the Committee and at its next regular or special meeting.

The Subcommittee shall oversee the work of the University Treasurer with respect to execution of investment decisions and cash management policies in regards to the Limited-Term Investment Pool.

The Subcommittee will exercise its charge— in a manner consistent with University governance, including the Board’s reserved rights and delegations of authority.

As approved by the Board of Trustees: November 11, 2006.
As revised by the Board of Trustees: December 1, 2007.
As revised by the Board of Trustees:
Grant and Contract Awards
October 1, 2012 – December 31, 2012
February 8, 2013

Board of Trustees
Committee of the Whole

Prepared By
Ruth Farrell, Associate Vice President for Research Administration
HIGHLIGHTS OF SPONSORED PROJECTS
AWARDED 10/01/12 to 12/31/12

During this three-month period, grants and contracts totaling $26,719,933 were awarded to UVM. Awards being reported in this period include:

- New funding from the Alex C. Walker Foundation for a project that investigates green taxes and payment for use of common assets -- two approaches that can help the market work more efficiently and account for environmental degradation, resource depletion, and inequality.

- Continued funding from NIH’s National Institute of Mental Health that examines the effectiveness of cognitive behavioral therapy vs. light therapy for preventing Seasonal Affective Disorder (SAD) recurrence.

- New funding from the Vermont Agency of Transportation for a study of work zones and travel speeds, specifically the effects of uniform traffic officers and other speed management measures on driver compliance with reduced work zone speed limits.

- New funding from the Department of Health and Human Services, Administration for Children and Families, for the VT-FUTRES (Fostering Understanding To Realize Educational Stability & Success) project. The project targets the existing unmet needs for achieving educational stability for middle and high school aged youth in Vermont’s foster care system.

- A new grant from the Leducq Foundation to form a transatlantic research network that aims to drive and boost investigation and training in the pathogenesis of small vessel disease (SVD) of the brain. The project builds on recent advances, including the identification of genes involved in two forms of non-hypertensive adult-onset SVD.

- New funding from the Extension Sustainable Agriculture Center (Natural Resources Conservation Service/Department of Agriculture) to demonstrate techniques used by grass-based farming innovators to improve soil and water quality, renew marginally productive lands, increase forage production, support wildlife, and encourage transition to environmentally beneficial methods of livestock production.

- A new grant from the New England Interstate Water Pollution Control Commission to develop, design, and deploy an Object-Based Image Analysis (OBIA) system capable of extracting images of impervious surfaces for the entirety of the Lake Champlain Basin using a consistent and repeatable methodology to yield accurate data.
<table>
<thead>
<tr>
<th>COLLEGE</th>
<th>DEPARTMENT</th>
<th>PRINCIPAL INVESTIGATOR</th>
<th>SPONSOR</th>
<th>PROJECT TITLE</th>
<th>START DATE</th>
<th>END DATE</th>
<th>DIRECT</th>
<th>INDIRECT</th>
<th>AWARD TOTAL</th>
<th>PURPOSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>School of Business Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10/1/2012</td>
<td>6/30/2013</td>
<td>$20,000</td>
<td>Instruction</td>
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<tr>
<td>College of Agriculture and Life Sciences</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CALS</td>
<td>Center for Rural Studies</td>
<td>Kotodinsky, Jane M.</td>
<td>U.S. Fish &amp; Wildlife Service/Department of the Interior</td>
<td>Economic Analysis of Lake Champlain Fisheries</td>
<td>8/1/2012</td>
<td>12/31/2013</td>
<td>$44,924</td>
<td>$2,246</td>
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<td>Community Development and</td>
<td>Farley, Joshua C</td>
<td>Walker (Alex C.) Foundation</td>
<td>Green Tax and Common Assets Project</td>
<td>9/1/2012</td>
<td>5/31/2013</td>
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<td>Hazeldig, Ann L</td>
<td>Cornell University</td>
<td>Northeast Plant Diagnostic Network</td>
<td>7/15/2012</td>
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<td>$16,875</td>
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<td>Hazeldig, Ann L</td>
<td>National Institute of Food and Agriculture/Department of Agriculture</td>
<td>Vermont Pesticide Safety Education Program</td>
<td>9/1/2012</td>
<td>8/31/2013</td>
<td>$7,862</td>
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<td>Plant &amp; Soil Science</td>
<td>Mendez, V. Ernesto</td>
<td>Vermont Community Foundation</td>
<td>Vermont Agricultural Resilience in a Changing Climate</td>
<td>11/13/2012</td>
<td>11/12/2013</td>
<td>$13,636</td>
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<td>CALS</td>
<td>Plant &amp; Soil Science</td>
<td>Mendez, V. Ernesto</td>
<td>High Meadows Fund</td>
<td>On-Farm Best Management Practices and Service-Provider Professional Development</td>
<td>1/1/2013</td>
<td>12/31/2014</td>
<td>$34,500</td>
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<td>CALS</td>
<td>Plant &amp; Soil Science</td>
<td>Skinner, Margaret</td>
<td>Pennsylvania State University</td>
<td>Developing an IPM Program for Western Bean Cutworm, a New Corn and Dry Bean Pest in the NE Region</td>
<td>8/15/2012</td>
<td>8/14/2014</td>
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<td>CALS</td>
<td>Plant Biology</td>
<td>Preston, Jill C</td>
<td>Craighead (John E and Christina C) Foundation</td>
<td>Determining the Genetic Basis of Sympetaly in Petunia and Other Astérids</td>
<td>10/1/2012</td>
<td>9/30/2015</td>
<td>$137,913</td>
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<td>CAS</td>
<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>Vermont Department of Fish &amp; Wildlife ANR</td>
<td>General Contract for the Vermont Department of Fish and Wildlife Archaeological Resources Assessments, Vermont</td>
<td>6/1/2012</td>
<td>1/24/2013</td>
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<td>CAS</td>
<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>Resource Systems Group</td>
<td>Archaeological Resources Assessment for the Proposed Pearl Street/Prospect Street / Colchester Avenue Intersection Scoping Study, Burlington, Chittenden County, Vermont</td>
<td>5/24/2012</td>
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<td>Crock, John G</td>
<td>Resource Systems Group</td>
<td>Historic Properties Review and Documentation for the proposed Pearl Street/Prospect Street/Colchester Avenue Intersection Scoping Study, Burlington, Chittenden County, Vermont</td>
<td>5/24/2012</td>
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<td>AWARD TOTAL</td>
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<tr>
<td>CAS</td>
<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>Vermont Department of Fish &amp; Wildlife ANR</td>
<td>Phase I Site Identification for the Proposed John Guimette Boat Access, South Hero, Grand Isle County, Vermont</td>
<td>6/28/2012</td>
<td>6/28/2013</td>
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<td>Crock, John G</td>
<td>Vermont Department of Forests Parks and Recreation</td>
<td>Phase I Site Identification Survey for the Proposed Burton Island State Park Contact Station Project, St. Albans, Franklin County, Vermont</td>
<td>8/28/2012</td>
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<td>CAS</td>
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<td>AllEarth Renewables, Inc.</td>
<td>Archaeological Phase I Survey for the AllEarth Renewables Solar Project, Rutland, Rutland County, Vermont</td>
<td>8/31/2012</td>
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<td>$2,832</td>
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<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>AllEarth Renewables, Inc.</td>
<td>Phase I Site Identification Survey of the Proposed Laraway Farm Solar Array Project, Johnson, Lamoille County, Vermont</td>
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<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>Allburg Golf Links</td>
<td>Archaeological Phase I Survey for the Allburg Golf Links Project, Allburg, Grand Isle County, Vermont</td>
<td>9/24/2012</td>
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<td>$1,992</td>
<td>$687</td>
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<td>CAS</td>
<td>Consulting Archaeology Program</td>
<td>Crock, John G</td>
<td>Green Mountain Electric Supply</td>
<td>Site Marker Emplacement at Sites VT-CH-902, VT-CH-904, and VT-CH-905 for the Proposed Green Mountain Electric Commercial Building Construction Project, Colchester, Chittenden County, Vermont</td>
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<td>Vermont AHS Department of Disabilities, Aging and Independent Living</td>
<td>Rural and Agricultural VocRehab Program</td>
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<td>Using Grass-Based Livestock Farms to Demonstrate Regenerative Agriculture</td>
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<td>Academic Support Programs</td>
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<td>Carlaccini, Paula M</td>
<td>Sandia National Laboratories, New Mexico</td>
<td>Grid Tied Photovoltaic System Long Term Exposure (SLTE) Period 2: Phase II</td>
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<td>Department of Transportation</td>
<td>Rapid Exploitation of Commercial Remotely Sensed Imagery for Disaster Response and Recovery</td>
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**Rubenstein School of Environment and Natural Resources**

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<th>Rubenstein School Dean's Office</th>
<th>Erickson, Jon D</th>
<th>Forest Service/Department of Agriculture</th>
<th>Joint Research Positions between the USDA Forest Service, Northern Research Station and the University of Vermont, Rubenstein School of Environment and Natural Resources</th>
<th>5/25/2011</th>
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<td>Forest Service/Department of Agriculture</td>
<td>Joint Research Positions between the USDA Forest Service, Northern Research Station and the University of Vermont, Rubenstein School of Environment and Natural Resources</td>
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<td>4/29/2016</td>
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<td>National Park Service/Department of the Interior</td>
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<td>Great Lakes Fishery Commission</td>
<td>Attraction of Spawning Lake Trout to Conspecifics and Reef Odor</td>
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<td>Diel and Spatial Movement Patterns of Downstream Migrating Sea Lamprey Transformers</td>
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<td>O'Neil Dunne, Jarlath P</td>
<td>University of Maryland</td>
<td>High Resolution Carbon Monitoring and Modeling: A CMS Phase 2 Study</td>
<td>7/25/2012</td>
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<td>Mapping Impervious Surfaces in the Lake Champlain Basin</td>
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Total 407 | $20,714,633 | $6,005,300 | $26,719,933
### Dashboard Indicators: January 9, 2013

#### Inputs - Student Quality Indicators

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<td>1.</td>
<td>First-time First Year Acceptance Rate</td>
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<td>76.4%</td>
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<td>65.0%</td>
<td>69.5%</td>
<td>64.8%</td>
<td>70.9%</td>
<td>70.6%</td>
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<td>77.6%</td>
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<td>2.</td>
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<td>3.</td>
<td>Percentage of FTFY Students Ranked in top 25%</td>
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<td>56.1%</td>
<td>57.1%</td>
<td>55.1%</td>
<td>51.4%</td>
<td>60.6%</td>
<td>72.0%</td>
<td>65.9%</td>
<td>68.8%</td>
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<td>70.8%</td>
<td><strong>75.0%</strong></td>
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<tr>
<td>5.</td>
<td>GRE Data: Graduate Students Entering UVM</td>
<td>Value/Headcount</td>
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<td>1154 / 536</td>
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<td>1137 / 612</td>
<td>1142 / 640</td>
<td>1137 / 708</td>
<td>1125 / 830</td>
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<td>1130 / 1070</td>
<td>1146 / 1083</td>
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**Recent Graduates Survey (collected annually)**

**National Survey of Student Engagement (collected every third year, last collected Spring 2011)**

#### Outcomes - Students' Perceptions of Quality of UVM Experience, Institutional Quality

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<tr>
<td>6.</td>
<td>First Year Retention Rate</td>
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<td>83.6%</td>
<td>84.1%</td>
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<td>84.2%</td>
<td>85.6%</td>
<td>85.5%</td>
<td>85.2%</td>
<td>86.0%</td>
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<td>7.</td>
<td>Four Year Graduation Rate</td>
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<td>56.6%</td>
<td>60.7%</td>
<td>57.2%</td>
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<td>Total Doctorate Degrees Awarded</td>
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<td>61</td>
<td>57</td>
<td>84</td>
<td>80</td>
<td>105</td>
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<td>93</td>
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<td>9.</td>
<td>UVM Graduates Enrolled in Graduate Schools*</td>
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<td>16.8%</td>
<td>19.0%</td>
<td>21.5%</td>
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<td>10.</td>
<td>UVM Graduates Employed Full Time*</td>
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<td>87.1%</td>
<td>85.7%</td>
<td>86.7%</td>
<td>86.0%</td>
<td>86.9%</td>
<td>81.2%</td>
<td>80.3%</td>
<td>76.3%</td>
<td>81.9%</td>
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<tr>
<td>11.</td>
<td>Percentage of Seniors who Worked on a Research Project**</td>
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<td>27%</td>
<td>28%</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
<td>28%</td>
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<tr>
<td>12.</td>
<td>Percentage of Seniors who participated in an Internship, Practicum, or Field Experience**</td>
<td>OIR</td>
<td>78%</td>
<td>70%</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
<td>66%</td>
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<td>66%</td>
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<tr>
<td>13.</td>
<td>Percentage of Seniors Who Plan To Do or Have Done Community Service or Volunteer Work **</td>
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<td>71%</td>
<td>78%</td>
<td>77%</td>
<td>77%</td>
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<td>77%</td>
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<td>14.</td>
<td>Percentage of Seniors Who Participated in Study Abroad**</td>
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<td>19%</td>
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<td>15.</td>
<td>Undergraduate Satisfaction with Advising Percentage Rating Good or Excellent*</td>
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<td>39.4%</td>
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<td>Undergraduate Satisfaction with the Quality of Faculty Percentage Rating Good or Excellent*</td>
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<td>73.7%</td>
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<td>81.8%</td>
<td>77.8%</td>
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<td>77.9%</td>
<td><strong>85.0%</strong></td>
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<td>17.</td>
<td>Overall Satisfaction with UVM Experience*</td>
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<td>92.5%</td>
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<td>91.9%</td>
<td><strong>95.0%</strong></td>
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<td>18.</td>
<td>Percentage of Seniors Rating Overall UVM Experience Excellent or Good**</td>
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<td>85%</td>
<td>87%</td>
<td>96.7%</td>
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<td>96.7%</td>
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<td>19.</td>
<td>Percentage of Graduates Saying Definitely Probably Would Attend UVM If They Had to Do It Over</td>
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<td>77.0%</td>
<td>78.1%</td>
<td>80.6%</td>
<td>79.3%</td>
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<td>78.5%</td>
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<td>59.0%</td>
<td>60.0%</td>
<td>62.7%</td>
<td>69.1%</td>
<td>71.3%</td>
<td>74.3%</td>
<td>75.5%</td>
<td>77.9%</td>
<td>70.3%</td>
<td>72.3%</td>
<td><strong>80.0%</strong></td>
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### Outcomes - Faculty Research Indicators

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<td>$121,840,000</td>
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<td>$115,420,000</td>
<td>$122,900,000</td>
<td>$127,024,000</td>
<td>$133,112,000</td>
<td>$129,405,000</td>
<td>$140,000,000</td>
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### Outcomes - Financial Performance Indicators

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>24.</td>
<td>Budget to Actual***</td>
<td>Value</td>
<td>1.095</td>
<td>1.085</td>
<td>1.082</td>
<td>1.104</td>
<td>1.103</td>
<td>1.018</td>
<td>0.985</td>
<td>1.040</td>
<td>1.016</td>
<td>1.023</td>
<td>1.000</td>
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<td>25.</td>
<td>Debt Burden Ratio</td>
<td>Value</td>
<td>2.64%</td>
<td>2.83%</td>
<td>2.94%</td>
<td>3.70%</td>
<td>4.03%</td>
<td>3.96%</td>
<td>4.39%</td>
<td>4.97%</td>
<td>5.22%</td>
<td>5.05%</td>
<td>5.0%</td>
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<tr>
<td>26.</td>
<td>Viability Ratio</td>
<td>Value</td>
<td>1.60</td>
<td>1.80</td>
<td>1.74</td>
<td>1.03</td>
<td>1.11</td>
<td>0.87</td>
<td>0.48</td>
<td>0.58</td>
<td>0.71</td>
<td>0.66</td>
<td>0.80</td>
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<td>27.</td>
<td>Moody's Credit Rating</td>
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<td>A+/A1</td>
<td>A+/A1</td>
<td>A1/P1</td>
<td>A+/A1</td>
<td>A1/P1</td>
<td>A1/P1</td>
<td>Aa3/P1</td>
<td>A+/A1</td>
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<td>28.</td>
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<td>A+/A1</td>
<td>A+/A1</td>
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<td>A+/A1</td>
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<td>A+/A1</td>
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<td>Available Late Fall 2013</td>
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<tr>
<td>29.</td>
<td>Total Production (new gifts, pledges, bequests)</td>
<td>Value</td>
<td>$38,043,782</td>
<td>$33,110,718</td>
<td>$29,310,720</td>
<td>$29,672,237</td>
<td>$40,586,395</td>
<td>$29,452,878</td>
<td>$17,260,116</td>
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<td>31.</td>
<td>Endowment Value</td>
<td>Value</td>
<td>$209,189,741</td>
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<td>$385,654,653</td>
<td>$305,768,575</td>
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<td>$454,000,000</td>
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</tr>
</tbody>
</table>

***Data through June 2011 (end of FY 2011)
Capital Project Progress Report  
February 8, 2013

Board of Trustees  
Educational Policy and Institutional Resources Committee

Prepared by  
Robert B. Vaughan  
Director of Capital Planning and Management

The Greening of Aiken

Engineer/Architect:  Maclay Architects  
General Contractor:  Pizzagalli Construction  
Est. Completion Date:  Summer 2013  
Size:  40,289 gross square feet  
Project Cost:  $13.0 million  
Project Description:  The project will address the deferred maintenance issues of the building including the renovation of heating and ventilating systems, installation of air conditioning, renovation of classrooms, offices and student spaces, improving the energy efficiency of the building envelope and constructing an addition to the existing footprint to house a solarium.  
Status:  Currently on schedule and on budget.

Project Update:  The replacement of the major exterior stairway on the north side of the building will be undertaken during the summer of 2013, completing all of the scope for this project.

Major Deferred Maintenance Projects

Project Cost:  Varies

While there are numerous smaller projects being undertaken from deferred maintenance funds in the Physical Plant budget, the following updates include some of the major work items:

- Waterman Building – work is currently underway for replacement of the main entrance plaza and sidewalks on the east side of the building, including upgrades to the storm water drainage and flashing repairs on the dormer windows. Additionally, the restoration of the main entrance doors has been recently completed, as well as the waterproofing on the entry stairs.
- Main Street Gateway Sign – the installation of a gateway sign on Main Street will begin in early spring to provide a formal halo-lighted entry sign to the University at Beaumont Ave. The construction will be completed in late June 2013.
- Sidewalks – the installation of new sidewalks will be undertaken on the east side of the University Heights oval to improve the pedestrian travel through the north/south corridor of the area.
Englesby Renovation

Engineer/Architect: Gale Associates & Black River Design (exterior),
Haynes & Garthwaite (interior)
General Contractor: Milbrook
Est. Completion Date: Fall 2013
Size: 9,000 gross square feet
Project Cost: $1,325,000
Project Description: The deferred maintenance on both the exterior and interior will be addressed. The exterior work will replace the roofing materials, repair and paint the wood trim, and rebuild and repoint the masonry. Interior work will include replacement of the boiler, several electrical and mechanical components such as replacement of an electrical cabinet, upgrading for GFI receptacles, and installation of exhaust air in bathrooms. Other interior scope includes the renovation work in the kitchen, three second floor bathrooms, painting, carpeting and the refurbishment of the entire third floor. The scope will also include the addition of a central air conditioning system.
Status: Currently on schedule and on budget.

Project Update: The one element that has been deferred until next summer is the accessible ramp to the house. The design and permitting activities are underway. The interior work has been completed.

Living and Learning Building “C”

Engineer/Architect: Dore and Whittier
General Contractor: TBD
Est. Completion Date: Fall 2013
Size: 24,564 gross square feet
Project Cost: $3.5 million
Project Description: The scope includes the complete renovation of the bathroom facilities in each suite, inclusive of the addition of structural steel support for the concrete plank floor system. In addition, the remaining original windows in the building that were not replaced in 2006 will be replaced. The balcony spaces will be incorporated into the interior space of the suites, requiring the replacement of carpeting and modification to the heating baseboard devices. The scope also includes work in the first floor Childcare area with changes to the wall partitions, lighting and flooring material to accommodate the capacity increases for the Childcare function, as well as the needed changes due to the steel installation associated with the bathroom renovations in the student rooms located in the upper floors of the building.
Status: Currently on schedule and on budget.

Project Update: The project is currently in design and will begin construction in May 2013. The Childcare function will be relocated temporarily to McAuley Hall for the duration of the construction.
**Stafford Research Lab**

Engineer/Architect: Dore and Whittier  
General Contractor: TBD  
Est. Completion Date: Fall 2013  
Size: 8,700 gross square feet  
Project Cost: $ 2.8 million  
Project Description: The existing non-laboratory space will be renovated into modern College of Medicine wet-lab research facilities. The space will be comprised of a large open lab, several smaller support spaces, a cold room, break room, tissue culture room and office spaces.  
Status: Currently on schedule and on budget.  

*Project Update:* The project has entered into the demolition phase and construction will commence in the spring with a completion scheduled for the fall.

**Given Atrium Dining Hall**

Engineer/Architect: TBD  
General Contractor: TBD  
Est. Completion Date: Fall 2013  
Size: 5,858 gross square feet  
Project Cost: $ 1.0 million  
Project Description: The objective of the project is to upgrade the servery in order to implement new dining concepts. The scope will include completion of any code requirements as a result of servery upgrade, installation of a new walk in freezer/refrigerator, refurbishment of dining seating area wall treatments and tile areas, redesign of the entrance and exit and installation of a new security gate or other recommended features such as trash, recycling, compost center, and installation of back of the house support equipment/retrofit as required.  
Status: Currently on schedule and on budget.  

*Project Update:* The project is currently in the design phase and construction will commence in May 2013 and be completed in the fall.

If you have any questions concerning the Capital Projects, please contact Robert B. Vaughan, Director of Capital Planning and Management, at 802-656-1304 or by e-mail at Robert.Vaughan@uvm.edu.

Note: With the completion of one capital project since the last report, the following capital project is no longer included: Mason/Simpson/Hamilton Residential Complex –Phase II.
Report of the Curricular Affairs Committee of the Faculty Senate
February 8, 2013

Board of Trustees
Educational Policy and Institutional Resources

Prepared By
Catherine Paris, Chair of the Curricular Affairs Committee

Reviews of Proposals to Initiate, Alter or Terminate an Academic Program:

Completed Reviews:

• **Approval of a new Doctorate of Nursing Practice degree program**
  NOTE: This is also an action item for this Board meeting.

The Curricular Affairs Committee reviewed a proposal for a new Doctor of Nursing Practice (DNP) degree submitted by the Department of Nursing, College of Nursing and Health Sciences, and enthusiastically recommend it for approval. The proposal has been developed over a period of two years by the Nursing faculty in consultation with the Graduate College and has the unanimous support of the Graduate College Executive Committee.

Argument for approval of the DNP proposal is compelling: the accrediting body for nursing, the Commission on Collegiate Nursing Education, has mandated that existing Master’s of Nursing Practice (MNP) programs be transitioned to doctoral programs (DNP) by 2015. It is critical that UVM’s graduate nursing programs be prepared in a timely matter to meet the new professional standard.

Rationale for the Program: There is a national need for highly trained advanced-practice nurses prepared to provide leadership in health care. The DNP, a practice doctorate (as opposed to a research doctorate, which has different objectives), will prepare nurses for advanced nursing practice as either primary care providers or executive nurse leaders trained to provide administrative leadership in complex organizational structures. DNP programs incorporate the advanced practice registered nurse (APRN) content currently included in master’s programs. The DNP provides leadership for evidence-based practice. This requires competence in translating research into practice, evaluating evidence, applying research in decision-making, and implementing viable clinical innovations to change practice. Considerable emphasis is placed on a population perspective, how to obtain assessment data on populations or cohorts, how to use data to make programmatic decisions, and program evaluation. DNP graduates seek practice leadership roles in a variety of settings—management of quality initiatives, executives in
healthcare organizations, directors of clinical programs, and faculty positions responsible for clinical program delivery and clinical teaching would be appropriate.

Nationally, enrollments in doctoral nursing programs have increased significantly, yet there are many more qualified applicants to such programs than there is capacity to accommodate them. Currently there are no DNP programs in any of the northern New England states. According to Dr. Valerie McCarthy, Director of Nursing at Norwich University, UVM’s plan to develop a Doctor of Nursing Practice “will contribute substantially to alleviate the current vacuum of such advanced educational opportunities in Vermont.”

Demand for UVM’s graduate nursing program is great. The Department of Nursing anticipates that the new DNP program will enroll 18 highly qualified students each year, drawing applicants from several sources including registered nurses and non-nurses.

Mission and vision fit: the mission of the University of Vermont is to “prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and enduring commitment to learning and ethical conduct as well as to create, evaluate, share and apply knowledge.” The Department of Nursing, committed to developing leaders who are accountable and dedicated to providing and improving health care through ethical conduct, will advance the University’s mission by establishing the DNP as the terminal degree for advanced nursing practice. Establishment of the DNP program will also advance the University’s vision “to be among the nation’s premier small research universities, preeminent in our comprehensive commitment to liberal education, environment, health, and public service.”

Description of the curriculum: The graduate curriculum for all DNP students includes a core of 15 courses (46 credits) that addresses the theoretical basis for advanced nursing practice, e.g., Health Care Policy and Politics and Organizational and Clinical Ethics. Subsequently, students select one of three specialty areas: Adult/Gerontology Nurse Practitioner, Family Nurse Practitioner, or Advanced Practice Psychiatric-Mental Health Nurse. Additional courses in the specialty area (30-35 credits) include both didactic and practicum credits. DNP students will also engage in 1,000 hours of clinical practice, supervised by community clinicians, adjunct faculty, as well as full- and part-time faculty in the Department of Nursing. After successful completion of the program of study, nurse practitioner graduates take an exam for advanced practice certification. A student entering the DNP program with a bachelor’s degree could complete the program in six academic semesters and the two intervening summers.

The Nursing faculty intends to use a heavy on-line component in presenting and delivering the DNP program. Discussion has begun with Continuing Education to identify courses and individuals who could be considered to supplement the current faculty in areas of distinct specialty.

Resources to support students: currently the Department of Nursing has one Graduate Teaching/Research Assistantship. Additional financial support is
available through Graduate Tuition Scholarships ($5,000) to support out-of-state students and up to $10,000 for out-of-state DEPN students who have more degree requirements. The Department will request 20 such scholarships. Federal Traineeships have been secured for full-time graduate students; these will be used to provide partial support for some students. Although the federal government has offered nurse traineeships at variable levels throughout the history of UVM’s graduate program, the long-term prospects for federal funding are uncertain.

Resources required or requested to launch the program: The request will be made in FY ’13 to recruit a tenure-track faculty member to replace a position that was temporarily surrendered as the Department of Nursing restructured its curricula and faculty. This is a replacement cost and is estimated at $78,000 plus fringe.

Program assessment: The DNP program will be reviewed and approved by the Vermont State Board of Nursing as well as accredited by the Commission on Collegiate Nursing Programs. It will also be reviewed internally through the University’s academic program review process and the Department of Nursing Graduate Education Committee on a semester-by-semester basis.

Program efficiencies: The review subcommittee was impressed by the coordinated nature of the proposed DNP program and the newly revised M.S. – Clinical Nurse Leadership program. Both programs draw upon a common core of courses, which promotes efficient use of faculty time and other resources.

Additional information regarding the proposal approved by the Curricular Affairs Committee can be obtained by contacting the Trustee Coordinator.

- **Approval of a new Master of Science - Clinical Nurse Leader degree program**
  NOTE: This is also an action item for this Board meeting

We have reviewed a proposal for a revised Master’s program in Nursing, Master of Science degree in Clinical Nurse Leadership (MS-CNL) degree, submitted by the Department of Nursing, College of Nursing and Health Sciences, and enthusiastically recommend it for your approval. This proposal substantially changes an existing Nursing master’s program to a master's program for the Clinical Nurse Leader.

Rationale for the Program: The rationale for substantial change to the existing Nursing master’s program is persuasive: with the mandated transition of the current master’s-level practice degree to a doctoral-level practice degree (see accompanying DNP report), there is a need for another program to train nurses who wish to pursue a master’s degree. The Clinical Nurse Leader (CNL) is a new nursing role developed by the American Association of Colleges of Nursing (AACN) in collaboration with leaders from the education and practice arenas. This advanced generalist role for nurses was designed to improve the quality of patient care and to better prepare nurses to thrive in the health care system. The CNL role emerged following research and discussion with stakeholder groups as a way to engage highly skilled clinicians in outcomes-based practice and quality improvement.
In practice, the CNL oversees the care coordination of a distinct group of patients and actively provides direct patient care in complex situations. This master’s degree-prepared clinician puts evidence-based practice into action to ensure that patients benefit from the latest innovations in care delivery. The CNL evaluates patient outcomes, assesses cohort risk, and has the decision-making authority to change care plans when necessary. The CNL is a leader in the health care delivery system, and the implementation of this role will vary across settings. This clinician functions as part of an interdisciplinary team by communicating, planning, and implementing care directly with other health care professionals, including physicians, pharmacists, social workers, clinical nurse specialists and nurse practitioners. In addition to direct patient care, CNLs may also serve as clinical instructors and faculty in community colleges. The CNL would make an important contribution given the nationwide shortage of nursing faculty at all levels of higher education.

The MS-CNL program also provides the foundation for doctoral study and continued professional development. Nurses who complete this course of study will be eligible for national certification as a Clinical Nurse Leader.

Evidence of need for the program: Though the role is new in the nursing profession, demand already exists for professionals trained as CNL. For example, the Veterans Administration has recognized the value of the CNL role and has as its goal a CNL in every unit by 2016. This mandate was discussed with Laura Miraldi, the Chief Nursing Officer of the Veterans Hospital in White River Junction, Vermont. She stated that the federal government asked her for a plan to implement the CNL role. She was uncertain where she would be able to recruit such nurses given that so far no training programs exist in the area and was pleased to learn that UVM’s Department of Nursing is proposing to establish such a program.

The Department of Nursing anticipates that the MS-CNL program will enroll six to eight highly qualified students each year.

Description of the curriculum: The MS-CNL curriculum includes a set of 16 courses (41 credits), twelve of which are also taken by students in the Doctor of Nursing Practice program. In addition, MS-CNL students engage in 480 hours of clinical practice, supervised by community clinicians, adjunct faculty, as well as full- and part-time faculty in the Department of Nursing. The curriculum can be completed in four academic semesters and the intervening summer.

The Nursing faculty intends to use a heavy on-line component in presenting and delivering the MS-CNL program. Discussion has begun with Continuing Education to identify courses and individuals who could be considered to supplement the current faculty in areas of distinct specialty.

The MS-CNL program will replace the current MS in Nursing curriculum and will not impact on other academic units, curricula, research, or service endeavors currently being offered.
Resources to support students: Currently the Department of Nursing has one Graduate Teaching/Research Assistantship. Federal Traineeships have been secured for full-time graduate students; these will be used to provide partial support for some students. Although the federal government has offered nurse traineeships at variable levels throughout the history of UVM’s graduate program, the long-term prospects for federal funding are uncertain. The Veterans Administration may support MS-CNL students because it has need of a cadre of nurses with this preparation.

Additional information regarding the proposal approved by the Curricular Affairs Committee can be obtained by contacting the Trustee Coordinator.

- **Approval of a proposal to terminate the Canadian Studies major**
  
  NOTE: This is also an action item for this Board meeting

In October 2012, Professor David Massell, Director of the Canadian Studies Program, proposed to the College of Arts and Sciences (CAS) Curriculum Committee that the Canadian Studies major be terminated. The rationale for the termination is that the number of students, faculty, and course offerings in the program has dwindled through the years since its heyday in the late 1970s. Further, there is evidence that some of the nominal Canadian Studies student majors through time have in fact had no intention of completing a degree in Canadian Studies, but rather have claimed that major in order to secure a tuition discount through the New England Board of Higher Education’s Regional Student Program. The RSP provides in-state tuition to out-of-state students pursuing a major not offered at their own home state colleges and universities.

It is appropriate to note that the Canadian Studies Program faculty request the termination with regret. They remind us that, as Canada is our nearest neighbor and most important trade partner and the motherland of many Vermonter’s forebears, it is fitting that UVM should offer a vibrant Canadian Studies major. However, with resources insufficient to the offering of a quality program, they have decided to eliminate it. A minor in Canadian Studies will continue to be available.

Additional information regarding the proposal approved by the Curricular Affairs Committee can be obtained by contacting the Trustee Coordinator.

**Other Academic Actions**

*Completed Actions:*

The CAC recently:

- Approved a proposal to change the name of the Certificate of Graduate Study in Sustainable Transportation Systems and Mobility to the Certificate of Graduate Study in Sustainable Transportation Systems and Planning.
- Approved a proposal to change the name of the Women’s and Gender Studies Program to the Gender, Sexuality, and Women’s Studies Program.
- Collaborated with the Provost’s Office and the Graduate College to revise UVM’s Course Action Form and the Course Change Process document.
• Clarified the definition of a credit hour as it applies to courses that are delivered online.

The CAC is:

• Receiving regular updates on the development of UVM’s General Education program.
• Collaborating with the Provost’s Office to implement the revised Academic Program Review process.
• Re-evaluating the University’s Commencement “Walk” policy.
• In collaboration with the Graduate College, the Provost’s Office, and the Senate Executive Council, drafting policy on the process for approval and review of Academic Centers and Institutes.
• The Diversity Curriculum Review Committee (DCRC), a subcommittee of Curricular Affairs, is participating in the development of a new General Education Diversity Outcome.

Under Consideration:

• A proposal from the College of Nursing and Health Sciences to establish within the Medical Laboratory Science major a new concentration in Biomedical Laboratory Science.
• A proposal from the College of Nursing and Health Sciences to transition the RN-BS program in Nursing from an interactive TV to an online delivery mode.
## Wilbur Trust Investment Pool Review

**February 9, 2013**

**Board of Trustees**  
**University of Vermont Board**  

**Prepared By**  
Patty Dubie, Sr. Staff Accountant

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**Beginning Balance July 1, 2012**

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<th>Investment Pool</th>
<th>Balance</th>
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<td>Long Term Investment Pool</td>
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<tr>
<td>Separate Investment Pool</td>
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<td><strong>Total Balance at July 1, 2012</strong></td>
<td><strong>$18,713,461</strong></td>
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**Ending Balance November 30, 2012**

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<th>Investment Pool</th>
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<td>Long Term Investment Pool</td>
<td>$18,716,361</td>
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<tr>
<td>Separate Investment Pool*</td>
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<tr>
<td><strong>Total Balance at November 30, 2012</strong></td>
<td><strong>$18,964,822</strong></td>
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*Separate Investment Pool Detail*

- **Och Ziff**\(^1\)  
  - $92,674  
- **CF Private Equity Partners III**  
  - $34,878  
- **CF Venture Partners IV**  
  - $26,202  
- **CF Intl Private Equity Partners III**  
  - $94,709  
| **Total Separate Investment Pool** | **$248,462** |

\(^1\) Special (side pocket) investments.  
To be distributed as liquidated by manager.  
Not transferable to UVM account since in Fund II.