The Committee of the Whole of the University of Vermont and State Agricultural College Board of Trustees was held on Friday, February 6, 2009 at 8:00 a.m., in the Silver Maple Ballroom, Room 401 at the Dudley H. Davis Center.

MEMBERS PRESENT: Chair Ian Boyce, Vice Chair Frank Cioffi, Secretary Bill Botzow, Edwin Amidon, Claire Ayer, Samuel Bain, James Betts, Harry Chen, Robert Cioffi, Jeffrey Davis, Jason DePatie, Johannah Donovan, Daniel Fogel, Martha Heath, John Hilton, Jr., Susan Hudson-Wilson, James Leddy, Debbie McAneny, Beth Rice, Bill Ruprecht, John Snow, Jeanette White and Robert Young

MEMBERS ABSENT: James Douglas and Donna Sweaney

ALSO PARTICIPATING: Senior Vice President and Provost John M. Hughes, Faculty Senate President Robyn Warhol-Down, Staff Council President Beth Walsh, Alumni Council President Meg Guzewicz, Student Government Association President Jay Taylor, Graduate Student Senate President Clint Jasperson, Associate Vice President for Budget and Resource Management Ted Winfield, Interim Vice President for Finance and Administration Richard Cate, Director for Capital Planning and Management Bob Vaughan and Interim Internal Auditor Erica Heffner

Chair Ian Boyce called the meeting to order at 8:10 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of December 5, 2008 meetings as presented.

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

President’s Report (see full report appended to minutes)

In addition to appended report, President Fogel also recognized retiring Trustees Edwin Amidon, Martha Heath, James Leddy, Beth Rice and Robert Young for their excellent work and dedication to the Board and University.

Governance Leaders Reports

Faculty Senate President Robyn Warhol-Down reported that much anxiety and dismay has been expressed by faculty in response to the current budget cutting process. President Warhol-Down suggested that the administration consider cutting costs for non-revenue activities rather than eliminating faculty positions. She also stated that faculty was upset by the invitation to Ben Stein to speak at the May 2009 commencement and receive an Honorary degree. While faculty remains anxious over the approach to budget cutting, President Warhol-Down concluded her
remarks by expressing support for Dan Fogel’s presidency on behalf of the Executive Council of the Senate.

Staff Council President Beth Walsh addressed the high demand for a small-loan program maintained by Staff Council for personal staff emergencies. President Walsh also announced Staff Council’s disapproval of proposed staff layoffs as part of the balancing of the budget. She concluded by stating staff members are experiencing much anxiety and fear and feel their voices are not properly heard in major University decisions.

Alumni Council President Meg Guzewicz stated that the Council is reviewing its bylaws and overall structure in an effort to increase effectiveness of Alumni representation and to assist in achieving the goals of the University’s mission and vision. The Alumni Council is focusing on five specific areas including admissions, athletics, career services, communications, and diversity and equity. Five new committees have been created for each area of focus. President Guzewicz concluded her report by thanking the Development Office Alumni Relations team, led by Alan Ryea, for their support in these efforts.

Student Government Association (SGA) President Jay Taylor began his last address to the Board by stating that the Student Trustee selection process is well underway and the final decision will be announced Monday, February 9. He encouraged the Board to approve the meal plan resolution that will appear before them at the May meeting. President Taylor announced the SGA is hosting a Burlington mayoral debate on February 17 at the Davis Center and encouraged all to attend. He concluded by asking the Board to continue to protect the University’s integrity as it addresses financial challenges and considers major University restructuring. Trustee Susan Hudson-Wilson commended President Taylor for the quality of the summary, in his pre-distributed report, of the challenges the University faces.

Graduate Student Senate (GSS) President’s Clint Jasperson called the Board’s attention to the impact of the economic recession on graduate students. President Jasperson urged the Board to maintain awareness of graduate students’ role in the University’s values.

Chair Boyce asked President Jasperson and President Taylor about the status of the Graduate Student Senate’s consideration to seek formal recognition as a governance body. They replied that they will be reorganizing the structure of their organizations and that the GSS is no longer looking to have individual recognition.

Audit Committee Status Update Regarding Management Response to Deloitte Report

Chair Boyce asked Audit Committee Chair Edwin Amidon to provide an update regarding the management response to the Deloitte report. Chair Amidon stated that issues related to procurement have been corrected with both manual and PeopleSoft controls and all controls are expected to be addressed by PeopleSoft by this summer. Issues involving reporting and approval of budget overspending, which were addressed in December by instituting manual controls, will be addressed by PeopleSoft controls by this spring. Interim Vice President for Finance and Administration Richard Cate added that creating a culture of awareness is just as important as instituting controls. He is working on more efficiently organizing the means of bringing contracts
to the Executive Committee for approval. He added that, in the FY 2010 budget, there will be budget restructuring in units that have not been traditionally balanced.

Trustee Debbie McAneny agreed PeopleSoft is a tool and not a source of accountability, i.e., that people have to be accountable. She added that the culture of accountability must be instilled campus-wide, and stated that Interim Vice President Cate has aided in progress toward this goal.

Committee Chair Amidon acknowledged the extraordinary efforts of University staff in initiating the updated system of controls.

Chair Boyce asked about a periodic review timetable. Interim Vice President Cate responded that an external review of compliance of Deloitte recommendations will take place in July 2009 and an internal controls review would likely occur in January 2010.

Trustee Jim Leddy expressed his confidence in the Interim Vice President and thanked him for his accomplishments as a newcomer during these challenging times.

**Action Items**

Chair Boyce stated the external audit firm appointment resolution would be deferred to later in this meeting. He invited Audit Chair Edwin Amidon to introduce the resolution unanimously approved by the Audit Committee establishing a direct reporting line of the Chief Internal Auditor to the Audit Committee. He noted that, if the Board approves this resolution, the Audit Committee is ready to initiate a national search to recruit a chief internal auditor. Trustee Bill Ruprecht reiterated his opinion that the University faces increased risk if the chief internal auditor position remains internal. Trustee John Snow noted that the resolution does not preclude hiring an external auditor to review work of the internal auditor.

Trustee James Betts commented that there needs to be transparency when reviewing internal audit and compliance functions, and urged that both functions directly report to the Board.

The following resolution was presented for approval:

**Resolution Establishing Reporting Line for the Chief Internal Auditor**

RESOLVED, that the Board hereby directs that, pursuant to the recommendation of its Audit Committee, the chief internal auditor shall henceforth report directly to, and be supervised by, the Board Audit Committee; and

BE IT FURTHER RESOLVED, that pursuant to this direction, the Audit Committee shall have full authority with respect to the appointment, performance evaluation, and employment termination of the chief internal auditor; and

BE IT FURTHER RESOLVED, that the Audit Committee is, within the exercise of its sound discretion, authorized to assign to the President, by written delegation, specific
administrative responsibilities relevant to the routine operations of the office of the chief internal auditor; and

BE IT FURTHER RESOLVED, that the Audit Committee and the chief internal auditor are hereby authorized and directed promptly to revise the Audit Committee Charter and Guidelines, and the internal audit office Charter, respectively, in a manner consistent with the directions of this resolution; and

BE IT FINALLY RESOLVED, that the Audit Committee shall report to the full Board on the status of actions taken in response to this resolution no later than the May 2009 meeting of the Board.

A motion was made, seconded and voted to approve the resolution. Trustee Ruprecht abstained from the vote.

The Committee next reviewed the following resolution:

Resolution Adopting Revisions to Delegation and Retention of Board Authority

RESOLVED, that the Board hereby adopts the revisions to its Resolution Regarding Delegation and Retention of Board Authority as recommended by the Committee on Board Governance and appearing as Attachment A to this resolution.

There being no discussion, a motion was made, seconded and unanimously voted to approve the resolution (see Attachment A appended to this document).

Acceptance of Gifts and Grants Reports

Chair Boyce explained that gifts and grants previously went to the Budget, Finance and Investment Committee for approval but that, from this meeting forward, the related reports will be accepted through the Committee of the Whole. A motion was made, seconded and unanimously voted to accept the reports.

Strategic Financial Plan Update

Chair Boyce invited Interim Vice President Cate to provide an update regarding the Strategic Financial Plan. Interim Vice President Cate stated the final plan will be presented to the Budget, Finance and Investment Committee in April and then presented to the Board for final approval in May. A significant revision will be the elimination of the option for debt-service for the next several years. Additionally, a plan will be incorporated addressing issues relating to compliance with GASB 45, which requires recognition of the projected liability of post-retirement benefits in the University’s financial statements. Further, he noted that debt ratios have less operational meaning in the current financial environment, and that the critical goal is to understand when and at what level positive fund balances can be created allowing the President and Board to make strategic investment choices. The updated plan will cover status in 2008 and will project conservative estimates for the next 10 years based on all known facts.
Chair Boyce thanked Interim Vice President Cate for his report.

**Strategic Capital Plan 4.0 – McAuley Hall Project**

Chair Boyce invited Provost John Hughes to present the Strategic Capital Plan 4.0 and explain the newly proposed McAuley Hall Project. Provost Hughes acknowledged Director for Capital Planning and Management Bob Vaughn and Associate Provost for Budget and Capital Planning Jane Knodell for their supporting efforts with this Plan. He referred to the revised Capital Project Prioritization document, distributed after the Board mailing to replace Attachment 11, and called attention to several differences of ranking since December. The first difference is that six projects proposed by the Campus Life Task Force II (CLTF II) are now included in the ranked list. The second difference is that the College of Education and Social Services (CESS) Capital Project/Major Renovation, ranked number 2, is now labeled the CESS Capital Project/New Construction. This project is proposed as a new project designed for the purpose of classrooms, and faculty and administrative offices, when debt funding becomes available.

Provost Hughes stated that the projects proposed by CLTF II are supportable, yet not highly ranked compared to academic projects. He said that their costs will ideally be supported by gifts and fees. He also noted that the most highly rated CLTF II project is the Center for Health and Wellbeing, and suggested that the Educational Policy and Institutional Resources Committee (EPIR) tour the existing facilities in May. He stated that he will work with Interim Vice President Cate to develop a scenario for financing debt through a student fee and to present this data at the May meeting.

Provost Hughes further explained that the recently proposed McAuley Hall project has been added to the Opportunistic/Immediate Needs Project category, explaining that McAuley Hall, originally a residence hall on Trinity Campus, was slated for a change-in-use renovation to allow the CESS to consolidate its faculty in a renovated academic and administrative building. He referred to attachment 12 in the Board materials, which outlines the change in that plan. In order to accommodate the proposed addition of 300 students, Provost Hughes said that the plan now proposes a $3-4 million renovation to return McAuley Hall to a residence hall to be ready by Fall 2009. He added that the project would also bring a dining facility to Trinity Campus. Finally, Provost Hughes stated that the project would be supported by loan payments from residual life to the general fund amortized over 10 years at 6% interest rate.

It was noted that Educational Policy and Institutional Resources Committee is scheduled to tour McAuley Hall this afternoon and will be asked to endorse Step 1 in the project approval process.

Trustee Robert Cioffi asked if the CESS Capital Project will require a new building. Provost Hughes replied affirmatively, and noted that the cost is estimated at $19 million.

Trustee Botzow asked whether the financial figures for the proposed dining hall were included in the projected McAuley Hall renovation cost. Interim Vice President Cate responded that these figures are not included and will require additional funds, an issue that will be explored after discussions occur with Sodexho designed to determine the most appropriate type of dining facility.
Trustee Botzow inquired how this project would affect the projected net of $5 million profit of adding 300 students. Interim Vice President Cate stated the $5 million figure is from net tuition and will not be affected by this project, which would be financed through fees.

Trustee Jim Leddy asked why the Center for Health & Wellbeing project is being viewed as a priority over several ranked academic projects. Provost Hughes responded that this project has been determined to be a priority but is on hold until funding from donors or fees is available. Trustee Leddy expressed concern about the impact of this project on resources available for academic purposes.

Trustee Leddy asked President Fogel how the proposed federal stimulus package could affect the University. President Fogel stated that it appears the maximum direct appropriation to the state would be $15 million, which would then be directed to Vermont State Colleges and the University. He explained that these funds would not be available for new construction or revenue generating facilities, including residential halls and athletic facilities. President Fogel also stated that an unranked list of projects has been developed in case the University receives stimulus money, including energy efficient renovations for Aiken.

President Fogel commended Interim Vice President Cate and his staff for their work on the McAuley Hall Project.

Discussion ensued regarding the current format of the Capital Project Prioritization document, which is organized in three titled sections with an additional unnamed section containing two projects that have been through Phase 1 and 2 approval. The ranked section includes projects that have been through the ranking system and are waiting available funding. The annual initiatives section would have been completed if the University’s debt program had not been suspended, but now are also suspended because they are subject to funds availability. Projects in the opportunistic/immediate needs section are also awaiting funding. Several Trustees expressed concern about the list having multiple sections and requested all listed projects be ranked. Interim Vice President Cate explained that, in order to consolidate all portions of the document into a ranked list, the criteria will need to be adjusted.

Chair Boyce invited Trustees Debbie McAneny and Susan Hudson-Wilson, Interim Vice President Cate, President Fogel and Provost Hughes to hold a meeting to revise the ranking list and criteria. Trustee Debbie McAneny indicated the process for changing criteria should be channeled through the Budget, Finance and Investment Committee.

**Other Business**

President Fogel announced that former Governor Howard Dean will deliver the Commencement address May 17, 2009 and will be presented an Honorary Degree at this event.

At 10:14 a.m., the Chair entertained a motion to move into Executive session to discuss contracts. Interim Vice President for Finance and Administration; Treasurer Richard Cate, Interim Internal Auditor Erica Heffner, General Counsel Francine Bazlue and Vice President
for Operations and Chief of Staff Gary Derr were asked to remain. A five minute break was offered.

At 11:36 a.m., Chair Boyce re-opened the meeting to the public. The following resolution was presented for approval.

**Audit Firm for Fiscal Year 2009 Audit**

RESOLVED, that the Board of Trustees authorizes the President and/or Provost to enter into a contract with KPMG Certified Public Accountants, to conduct the annual audit of the University and other related audits for and during the fiscal year ending June 30, 2009. The annual audit shall be conducted in compliance with the requirements of the University Bylaws and state and federal law.

The resolution was moved, seconded and approved by vote of 14 to 8. Trustees Johanna Donovan, James Douglas and Donna Sweaney were absent for this vote

**Adjournment**

There being no further business, the meeting was adjourned at 11:37 a.m.

Respectfully submitted,

Bill Botzow, Secretary
Good morning and welcome everyone. I will begin by repeating what I said to all of you at our meeting in December: This Board has been extremely busy since we last met. And so, too, has the entire UVM community. The budget challenges we faced at the end of 2008 have not disappeared. However they have not worsened. Our challenges demanded much from so many of you, and I applaud your efforts to submit budget plans to the administration that protect the core values, mission, and quality of the institution. Right from the start, I want to take just a moment to thank everyone here at our University for the patience, creativity, commitment, and plain hard work you have put into this special place.

But beyond the budget, I also want to thank you for the work you do here day in and day out to provide a top-shelf educational experience for our students. Times are a bit harsh and unpredictable right now, and as Chair it helps me sleep a bit better at night knowing how many truly extraordinary people we have here keeping the place going. So again, thank you for all you do.

I know that we will be hearing from Dan and others about the status of our budgetary situation, which as I mentioned earlier is still quite challenging. The administration has been working hard to see to it that impacts are strategic and do not negatively affect quality. From what I know about what is being projected and contemplated, I believe we have a very manageable situation at UVM. And that holds even more true when one examines what is happening at other institutions around the country – even at some with resources vastly greater than ours. No one in the higher education community is unaffected by the economic downturn, and it is my strong belief that we are in a stronger position than most to make good decisions and weather this storm in a sound state. More details will emerge today and in the weeks to come, and I am confident that we will manage this storm effectively and without diminishing our educational quality.

I also recognize the uncertainty and anxiety that is gripping the campus right now, and I hope it will begin to diminish at least somewhat as budget decisions become known in the weeks to come. As a Board, we hear the voices of our Deans who are concerned about over burdening their faculty and whose focus is on delivering their curricula. So to, do we hear the voices of our faculty and staff that have concern for their colleagues and the delivery of a high quality educational experience for our students. And of course we hear our students, our purpose for being, who have anxiety about change and what the future will bring. Together, we all want the same thing – student and faculty success and academic excellence. This outcome will not come without difficult choices, but I can assure you we have charged the administration to make these choices as carefully and thoughtfully as possible without disrupting our academic mission and I am confident they will be successful. I will say that I am concerned about the level of misinformation and unfounded rumors that have been circulating of late, and I urge everyone to try to be sure that their perspectives are informed by facts rather than hearsay.

As a Board our task is to set policy and ensure its proper implementation; it is not to substitute our judgment for management decisions. I firmly believe we have steered the appropriate course, and I have faith that this Board will continue to do so.
In addition to discussions of the financial picture, the Board will be taking up several other important topics. Included on that list is a revised Diversity Statement, Academic Freedom Policy, Capital Project Financial Feasibility Review, Major and Minor in Global Studies, and several audit-related items.

We have a full plate, so let me wind down my remarks with some positive thoughts:

- Our enrollment numbers look robust and healthy
- Our reputation around the country is strong and getting stronger
- We are recruiting superior students here who will be taught and supported by outstanding faculty and staff
- Our President continues to provide strong and effective leadership
- This Board is extraordinarily talented, committed, and engaged in safeguarding the success of this institution

As I have said before and I will repeat again – opportunities are born in times like this. Out-of-the-box thinking is a good thing, especially now. And we have a pair of interesting opportunities beginning to move forward as we speak.

The first, initiated by Governor Douglas, is a look at possible academic and administrative efficiencies that could accrue from a closer relationship between UVM and the Vermont State Colleges. The Governor has charged a small working task force to examine both systems and I along with the Chair of the Vermont State Colleges have been appointed to that task force. I will be supported in our efforts to evaluate possible efficiencies by components of UVM’s administration, specifically Karen Meyer’s office. Additionally, early next week I intend to charge a small advisory group of trustees whose role will be to evaluate and vet the issues related to potential greater integration.

The second initiative is the Working Group to Recommend Alternative Academic Structures and Policies that Dan has appointed, Chaired by Dr. Robert Taylor, Professor of Political Science and former Dean of the Honors College. Dan will provide additional comments relative to this initiative in his report. Although these processes are largely unrelated, they do have one thing in common: Open minds are required if we are to expect positive outcomes. In both cases, the exploration process is just beginning, and I simply wish to state my belief of how important it is to be able to generate new ideas and look at them through fresh eyes. And as a final thought, no decisions can be made until they’re fully vetted through the appropriate channels and through this board. More to come in the weeks ahead on both of these fronts.

I would also like to take a moment to acknowledge some special trustees. This evening and tomorrow we will say goodbye to 5 trustees who are retiring from service. Ed Amidon, Jim Leddy, Martha Heath, Beth Rice and Bob Young, words cannot express how grateful we are for your commitment and your service. You have given freely of your time, talents, resources and more, all in unselfish appreciation of this fine institution we know and love. Tonight we will honor you, but this morning I ask you to rise and be acknowledged by this group. Thank you for your service.
In closing, I will provide just one example of the sort of thing that continues to make us proud. The extraordinary series of events that took place on this campus during the Martin Luther King Week Celebration bears testament to the values, vitality, and mission of our University. The week began with the inauguration of our first African American President and was capped off by an address by Martin Luther King III in Patrick Gymnasium that included an infusion of heart-pumping gospel music that brought down the house. It was a source of pride and respect for our community. As one student wrote, “I never dreamed that I would come to UVM and sing ‘We Shall Overcome’ with the son of Martin Luther King, Jr.” Many people worked long and hard to pull this week of celebration together, but I want to give special thanks to Wanda Heading-Grant, Associate Provost for Multicultural Affairs and Academic Initiatives, for her leadership of this important initiative. Thank you, Wanda!

This ends my report. Let’s get to work.
Chairman Boyce, trustees, faculty, students, staff, alumni, and friends, good morning.

As we all know, the economic turbulence of these times is unparalleled in recent American and world history. The associated uncertainties give rise to great anxiety, and we at UVM are not immune from either the circumstances or our reactions to them. I nonetheless believe, with great intensity, that the University of Vermont is a strong and durable institution; that we are on a positive trajectory; and that, if we maintain our faith in and commitment to our shared values and goals, we will emerge from this troubling period an even more vibrant university.

I want to begin with a review of the budget situation. We had been projecting a $28 million budget gap we proposed to close on July 1 by drawing on approximately $8 million in reserves, generating $5 million in tuition revenue from an enrollment increase of 300 students, and reducing the general fund base budget by $15 million. As we have begun to study the recommendations deans and vice presidents have submitted for FY09 budget reductions—recommendations designed to bring spending and revenues more closely into balance—we are finding that the effects on personnel in filled positions and on key indicators of the quality of the academic experience for students and faculty are less dire than many of us had feared.

As to personnel, while there are routine non-reappointments of faculty every year—and that will remain the case—it appears there will be few if any purely financially driven lay-offs of faculty in the current budget plan. Instead, we now anticipate only the unfunding of vacant faculty positions—less than two dozen total vacant tenure-track, extension, and library faculty positions—and, even with those eliminations of vacant positions, average class sizes will increase only slightly, by about 5%.

The recommendations on staff positions also rely in part on the unfunding of vacant positions—again, less than two dozen in all; however, in the case of staff, there are also proposed layoffs that, if fully implemented, would eliminate as many as 60 positions. Let me be clear: even though the number of layoffs will in fact be fewer than projected, the impact of a job loss on the individuals affected cannot be minimized. We are deeply mindful of this human cost, and we have aggressive plans designed to transfer personnel into vacant positions within the University as well as to provide job search counseling and support.

We are still intensively examining the status of the budget and, consequently, all projections as to budget cuts are simply that—predictions based on still-evolving information. The recommendations that we have received from the deans and vice presidents have yet to be approved and the budget plan—which the Board must ultimately approve in May—is not yet final.

It is also the case that the budget process of the State of Vermont is far from complete. Because decisions about base general fund appropriations from the State may still be influenced by federal action and changing economic news, we plan to implement the budget reductions in two phases. In the first phase, we will reduce the general fund budget by $10 million of the $15
million target we set in December, when our State appropriation target for FY 2010 called for a cut far below our FY 2009 appropriation and when we had not yet seen the Governor’s recommendation of a 20% increase in funding for higher education. During this phase, the positions primarily affected will be the vacant faculty and staff positions that have been recommended for unfunding, but we will defer action on most of the layoff recommendations we have received. Once the status of the State’s recurring base appropriation to UVM is resolved, we will proceed—if necessary—with additional lay-offs. Although I recognize that the uncertainty caused by this phased approach has its own psychological cost, I have decided that this course is preferable to laying off individuals on the premise of a reduction in state appropriations that may be mitigated by any number of factors. We are, of course, very grateful to Governor Douglas for his recognition of the vital importance of higher education to the long-term well-being of Vermont, and we will actively support his efforts.

Turning now to the issue of key indicators of the quality of the academic experience for students and faculty, I know that apprehensions have been expressed about what will happen to class sizes next year. The deans have submitted to the Registrar class schedules for the fall semester premised on the budget actions they have recommended, and nearly 3000 sections—2,989 to be precise, as compared to 2,945 at the same time last year—have a stipulated maximum enrollment. The biggest increase in sections for fall 2009 is a 21% jump in sections of 11 students or less. Sections with 19 students or less also increase, by 2.7%. Sections with 19 or fewer students will increase by half a point as a percentage of all sections. At the same time, the number of large sections, with 100 or more students, grows by only 15 sections out of the nearly 3,000 sections on the planned roster of courses. These data demonstrate that we will, in fact, see more of the small sections valued so highly by UVM’s students and faculty and only a small increase in large classes (where of course excellent instruction also takes place). In short, these class size data show that we can reduce spending while maintaining the element of academic quality represented by a good balance of smaller and larger classes (please see Table 1).

Other key quality indicators also support my confidence in UVM. The year-to-date total of awards of grants and contracts through the Office of Sponsored Programs was up at the end of the first two quarters from $61.3 million in the first half of FY 08 (almost precisely half of last year’s total) to $73.3 million in the first half of FY 09—undoubtedly in part an issue of the timing of several large awards but still auguring very well for UVM’s at least holding its own in a very tough funding environment. We know that our continuing success in competitive grant-seeking is a significant index of the scientific and scholarly power of our faculty, that the quality of academic programs and the distinction of the faculty are among the top five motivators of college choice for undergraduates applying to UVM, and that linkage is borne out in our enrollment management data.

Vice President Lucier will comment on enrollment data when he reports to the Educational Programs and Institutional Resources Committee, so I will just say that my confidence in UVM’s ability to ride out the perfect economic and demographic storm is buoyed by a record number of applications (over 22,000), with climbing SAT scores (up 10 points on the critical reading and math scores among early admits and up 27 points in that cohort including the writing score—and up 9 points on critical reading and math and 11 points overall in the total applicant pool), and record numbers of ALANA applicants, up 22%. Meanwhile, the differential between spring and
fall enrollment, normally between 500 and 600 students, has tightened up to a little over 400, the number of Vermont undergraduates this spring is the highest in 16 years, and the number of non-resident undergraduates is the highest ever.

Six and a half years ago, we renewed discussions about launching an Honors College. The successful launch of the College has been one of the keystones of the invest-and-grow strategy; it has invigorated the intellectual culture of our students and has energized the growth in the quality of our increasingly diverse and multi-talented student body. That growth in turn has not only helped us to adjust UVM’s economy of scale to the unusual complexity of our small research university, but also has supported significant gains in faculty and staff salaries, in the number of jobs at UVM (nearly 400 faculty and staff positions have been added in the last half dozen years), and in programmatic richness.

I would point, for example, to faculty salary gains against the moving targets of rising salaries at other public doctoral universities as a signal feature of UVM’s rising competitive metabolism. Faculty salaries for continuing faculty are up by about 40% since 2001-2002—the first year of the first faculty salary contract, negotiated, approved, and implemented retroactively after my arrival. Salaries have increased by 40% for full professors, by 39.5% for associate professors, and by 42.6% for assistant professors (see Table 2). The total salary base for deans and other senior administrators has gone up by about the same percentage in the same period, 41.9% for all deans (including in the calculation not just continuing deans but new appointments in Continuing Education, Education, Engineering, Extension, Honors, and Medicine) and 41.2% for vice presidents (including all new hires and all new positions), with most continuing administrators having advanced between 21% and 23% over the course of seven years, about half the rate of salary increases for continuing faculty (see Table 3).

Although UVM has made many advances in recent years, to stand still in these times—where the pace of change is breathtaking—is to fall behind and court failure. To be truly competitive, we must examine how we organize and deliver our academic programs and how we can be more effective in producing academic excellence. I have, therefore, appointed a working group charged with doing just that in the interest of promoting enhanced faculty and student success. I look forward to receiving the recommendations of the working group and to engaging the University community in consideration of options. I also await with great interest the outcome of the Governor’s new initiative, under which a Task Force will review opportunities for enhanced integration of higher education in Vermont.

In closing, I say this: we cannot allow our fear of change—which will occur whether we respond passively or actively—to incapacitate or divide us at this critical time. We must have confidence in our strength, which we derive from each other as members of a community, and believe in our future. I ask you to join me in doing so.

Thank you.
Table 1

Comparison of Sections by Size Range, Jan. 2008 for Fall ‘08 (blue) to Jan. 2009 for Fall ‘09 (red)
Table 2

Salary Increases for Continuing Faculty by Rank:
University of Vermont vs. Public Doctoral Institutions, 2001-02 to 2007-08

<table>
<thead>
<tr>
<th>Increase From/To</th>
<th>UVM Salary Pool</th>
<th>University of Vermont</th>
<th>Public Doctoral</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Professor</td>
<td>Associate Professor</td>
<td>Assistant Professor</td>
</tr>
<tr>
<td>2001-02 to 2002-03*</td>
<td>5.00%</td>
<td>0.5%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2002-03 to 2003-04*</td>
<td>5.30%</td>
<td>11.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>2003-04 to 2004-05</td>
<td>5.70%</td>
<td>5.8%</td>
<td>5.1%</td>
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<td>2004-05 to 2005-06</td>
<td>4.50%</td>
<td>4.7%</td>
<td>4.7%</td>
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<td>2005-06 to 2006-07</td>
<td>6.00%</td>
<td>6.9%</td>
<td>6.2%</td>
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<tr>
<td>2006-07 to 2007-08</td>
<td>5.75%</td>
<td>6.0%</td>
<td>6.8%</td>
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<tr>
<td>Increases Compounded</td>
<td>36.9%</td>
<td>40.0%</td>
<td>39.5%</td>
</tr>
</tbody>
</table>

Notes:
The "UVM Salary Pool" column shows the yearly total full-time bargaining unit faculty salary pools and the compounded percent increase total.
The "University of Vermont and "Public Doctoral" columns show the yearly and six-year compounded total salary increases by year-to-year continuing faculty in the ranks of Professor, Associate Professor, and Assistant Professor at UVM and public doctoral participants in the AAUP annual survey of faculty compensation.

*Data as reported to AAUP. FY 2003 salary increases not reflected in 2002-03 data since contract was not settled until spring 2003. FY 2003 and FY 2004 salary increases are reflected in FY 2004 data.

Table 3

Top Administrators and the Salaries
FY 2003 vs. FY 2008

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<thead>
<tr>
<th>Increases From/To</th>
<th>Deans</th>
<th>Other Senior Administrators</th>
<th>Total Administrators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year 2003</td>
<td>$1,599,072</td>
<td>$3,101,012</td>
<td>$4,700,084</td>
</tr>
<tr>
<td>Fiscal Year 2008</td>
<td>$2,269,525</td>
<td>$4,379,028</td>
<td>$6,648,553</td>
</tr>
<tr>
<td>Percentage Increase</td>
<td>41.90%</td>
<td>41.20%</td>
<td>41.50%</td>
</tr>
</tbody>
</table>
Resolution regarding Delegation and Retention of Board Authority

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 subject to action that it will take in accordance with 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) establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

(4) appointment of University trustees to the boards of other corporate entities or public bodies in their capacity as University trustees;

(5) appointment and employment of the President, and appointment of other officers of 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;
creation or elimination of, and material changes in, academic programs and departments; establishment of, and appointments to, endowed professorships, with periodic reports from the administration to the Board of appointments made thereto; and approval of the faculty medical or other clinical practice plans;

award of academic and honorary degrees;

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

naming of buildings and academic programs and departments;

through its Investment Subcommittee of the Budget, Finance and Investment Committee (“Investment Subcommittee”), 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 dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

State capital appropriations requests, the institutional annual budget, State appropriation and capital requests, and the annual audited financial statement;

tuition, room and board rates, and student fees;

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;

authorization to make payments in lieu of taxes;

issuance of bonds and approval of institutional debt policy;

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;
Committee of the Whole meeting, December 5, 2008

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(17) approval of contracts for facilities construction negotiation and execution of contracts for facilities construction or renovation, and the purchase or sale of goods, equipment or services, and all other contracts whose value equals or exceeds $1,000,000, provided that the Board shall approve all contracts for consulting services whose value equals or exceeds $250,000, and shall also authorize, through its Investment Sub Committee, the selection and retention of all investment advisors regardless of contract cost;

(18) selection and retention of independent audit firms to conduct mandatory financial attestation and/or compliance audits, regardless of contract cost; contracts at a cost of $10,000 or more for non-audit consulting services with any independent audit firm conducting a mandatory attestation and/or compliance audit for UVM; and, otherwise, contracts with independent audit firms for consulting services whose value equals or exceeds $250,000;

(19) authorization to settlement of lawsuits whose value direct (i.e., uninsured) cost to the University equals or exceeds $500,000; and authorization to file and/or settle lawsuits in which the Board is a named party or a Board-approved policy is in dispute;

(20) all Board self-governance matters reserved to the Board in the University Bylaws, including without limitation the election, appointment and removal of Board officers, approval of Board Committee appointments, and election and appointment of Trustees by the UVM Board, 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 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, subject to the terms of (18) and (19) above respectively, retentions of consultants and independent audit firms for consulting services whose value equals or exceeds $100,000; and settlement of lawsuits whose value equals or exceeds $250,000; and

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