The Committee of the Whole of the University of Vermont and State Agricultural College Board of Trustees was held on Friday, October 23, 2009 at 8:00 a.m. and 1:45 p.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, Claire Ayer, Samuel Bain, James Betts, Carolyn Branagan, Christopher Bray, Harry Chen, Robert Cioffi, Jeffrey Davis, Jason DePatie, Johannah Donovan, Daniel Fogel, John Hilton, Jr., Susan Hudson-Wilson, David Potter, Adam Roof, Bill Ruprecht, John Snow, Donna Sweaney, Jeanette White and Mark Young

MEMBERS ABSENT: James Douglas and Debbie McAneny

ALSO PARTICIPATING: Interim Senior Vice President and Provost Jane Knodell, Faculty Member Bud Meyers, Staff Council President Beth Walsh, Alumni Council President Meg Guzewicz, Student Government Association President Bryce Jones, Graduate Student Senate President Melanie Brown, Vice President for Finance and Administration Richard Cate, Associate Vice President for Budget and Resource Management Ted Winfield, Director of Capital Planning and Management Robert Vaughan, Senior Advisor to the President John Evans, Vice President for Enrollment Management Chris Lucier, Vice President for Federal, State and Community Relations Karen Meyer, Vice President for Legal Affairs and General Counsel Francine Bazluke, and State Health Commissioner Dr. Wendy Davis

Chair Ian Boyce called the meeting to order at 8:09 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of May 15, 2009 meetings as presented.

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

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

In reference to the administration staffing study, Trustee Sam Bain asked if the approach was top-down as opposed to a bottom-up sector analysis. He also inquired whether there were any unusual under or overweighting of staff. President Fogel responded that the data set was from a regression analysis of information obtained from a federal database. He added that Faculty Senate also reviewed the analysis and submitted questions which were clarified. In regards to the amount of staffing and its distribution, the study revealed that the University is lean in administrative staffing. President Fogel assured this will not be a reason to increase these positions and that the administration is constantly monitoring the allocation of personnel resources in all categories.
Governance Leaders Reports

Chair Boyce congratulated Faculty Senate Member Bud Meyers for his recent appointment as Director of the James M. Jeffords Center and invited him to provide the Faculty Senate report on behalf of Faculty Senate President Jim Burgmeier. Associate Professor Meyers stated that the Faculty Senate is in the process of finalizing the academic calendars for 2010 and 2011. He also indicated that the Senate’s Financial and Physical Planning Committee is in the process of conducting a study to assess how the spring 2009 budget reconciliation process may have affected the quality of academic programs. To date, 18 out of 34 department chairs have responded and initial results suggest that the budget process has not had significant negative effects on the academic program, although all departments have reported increased teaching loads. Another consistent sentiment that chairs have expressed is that there do not appear to be concrete plans to involve faculty in the setting of budget priorities for the next budget cycle.

Trustee Susan Hudson-Wilson asked how the faculty would like to increase their participation in the budget process. Associate Professor Meyers replied that, despite improvements, faculty feel that transparency is still lacking and that, although the Senate is involved at the University level, the department-level process needs attention. Trustee Hudson-Wilson followed-up by asking if this issue was the responsibility of the administration or if it should be addressed by deans. Associate Professor Meyers said faculty lack experience in setting budget priorities. Interim Provost Jane Knodell indicated that her team is working to address this issue. She added that the most important venue to engage faculty is through the Faculty Senate, adding that she plans to bring to the Financial and Physical Planning Committee different options for discussion.

Staff Council President Beth Walsh began by thanking the Board and the administration for the recent Staff Recognition Celebratory events held during the week of September 21st. She also stated that Staff Council is finding its stride and, for first time since its inception in 1971, there are representatives from all 17 units across campus. There are five openings remaining, which the Council is seeking to fill.

Alumni Association President Meg Guzewicz reported it has been a time of significant activity. The Association has increased collaboration with the admissions team with a pilot program for Adopt-A-School and diversity outreach programs. She also reported that the Association has broader geographical representation with new members from Chicago and San Francisco. The University’s Fall Homecoming event had 3,200 participants and two new events, an ALANA Alumni Panel and an event focusing on career networking. Efforts continue to advance the Alumni House project and the feasibility phase has been completed; President Guzewicz affirmed that this project will be privately funded. She recognized Development Alumni Relations staff for their extraordinary efforts in assisting the Association with their many initiatives.

Trustee Bill Botzow asked if a career services initiative is an area with growth potential. President Guzewicz replied that, although this venture is not new, the program needs to be further developed. Trustee Jim Betts inquired if attempts have been made to include alumni from the College of Medicine in this effort. President Guzewicz replied that efforts have not to date included the College of Medicine, but that they will look into doing so.
Student Government Association (SGA) President Bryce Jones began by relaying student frustration regarding their ability to participate effectively in University administrative decision-making processes. He announced student support for the movement to develop a general education program. President Jones also touched on student involvement with the regional Keep Local Farm initiative, which aims to support Vermont dairy farmers. He concluded his report by asking that students be invited to participate in the budget decision-making process in its earlier stages.

Prior to inviting Graduate Student Senate (GSS) President Melanie Brown to provide her report, Chair Boyce presented the following resolution for Board approval:

**Resolution Regarding Graduate Student Senate**

BE IT RESOLVED, that on September 3, 2009, the Committee on Board Governance accepted President Fogel’s recommendation that governance body status be accorded to the Graduate Student Senate, and thus hereby recommends to the full Board that such status be granted; and

BE IT FURTHER RESOLVED, that the Committee on Board Governance recommends that the full Board approve a revision to the University Bylaws, as appended, that accords the Graduate Student Senate governance group status; and

BE IT FINALLY RESOLVED, that the Committee on Board Governance recommends that full Board approval be granted expressly conditional upon the submission by the Graduate Student Senate (GSS) and the Student Government Association (“SGA”) of GSS and SGA-approved governance documents reflecting the new status of the GSS and commensurate changes to SGA governance documents, such submissions to be made jointly at the May 2010 Board meeting.

Chair Boyce invited Board Governance Committee Chair John Snow to provide background for this resolution. Chair Snow indicated that it was vital that, prior to bringing this before the Board, the Student Government Association and College of Medicine strongly expressed support for this resolution, which occurred. He also pointed out that it was important that this initiative clearly establish that the student governance bodies are non-redundant; to advance that objective, the resolution is conditional upon both the GSS and SGA submitting their revised bylaws to the Board for review by the May 2010 meeting.

A motion to move the resolution was made and seconded with an opportunity for discussion.

Trustee Jim Betts asked how this initiative will affect students in the College of Medicine. Trustee Harry Chen, who led the work group which considered this request on behalf of the Board Governance Committee, replied that the College of Medicine provided a memorandum of understanding supporting this resolution. He added that the Medical Student Council indicated that its members currently do not have the time or ability to join with GSS, but will collaborate with the GSS when necessary. President Fogel added that graduate medical students are already members of the GSS.
After no further discussion, the resolution was unanimously approved.

President Brown thanked the Board and administration for their support of the resolution and offered her report. She began by announcing that the GSS fall review indicated that a total of $1,870 in mini-grant travel funds has been awarded to graduate students. President Brown also reported that GSS has doubled the frequency of its meetings, at which attendance has been strong. There are currently 40 senators and GSS continues to follow-up with underrepresented areas. She concluded her report by stating it is the GSS intention to present revised governing documents to the Board as early as February.

Acceptance of Gifts and Grants Reports

A motion was made, seconded and unanimously voted to accept the gifts and grants reports.

Trustee Bill Ruprecht expressed that he would like to better understand the process of deciding how gift and grant resources are made available and how the Board and University could work to improve this process. Chair Boyce suggested that Vice President for Research and Dean of Graduate Studies Domenico Grasso, Interim Senior Vice President and Provost Jane Knodell and Associate Vice President for Research Administration Ruth Farrell consider speaking to the Board about this topic in the future.

Overview of Greening of Aiken

Chair Boyce invited Vice President for Finance and Administration Richard Cate and Director of Capital Planning and Management Bob Vaughan to introduce the Greening of Aiken discussion.

Vice President Cate stated that this presentation was intended to review the history of the project; financing would be discussed at the afternoon Budget, Finance and Investment Committee meeting. The goal of the Aiken initiative is to remedy deferred maintenance and to complete building upgrades. The structure was built in 1981, Vice President Cate said, and is in serious need of improvements in energy efficiency; in fact, the project aims for LEED-GOLD NC certification. He clarified that Aiken is the only project on Capital project ranking list that was previously approved by the Board, but is not yet completed. Vice President Cate added that the administration’s goal is to complete the project design within the next several months, go out to bid, and commence construction next summer.

Trustee John Snow asked what obsolescence horizon is set when projects are designed and if value trade-off between initial cost and useful life of projects are analyzed. Director Vaughan replied that, although he could not speak to the decision making process relative to the original construction of this building, he believes it was engineered for value and the materials have become obsolete well before their time. Director Vaughan added that useful life is given great consideration in current projects.

Trustees Bill Ruprecht and John Hilton questioned whether renovating Aiken was aligned with the recently proposed Spires of Excellence and if it would be more appropriate to build an entirely new, advanced building. Vice President Cate responded that, if the University had more
resources, it would opt to build a transformational type of building, rather than upgrade an existing one. President Fogel emphasized that this renovation will contribute significant value to the University.

**Other Business**

There being no other business, Chair Boyce recessed the meeting at 9:49 a.m.

The meeting reconvened at 1:48 p.m.

**Vermont Department of Health/UVM Project**

Chair Boyce invited Interim Provost Jane Knodell, Senior Advisor to the President John Evans and State Health Commissioner Dr. Wendy Davis to introduce the proposed collaborative project between the Vermont Department of Health and UVM. Senior Advisor Evans began with an overview of the proposed project location on UVM lots in the Colchester Business Park. Dr. Davis discussed the history of the Vermont Department of Health Laboratory and commented that, despite its current deficiencies, it has met recent certification and accreditation requirements. Dr. Davis also described the activities that currently take place at the lab and the benefits shared with the University.

Senior Advisor Evans next addressed future collaborative efforts that could take place if the project moves forward. Benefits would include a state-of-the-art facility with easy access to campus, a new model for research and public health communities, support of the national “bench to bedside to community to policy” movement in health science research, shared specialized biomedical research with potential for increases in research funding, facility cost savings, and recruitment and internship opportunities for both entities.

Senior Advisor Evans next described the preliminary site plan and the proposed Department of Health addition. He concluded by asking the Board for their endorsement of this project and offered to entertain questions.

Trustee Susan Hudson-Wilson asked why the University financial contribution is specified as coming from the State Capital Appropriation rather than from the University’s General Fund. Vice President Richard Cate replied that the administration deemed it appropriate to apply money from the appropriations portion of the budget to signify project collaboration between the University and the State. President Fogel added that the amount the University would contribute does not meet the threshold which requires Board approval, but the proposed transfer of property does.

Trustee James Betts asked if there were potential conflicts of interest with this type of collaboration. Dr. Davis replied that preliminary investigation has determined that no immediate areas have been identified as conflicts of interest, because the collaboration is one of a scientific nature.
Trustee Ruprecht inquired as to the value being exchanged between parties and if the land transfer would compromise the development flexibility of adjacent University-owned properties. Senior Advisor Evans replied that value exchange will be discussed as the process moves further along, but that he does not anticipate that the project will impact future development of adjacent properties adversely.

Trustee John Hilton asked when the feasibility study is due. Senior Advisor Evans replied that the study will be completed by December 1 and will be presented to the legislature in January. Chair Boyce added that the study will be presented to the UVM Board before it gives final approval and that, at this stage, the Board is only being asked whether it supports exploring this initiative.

A resolution is included on the consent agenda for the Board’s consideration tomorrow.

**Strategic Financial Plan Annual Review**

Interim Provost Jane Knodell stated that the Strategic Capital Plan 5.0 is being presented to the Board, and that it includes a change to the scope and cost of the Given Mechanicals and Infrastructure project as a result of a federal grant funding opportunity under the American Recovery Act. The amount of the project has increased from $4,000,000 to $16,240,000 to reflect the total cost of the project identified in the grant application submitted to the National Institute of Health (NIH). The administration is alerting the Board of the grant application so that the University is prepared to move forward with the project if the grant is approved.

Interim Provost Knodell noted that the administration decided to delay the institution-wide call for capital projects until it is determined what impact the new Transdisciplinary Research Initiative process will have on institutional priorities.

The Strategic Capital Plan 5.0 also highlights projects to be presented to the Educational Policy and Institutional Resources Committee for Step 1 approval at its meeting later today. This material includes the Cook Physical Science Renovation project, which depends upon a grant being awarded by the National Science Foundation, and the Simpson Residential Dining Hall and Retail Store renovation, which will be funded through residential life net assets and a portion of current student fees.

Chair Boyce clarified that the Board is being asked to give its annual approval of the Strategic Capital Plan 5.0 and that the Given Mechanicals and Infrastructure project and the Cook Physical Science Renovation will not go forward unless grants are funded.

Trustee Susan Hudson-Wilson asked how the projects would be handled if the University were to get partial funding from these grants. Vice President Cate replied that, if partial funding were available, the work would only be conducted to the extent of the grant support.

**Tuition Pricing**

Chair Boyce invited Vice President for Enrollment Management Chris Lucier to make a presentation regarding tuition pricing.
Vice President Lucier began by explaining that the University currently uses a high price-high aid model, which it has applied for many years. He stated that Enrollment Management’s role is to maximize net tuition revenue while recruiting and retaining a class that is consistent with the University’s mission, vision, values, strategic objectives and operational capacity.

The University’s search strategy, Lucier noted, has resulted in a large increase of applications between 2002-2009. Additionally, UVM’s national and regional position has steadily become stronger. This year, the University has seen a 25% decrease in prospects and has instituted a number of aggressive actions to sustain a large, high-quality, and diverse applicant pool. Vice President Lucier stated he was encouraged by the number of campus visits. Out-of-state yield nonetheless decreased due to several factors, such as UVM reaching out to students who do not have the University in their top 3 choices, the seeking of a pool of high quality and diverse students whom have the most options, and the trend that students have more options in general and are being admitted in larger numbers than ever before.

Vice President Lucier stated that demographic realities are affecting student demand -- for example, 83% of applicants are from the Northeast or Middle Atlantic States and comprise 85% of students whom enroll. Additionally, the number of Vermont high school graduates is projected to decrease by 25% over the next ten years. Vice President Lucier emphasized that the University is in a very competitive environment in what is essentially a buyer’s market. He also stated that, in response to the economic downturn, demands for financial aid have increased; the current economic climate is causing private universities to increase financial aid to maintain enrollment of the high quality students they seek. Essentially, he observed, net cost is being weighed against perceived value.

Vice President Lucier next spoke about the results of a recently admitted student survey (the survey being distributed after financial aid packages are delivered) that had an overall response rate of 30%. The survey results suggest that the most important factor driving applicant enrollment decisions is academic excellence (such as the availability of majors, academic reputation and faculty). Vice President Lucier shared his belief that programs such as the “spires of excellence” are essential to enhancing academic reputation. He also noted that yield is highest when students perceive the University as a high-cost institution, which is a major factor in the University use of the high-tuition/high-discount model.

Trustee John Hilton asked if Vice President Lucier knew of any examples of successful universities that apply low-cost/low-reimbursement models. Lucier responded that only public universities that receive a significant level of state support would be able to sustain this type of model and that, nationally, even these public institutions are moving towards the discount model. Private institutions, Lucier added, do not utilize low-cost models.

Trustee Sam Bain said that he is not convinced that the University is improving perceptions of academic excellence and value of UVM. Vice President Lucier explained that there are two types of aid that need to be kept in mind, need-based and merit-based. Lucier is convinced that the University is doing a great job convincing students who receive need-based aid that the University is a great value, but that he agrees that the University could improve the perception of academic excellence for students who do not need aid. Lucier added that the administration is
aware of the need for improvement in this area and that he believes the spires of excellence will help achieve this initiative.

Trustee Bill Ruprecht summarized his perception that the discussion is essentially brand-management. He stated that the ways to increase stature in a competitive market are to be an innovator, know your customers better than anyone else, or to be “cheap”. He does not think that the best route for the University is to be “cheap” and agrees that the need is not to decrease tuition prices, but to increase perception of academic excellence.

Trustee Jim Betts expressed concern that Vermont students are becoming less of a focus. Vice President Lucier replied that UVM remains fully committed to the enrollment of Vermont students, stating that the aid package the University offers to Vermont students is far and above what they can get from going out of state or to any other state institution. President Fogel added that UVM has been getting a bigger proportion of a declining population.

Vice President Lucier next discussed tuition. The College Board reports that comparisons of cost are difficult as more institutions are charging differential tuition fees based on program, year, etc. Comparing cost after aid, Lucier explained, is even more challenging due to the number factors an institution may use in awarding aid. Kiplinger’s tries to capture data for comparison that include quality comparisons. UVM’s cost after aid for Vermonters ranks # 32 as a best value among public universities and #72 after aid for out-of-state students.

Vice President Richard Cate asked trustees what information they would need to feel comfortable taking action on upcoming proposed tuition increases. Trustee John Snow replied that the question concerning the best tuition approach has existed for a long time, and suggested that there may be value in the University looking at the larger picture and creating a tuition strategy model based not on likely future conditions rather current momentum.

Trustee Ruprecht stated that if the University did not move forward with the “spires of excellence” and the general education requirement, it would face numerous challenges. President Fogel followed-up by stating that increasing quality is exactly what the administration aims to do.

Chair Boyce thanked Vice Presidents Lucier for his presentation and stated that the Executive Committee will work on answering Vice President Cate’s question regarding helpful information for the Board.

**Update on Governor’s Task Force on Higher Education**

Vice Chair Frank Cioffi provided an update on the Task Force on Higher Education, which was appointed by Governor Jim Douglas and chaired by Steven Morse. The Task Force has met several times over the last year and has determined that the University and all State Colleges adequately serve Vermont in different, yet complementary ways. It is highly unlikely that the Task Force will support a merger of these institutions as they are concerned that academic programming would suffer if this occurred. Instead, Vice Chair Cioffi anticipates that the Task Force will recommend strategies to enhance existing collaborative efforts. He also expects that the report will characterize state funding as inadequate. The Task Force will be finalizing its
report within the next week and will file it with Governor Douglas by November 15th. Vice Chair Cioffi recognized Vice President for Federal, State and Community Relations Karen Meyer and her office for their support. Vice President Meyer commented that the exercise has been important in well-articulating current collaborative efforts among the state institutions of higher learning.

Other Business

At 3:36 p.m. the Chair entertained a motion to into Executive Session for the purpose of discussing the evaluation of a public officer and contracts. All in attendance were excused from the meeting with the exception Trustees, Interim Provost Knodell, Vice Presidents Derr and Bazluke and Assistant to the Chief of Protocol and Administrator of University Events Stephanie O’Flaherty was invited to remain.

The meeting was reopened to the public at 3:52 p.m.

Chair Boyce presented the following resolution for approval.

**Resolution for President to Confer Honorary Degrees**

RESOLVED, that the President be and hereby is authorized to offer and confer honorary degrees at the 2010 Commencement to the individuals recommended by the Honorary Degree Work Group.

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

Adjournment

There being no further business, the meeting was adjourned at 3:53 p.m.

Respectfully submitted,

Bill Botzow, Secretary
Good morning. Welcome to our last formal meeting of the full Board of Trustees in calendar year 2009. Once again, we have a very full agenda. We began our work yesterday with the continuation of our orientation of new (or nearly new) Board members. Our agenda for the next one and half days is chock full of important matters for our consideration. With that said I am going to keep my comments brief and focused on a few key items of strategic importance.

What a difference a year makes. At this time last year we were just coming to grips with the challenges of the FY 2010 budget. We were in intense discussion about how best to handle the structural deficiencies in our operating budget and were in close discussions with the state about the potential for further cuts in our state appropriation. While we are not out of the woods by any means, as we begin to address our promise for a balanced FY 2011 budget, I am breathing a little easier than I was a year ago.

In retrospect, we have come through the past year in very good shape as measured against several barometers and now we must continue to focus our efforts to maintain our advance in a highly competitive and uncertain market environment.

Our Board and its committees have been very busy. The Audit committee led by Bill Botzow continues to work tirelessly to refine its work plan and grow into their new role as overseers of internal audit. Soon there will be a new compliance officer and the search for a new internal auditor is ongoing and should be concluded soon.

The work of the Budget Finance and Investment (BFI) committee is never done as they continue to deal with the fiscal challenges that we face. Additionally, there is the annual review of the debt policy and the management of the endowment.

EPIR (the Educational Policy and Institutional Resources Committee) is ramping up their work as they address several key educational initiatives moving across the campus – more on them in a moment. And Governance, led by Trustee John Snow, continues to work hard to improve our process and efficiency.

In June, the Board held its annual retreat to reflect on the recent past and future of UVM and to identify items of strategic importance for the year ahead. Out of that retreat and together with the academic administration – specifically Dan and Jane - emerged four key priorities – some of which are already generating a buzz on campus, others are in the early stages of development. Let me take a moment to review them with you.

In view of the findings of the NEASC accreditation team and our collective understanding of the context in which UVM must operate, the Board strongly supports the establishment of a general education requirement previously articulated by the President in Signature of Excellence and Sustaining UVM’s advance. In some respects, it is long overdue. Perhaps its absence is the result of UVM’s de-centralized culture, which was raised as a concern by the NEASC team time and time again. Whatever the case, we all can appreciate the need for
all of our students to leave here with a core curriculum of basic courses and skills that will allow them to graduate on time and succeed in the real world.

As a Board, we recognize this effort will take time and careful consideration but we believe it is very much in the best interest of our students. We look forward to engaging the Faculty Senate in this very important exercise. Today in EPIR we will hear from Provost Knodell and Associate Provost Reed on their progress in this area and it is our hope that by May 2010 there will be a general education proposal before the Board for consideration.

The Board also discussed our competitive position. With unfavorable demographics, increased competition for highly qualified students and limited resources moving forward we recognize we can longer afford to be all things to all people. We need to distinguish ourselves to compete in this increasingly competitive environment. With family budgets tighter and the focus increasingly placed on return on investment, parents and students will more and more be seeking value and distinction.

Consistent with our strategic plan, many of you have already heard about our effort to pursue spires of excellence and programs of distinction, which serve our mission and within which we will make strategic investments for the future. The administration has already reached out to the faculty community asking them to participate in a process to selectively identify academic programs to achieve excellence and academic distinction. Many of these programs are in areas where we already maintain an advantage such as complex systems, policy studies and biological sciences and engineering. But now we aspire to take it the next level.

Again, this process will not be easy and controversy is sure to accompany it along the way. Already we are hearing some concern about investment in one area and disinvestment in another. Of course that will occur in some instances. But as a Board, we applaud the focus on transdisciplinary research initiatives that support both graduate and undergraduate education and ask that the University community keep an open mind and seek to create a learning environment that brings out the best academic quality and educational experience here at UVM.

The Board is also exploring the potential benefits of and options for a University foundation. UVM is the sole land-grant institution in New England and among public universities without a foundation. In September, I appointed a work group to answer the question of need and desirability but in my view given the fiscal constraints of the state of Vermont and the rising cost of tuition, we also have a fiduciary responsibility to seek out all available sources of revenue. Please note money raised by the foundation cannot replace funding used to support the University’s mission, but it can certainly enhance it. There is much work to be done in this arena. The group will meet Saturday morning to continue their work and again we look forward to their continued progress.

Finally, as part of the administration’s efforts to further refine the enrollment management business model; later today we will hear a presentation from VP for Enrollment Management Chris Lucier on tuition discounting. Knowing how passionate Chris is about this subject, I very much look forward to his presentation.
As I said, we have a full agenda, and there are many other items for discussion as well. These are difficult and challenging times for all of us, and for UVM and higher education as well. But I like our position, and I appreciate all of the hard work by so many that has helped to strengthen our situation. I am grateful to the entire UVM community for making this the exceptional place it is, and want to express special thanks to this Board – a team of committed, caring, talented volunteers – for all of the tireless and dedicated work that you do on behalf of The University of Vermont. Thank you all.

This concludes my report.
President’s Report
Board of Trustees, October 23, 2009

Chairman Boyce, trustees, faculty, students, staff, alumni, and friends, good morning. I’d like to open with the closing words of my report at our May meeting: “to compete on the rapidly changing terrain of today’s world, we must be true to our academic values . . . And we must also be intent on execution and accountability as we ramp up, creatively and collaboratively, the work of focusing in every domain on quality, with special emphasis on the few areas in which we can without question be among the very best of the best.”

Today the “spires of excellence” transdisciplinary research initiative—which has elicited bids to participate in the proposal process from some 20% of all of the University’s tenured, tenure-track, and research faculty—is on track to bring to you for Board endorsement in May niche areas that we hope to designate as signatures of the focus and excel strategy essential to UVM’s continuing success. At the same time, work is also under way to act on recommendations from the Transformational Change Working Group that Professor Robert Taylor chaired last spring, recommendations designed to enhance the first-year experience for undergraduates, to improve advising and counseling, to expand and strengthen UVM’s array of residential learning communities, and above all to develop through faculty governance processes a General Education Requirement that can also be brought to the Board for approval in May.

This year will therefore be one of intense attention to focused enhancement of the University’s strengths in research, scholarship, and creative activity and simultaneously to the improvement of our undergraduate educational program and the quality of the student experience. We embrace these projects with urgency born of the recognition that the challenges before us are intensifying and that we must be intentional, selective, bold, and smart if we are to build upon the strong position UVM has achieved over the course of this decade and not see our strength and quality erode. I would like to touch on a few of the ways in which UVM has shone brightly in recent months:

➢ First, we have just brought in record enrollment at every level—undergraduate, graduate and medical—marked by exceptional student quality, with record numbers of our top Vermont Green and Gold Scholars and of National Merit Scholars. We have also made soaring gains in diversity: enrollment of African-American, Latino/Latina, Asian American, and Native American (or, collectively, ALANA) students is up 18% overall, including a 51.9% increase in one year in the entering class of undergraduates, and a record 25% of students enrolled in the first-year medical class are ALANA.

➢ Second, at the end of June, we registered a record level of awards to the University through the Office of Sponsored Programs, more than $133 million, up 9% from FY 08. By contrast, at the beginning of the decade, in 2000-2001, awards came to $87 million. In FY 01, moreover, 64% of the total awards were to investigators in the College of Medicine. This past year, 58% of the $133 million in awards were to Medicine, marking both a significant long-term advance in biomedical research and also a more robustly balanced portfolio of research
across the whole University, with $55 million in awards to investigators outside Medicine—in total, the $133 million in awards represented more than 770 awards in a year that saw the submission of more than 1,400 funding proposals. Finally, as a current note, at the end of the first quarter of FY 2010, awards totaled $58 million, compared to $50 million at the same time last year.

- Third, UVM’s national acclaim is continuously expanding. This summer two national magazines, Forbes and Sierra, ranked UVM in the top ten among the nation’s roughly 2,400 four-year colleges and universities for environmental programs and practices—Sierra placed us fourth in the nation. At virtually the same time, in its annual rankings issue, U.S. News & World Report placed UVM 8th on a list of “Top Up-and Coming” national universities, institutions that “recently have made striking improvements or innovations—schools everyone should be watching.”

There is an old adage that nothing wilts faster than laurels when sat upon, and that is especially true in today’s challenging environment. The schools with which we compete are seeking the same high-quality, diverse students we must continue to enroll, and our public competitors in particular are increasingly looking to play the game of which UVM is the supreme past master, recruitment of non-resident students, which in our case is the key to sustaining a nationally competitive university for the benefit of Vermont and Vermonters. The competition is rising in the context of two exacerbating factors: the decline in the number of high school graduates in the Northeast and growing price sensitivity to the cost of higher education, which will almost certainly intensify in the next few years as continuing fallout of the recession.

The budget challenges facing UVM for this year and next have in fact been complicated by the significant effects of the recession on family budgets. As you know, we came into this fiscal year with a structural budget gap but with confidence that we would be able to eliminate it by way of a multi-year budget plan that includes addressing the FY 10 budget gap with the sum of that portion of our state appropriation that was funded by “one-time” money provided due to the federal economic stimulus plus the reserves that you authorized us to use. With this fall’s robust enrollment—gratifyingly an effect in large measure of improved undergraduate retention in the junior and senior classes (that is, more sophomores returned as juniors and more juniors returned as seniors)—we expect to generate a modest amount of unbudgeted tuition revenue. All well and good, but we have seen a sharp increase in student need for financial aid that was not fully predicted by our financial aid model. How much we find ourselves in uncharted waters is captured by this simple fact: for the first time ever, our returning students have lower expected family contributions toward the cost of education than they had the year before—much lower. We are still analyzing what must be done to adjust the financial aid model to make it a more accurate tool for predicting student need going forward. We are also still analyzing the projected financial aid costs beyond the 19% increase in aid for undergraduates that we budgeted. But it is already clear that as UVM has stretched to meet the needs of students and families produced by a recession of a magnitude unequaled since the Great Depression, our increased cost for student aid net of tuition beyond what we budgeted will be about 1% of the general fund. Accordingly, I have asked Provost Knodell to take immediate measures to reducing spending in other areas by about 1%, not through an across-the-board cut, but through targeted reductions designed to
preserve the quality of instructional programs and of the student experience. By taking this measure now, we greatly strengthen the probability that our remaining work in preparing the FY ‘11 budget will be more manageable.

Nothing is easy. We are deeply immersed in the fascination of the difficult. Scarcity makes resources more precious and at the same time instructs us that focus and excel—selective use of those precious resources to build enduring academic quality, distinction, and value for our students, our faculty, our staff, and the citizens of Vermont—is an ever-more-pressing imperative. Predictably, we will see some institutional resistance to the thirty-year project to create a general education requirement at UVM and, even more so, to the identification of spires of excellence, which are by design selective. Yet, as highly constructive discussions under way in the Gen Ed task force and the big turn-out of faculty volunteers for the “spires” working groups tell us once again, ripeness is all, and there is widespread recognition within the academic community that these are appropriate and indeed indispensable next steps in UVM’s advance. That recognition is also visible in the State of Vermont at large, and editorials in the Rutland Herald, the St. Alban’s Messenger, and the Burlington Free Press have all hailed the “spires” transdisciplinary research initiative as right for UVM and right for Vermont.

I am tremendously proud of this University, of its faculty, staff, students, and alumni, and of the leadership team that has produced so many outstanding outcomes and that is working with unremitting intensity and dedication to build quality at UVM. UVM today is undoubtedly a national and Vermont success story. Our success arises from many factors, but leadership does make a difference, and we now have in hand objective verification that we are managing well and are not excessive in administrative staffing, a question of considerable and appropriate concern for this Board and for the higher education community on this campus and nationally. You will have found at your places today copies of a study that benchmarks the size of the UVM administration against 260 private and public doctoral research institutions and against three subsets of that group: first, 168 public colleges and universities; second, 103 Research Universities-High Activity, a higher education classification to which UVM belongs; and, third, UVM’s list of 21 public peers and aspirant institutions, including UVM. The study examines the size of the UVM senior administration from three perspectives, all of which show that UVM is far from excessive in its administrative staffing. First, the ratio of administrators to faculty members at UVM is at the 10th percentile (that is, in the bottom ten percent) of all 260 schools, at the 14th percentile of the set of public institutions, and no higher than the 22nd percentile of any of the comparison groups. Second, the study shows that the rate of growth of senior administration at UVM between 2003 and 2007 was below the rate of growth for three of the comparison groups and slightly above for one: in short, UVM does not depart significantly from the norm. And, third, using a more complex mathematical model, the study shows that the actual staffing levels for UVM administration are lower than the levels predicted by the model by 46 to 214 persons. In a separate analysis, we have determined that the aggregate salaries of the UVM senior administrators included in the staffing study fall modestly below aggregate weighted averages for the same set of positions at public doctoral research universities. I am well satisfied with the quality of the research and with the validity of the findings, and I am proud of what this administration has been able to accomplish with limited resources and personnel. I encourage all of you to read this benchmarking study for additional details.
As we advance, we will be committed to objective benchmarking and to rigorous outcomes assessment: of academic quality and student learning, progress, success, and satisfaction; of the visibility and impact of research, scholarship, and creative activity produced at UVM; and of our service to society, including UVM’s synergistic and essential relationships with the Vermont State Colleges and Vermont’s private colleges, with the public schools, with agricultural, business, and industry in Vermont, with health care and social welfare providers, with the communities immediately around us and throughout the state, and with state government and non-profit agencies. We are developing dashboard indicators to give this Board standardized, regular, consistent readings of key performance metrics. We had hoped to unveil those indicators today. It is now our plan, however, to share a complete draft of the proposed dashboard with the Board Governance Committee and the Executive Committee in the coming weeks and to have the launch of the indicators ready for the full Board at our February meeting.

I want, finally, to thank all of our trustees and all of the members of the UVM family—faculty, staff, students, alumni, and friends—who have devoted so much hard work, talent, and dedication to our shared objective: the continuous creation of academic quality and distinction essential to sustaining UVM’s advance as we seek to focus and excel in an environment imbued with challenges but beckoning this great University with opportunity. If we have time, Ian, I will be happy to answer any questions. Thank you.