COMMITTEE OF THE WHOLE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Committee of the Whole of the University of Vermont and State Agricultural College Board of Trustees was held on Friday, October 21, 2016, at 8:00 a.m., in the Mansfield Room, 210, at the Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Joan Lenes, Briar Alpert, David Aronoff¹, Cynthia Barnhart, Bill Botzow, David Brandt, Robert Brennan, Frank Cioffi, Carolyn Dwyer², Richard Gamelli, Bernie Juskiewicz, Don McCree³, Curt McCormack, Anne O'Brien, Ed Pagano, Kesha Ram, Tom Sullivan, Donna Sweaney, Soraiya Thura, Tristan Toleno, Lisa Ventriss, and Jeff Wilson

MEMBERS ABSENT: Governor Peter Shumlin

ALSO PARTICIPATING: Provost David Rosowsky, Alumni Association President Penrose Jackson, Student Government Association President Jason Maulucci, Staff Council President Karmen Swim, Graduate Student Senate President Devin Champagne, Faculty Senate President Cathy Paris, Director of the Gund Institute Taylor Ricketts, UVM Foundation CEO & President Rich Bundy, Vice President for Research Richard Galbraith, Director of Capital Planning and Management Robert Vaughan, Vice President for University Relations and Administration Tom Gustafson, Chief Risk Officer Al Turgeon, Vice Provost for Student Affairs Annie Stevens, Vice President for Finance and Treasurer Richard Cate, Green Building Coordinator Michelle Smith, CEO of the Burlington Electric Department Neale Lunderville, Director of Policy & Planning at the Burlington Electric Department James Gibbons, Director of Global Educational Initiatives Gayle Nunley, Dean of the Graduate College Cynthia Forehand, International Undergraduate Student Nata Dudkina, International Undergraduate Student Huihui Geng, International Graduate Student Joyce Thompson, Tripp Umbach Principal Denise Vanderson⁴, Vice President for Executive Operations Gary Derr, Vice President for Legal Affairs and General Counsel Francine Bazluke, Chief of Staff and Senior Counsel to the President Sharon Reich Paulsen, and Dean of the Grossman School of Business Sanjay Sharma

¹Participated in person for the morning session, and via phone for the afternoon session.
²Participated in person for the afternoon session.
³Participated via phone for the afternoon session.
⁴Participated via phone from 4:30 p.m. to 5:20 p.m.

Chair David Daigle called the meeting to order at 8:02 a.m.

Approval of Minutes

Chair Daigle presented the May 20, 2016 meeting minutes for approval. A motion was made, seconded and voted to approve the minutes as presented.

Chair’s Report (see full report appended to minutes, beginning on page 19)
President’s Report

President Sullivan reiterated congratulations to Board of Trustees Coordinator Corinne Thompson for celebrating her 30th anniversary at UVM. He moved on to report that the University is pleased to welcome Vice President of the United States Joe Biden on campus today, who will be discussing the White House Cancer Moonshot project. The Vice President’s decision to hold the discussion at UVM is a tribute to the game-changing collaborative work done by our Cancer Center, the Robert Larner, M.D. College of Medicine, and the UVM Medical Center.

President Sullivan next reviewed the significant amount of press coverage the University has received in relation to the lifetime contribution gifts of Robert Larner ’39, M.D. ’42 and his wife Helen. Over 150 news outlets carried the story of their estate commitment, announced in September, which has a market value of $66 million, making their lifetime giving likely to reach $100 million. President Sullivan added that the week after the announcement was made, he joined the Larner family at their home in California, and there noted the pride and happiness the Larner’s expressed in being able to make these gifts to the University.

President Sullivan reported that NBC News showcased an environmental studies course that pairs UVM students with middle school students from immigrant and economically challenged families to provide a hands-on, in the field, science experience. He cited the collaboration as an example of the outreach teaching that the University offers.

President Sullivan also reported that the Sustainable Entrepreneurship MBA climbed to the second spot on Princeton Review’s “Best Green MBA” list. The MBA also was recognized as the 10th best in the world by a Toronto-based media and research company focused on clean capitalism.

President Sullivan announced that a leading scholarly journal, The Journal of Higher Education, will now be housed at UVM, as it is edited by the College of Education and Social Services (CESS) Dean Scott Thomas. President Sullivan also noted that, for the 12th straight year, CESS graduates of the UVM Graduate Counseling Program had a 100% pass rate on the rigorous National Counselor Examination.

President Sullivan was pleased to highlight that ROTC Cadet Kaelyn Burbey, a senior in the Honors College, is one of only 13 Cadets nationwide to receive the ROTC Legion of Valor Bronze Cross Award. The award recognizes scholastic excellence. Cadet Burbey is an environmental engineering major with a minor in math.

President Sullivan also announced that CESS Associate Dean Penny Bishop won the John H. Lounsbury Award for Distinguished Service in Middle Level Education, the highest national award from the Association of Middle Level Education.

Continuing on the subject of faculty achievements, President Sullivan stated that, as part of UVM’s promotion of the teacher/scholar model, a new display case was dedicated in the Waterman Building to help celebrate faculty talent and achievement.
Finally, President Sullivan stated, that later today, the Board would learn more about an economic study that reports that UVM contributes an annual economic impact of $1.33 billion dollars to the State of Vermont.

**Governance Leaders Reports**

Alumni Association President Penrose Jackson provided her first report to the Board. She was pleased to report that the Alumni House officially opened on September 22nd. She stated that the opening event was a transformational moment with approximately 300 in attendance. President Jackson said that the next step is to focus on the creation of programs and activities that will continue to make the Alumni House active. She noted that over 140 reservations and requests have been received to use Alumni House and the Jack and Shirley Silver Pavilion for events. She thanked the Board for their help in making the Alumni House a reality.

President Jackson moved on to report that the recent Alumni Weekend and Parent and Family Weekend programs were huge successes. Combined, the events had over 3,540 participants, a 14% increase from last year. She reported that parent engagement is on the rise, and over 700 family members enjoyed brunch with President Sullivan and other University leaders, which was nearly triple the attendance of last year. President Jackson closed by noting that the Alumni Association plans to expand two programs: the ‘Refer a Catamount’ program, which tasks alumni with helping identify and refer strong applicants for admission; and the expansion of the career networking and career engagement programs, including the roll out of a new ‘Connect a Catamount’ initiative.

Chair Daigle congratulated the Alumni Association on the opening of the Alumni House.

Student Government Association (SGA) President Jason Maulucci reported that a pilot program is currently active for the SGA peer advising and mentoring. He stated that over 40 students have been hired for the pilot. SGA is currently planning an expansion of the program with a goal of full implementation by 2019. President Maulucci also reported that SGA is developing a student-run innovation fund that will aim to assist student startups. He also reported that the Safe Ride Home initiative is active, and that SGA is exploring a partnership with Green Cab to expand the program. Lastly, President Maulucci stated that, two weeks ago, SGA passed a resolution with regard to student interests relative to the upcoming collective bargaining negotiations with the faculty union. He encouraged the Board and administration to consider the requests outlined in the resolution, as they would not only benefit students, but the University as a whole.

Trustee Frank Cioffi thanked President Maulucci and SGA for their work on peer advising. He stated that he is impressed with how much SGA has accomplished.

Chair Daigle commended President Maulucci for elevating the student body’s voice and engagement at UVM.

Referring to the peer advising initiative, Trustee Bill Botzow asked how many students will be hired and also inquired regarding their compensation. President Maulucci replied that, currently, there are 20 students hired to staff the advising center and an additional 20-25 students were
hired as unit-specific direct mentors in the pilot program, which is in the Grossman School of Business. He stated that, when the program is fully implemented across all schools and colleges, there will be over 180 employees, comprised of 20 staffing the center and 160 serving as direct mentors. In terms of compensation, President Maulucci stated that the student staff receive internship stipends with staff at the center receiving $350/semester and the direct mentors receiving $250/semester.

Staff Council President Karmen Swim began her first report by stating that the Council is focusing on building a stronger sense of community amongst staff. At the beginning of the year, staff were invited to consider why they work and stay at UVM. Responses included that staff appreciate that there is continuous learning, boundless opportunity and collegiality. Staff also appreciate a healthy balance of work and personal life, diversity of jobs and people, UVM’s rich history, being part of a larger community, contributing to the greater good, and that UVM promotes growth and change.

President Swim moved on to describe the process of implementing improved employee performance reviews. The Council continues to work with the division of Human Resources, Diversity, and Multicultural Affairs in the rollout of the new appraisal system. She added that several members of the Council are participating in the pilot group for the online performance appraisal system. The Council will also continue to explore improvement for supervisory competencies, including trainings, to better support the performance review process. President Swim noted that reviews are a helpful tool for employees to access their work and create goals.

President Swim also reported that the Council is working on personal and professional growth by encouraging use of tuition remission and professional development opportunities. In support of these goals, the Council is investigating the feasibility of a centrally-administrated professional development pool for staff. The Council is also continuing to work to ensure that staff have a good working environment, a supportive supervisory relationship, appropriate work-life balance, and awareness of all opportunities available to them. President Swim stated that the Council is also focused on addressing the most-noted staff concern: a short-term disability program. Lastly, the Council is working to assist in improving the merit increase process.

Chair Daigle inquired how broad the performance appraisal initiative will be. President Swim replied that it will be utilized for all staff members. She added that the initiative will be rolled out in early spring.

Graduate Student Senate (GSS) President Devin Champagne reported GSS’s goals of improving the educational experiences and visibility of graduate students. To achieve this, it has established a Professional Development Series, which consists of workshops and seminars on topics not traditionally or directly addressed in graduate coursework. For example, in collaboration with the Graduate Writing Center, GSS discussed how to create clear, concise, and effective arguments in writing. It also recently held a workshop on resume and cover letter writing, which was led by the Vice President of Human Resources at BioTek Instruments.

Towards the goal of increased visibility, President Champagne thanked Faculty Senate President Cathy Paris for her assistance in ensuring that graduate student representatives are appointed to
all Faculty Senate Committees. However, President Champagne noted, there is still a great deal of work to be done to promote the visibility of graduate students. He cited the montage of mini stories posted on UVM’s webpage titled ‘A Day in the Life of UVM’, which documents many student experiences, but observed that not a single graduate student was included in the montage. He closed by stating that the story of UVM cannot be complete unless all students are heard equally.

Faculty Senate President Cathy Paris utilized her report time to discuss the proposal for an Institute for Environment. She briefly outlined UVM’s long history of teaching and scholarship in the environment, including one of the nation’s first Environmental Studies programs in 1972 and the 1982 demonstration by Professors Hub Vogelmann and Richard Klein that acid deposition is having a devastating effects on forest health in the Northeast.

She next stated that faculty across campus are involved in diverse aspects of environmental scholarship, with the environment being the single largest area of unifying scholarly activity at UVM, noting that, until now, there has been no mechanism for coordinating these efforts.

President Paris then noted that the creation of an Institute for Environment has been four years in the planning. In 2012, the Envisioning Environment working group convened and, in 2013, it made a recommendation for the creation of the Institute. In 2014, a second working group was charged with developing the Institute’s mission statement, strategic vision and operating plan. Finally, in 2015, a third group focused on resourcing the Institute and refining its governance structure. These groups recommended that, if the Institute were to be successful, it would have to be adequately resourced, which would require more than $2 million per year. Such a budget made the Institute seem impossible; however, in June of this year, a major donor came forward and signaled willingness to bring plans for the Institute to fruition. President Paris stated that there is widespread support for the Institute with all the deans providing letters of support; furthermore, the Senate Curricular Affairs and Research, Scholarship, and Creative Arts Committees have endorsed the proposal, as well as the Faculty Senate.

Rubenstein School Professor and Director of the Gund Institute Dr. Taylor Ricketts talked more about the Institute and what it will bring to the University’s research community. Dr. Ricketts commented that global environmental challenges span across disciplines. A goal for the Institute is to accelerate collaboration and outreach to address these challenges. He stated that UVM has a need for the Institute, as it would provide cross-cutting scholarship, make real-world impact, compete for talent and funds, and reinforce the University as a leader in environmental research and scholarship. Dr. Ricketts stated that the Institute’s mission and strategy will be to mobilize scholars and leaders to understand and solve the world’s critical environmental challenges.

Dr. Ricketts next spoke about the Institute’s proposed budget. The budget in the first year would be $1.3 million, ramping steadily to a continuing level of $2.2 million in year five. The Institute will be funded through a combination of repurposed existing funds from the Gund Institute for Ecological Economics and the Rubenstein School of Environment and Natural Resources; new strategic investment funds ($500,000 annually); and philanthropy and grants.
Lastly, Dr. Ricketts stated that the Institute would be a natural fit for UVM. The environment is already a campus-wide focus, with a large undergraduate program base, excellent research facilities, and Vermont itself serving as a worthy laboratory. Dr. Ricketts concluded by stating that UVM has the opportunity to connect all of these factors to strengthen the University, make it a more exciting place to work and learn, and have a greater global impact.

Provost Rosowsky continued the presentation by noting that the faculty have mandated that the Institute report directly to him and that it be properly resourced. He also commented that the Institute is a University-wide strategic priority, as it can significantly advance our visibility as a leader in the environment. Additionally, he noted, the Institute aligns with our priority to be transdisciplinary and has the greatest potential to engage the most faculty across campus.

Trustee Anne O’Brien asked if the Institute will include both undergraduate and graduate students. Dr. Ricketts replied that, although the Institute will not offer degrees or have faculty, it will have resources to support undergraduate and graduate research.

Trustee Kesha Ram noted that further discussion regarding the Institute will ensue at today’s Educational Policy and Institutional Resources Committee meeting.

Trustee Robert Brennan asked for examples of how the Institute will affect students. Dr. Ricketts replied that, for undergraduate students, there will be internship funds. For graduate students, there will be a fellowship program that competes nationally and brings top-tier students to UVM. Provost Rosowsky added that the Institute will offer resources towards faculty travel and as well as to bring scholars to UVM for visits.

Trustee Bill Botzow thanked President Sullivan for supporting this initiative and thanked all involved.

**Move Mountains: The Campaign for the University of Vermont Update**

UVM Foundation President & CEO Rich Bundy offered a brief campaign update on progress made since the last Board meeting. He began by highlighting the impact the Larner gift has had in terms of this fiscal year’s fundraising. President & CEO Bundy reported that $9.5 million has been raised so far in October, with total commitments at $84 million this fiscal year. He next stated that the $66 million Larner gift is a little more than the average amount of fundraising for a whole year and the campaign is 18 months ahead of schedule. To date, the campaign has raised $384 million, which is about 75% of the total goal.

President & CEO Bundy next highlighted campaign progress at a unit level. He noted that, out of all of the campaign commitments, units in the academic health sciences have raised over half, at 56.2%. All other units combined have secured the rest of the commitments. Seven units have exceeded their original fundraising objective. For units that have not yet achieved their objectives, the Foundation is working hard to help them catch up.

In terms of receipts, the current total is $208 million, accounting for 55.4% of funds raised. Pledges yet to be paid account for $39 million, or 10.3%, and bequest intentions are at $129
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million, or 34.3%. Once the Larner gift is realized, it will significantly reduce the amount of
bequest intentions and increase the receipts total. President & CEO Bundy indicated that having
a total of 34% of bequest intentions is still best practice with national campaign averages.

President & CEO Bundy next reported on the number of endowed faculty positions. Prior to the
campaign, there were 52 such positions and the campaign goal was to increase these to 104. As
of September 30, 2016, endowed faculty positions had increased to 101. President & CEO
Bundy stated that he was pleased to report that, as of this morning, the number of these positions
had reached the campaign goal of 104. He added that there are still 30 months remaining for the
campaign, and the number of these positions will likely exceed the goal.

President & CEO Bundy concluded his presentation by describing campaign commitments by
type, noting that two-thirds of the campaign supports programs and the rest supports students,
facilities, chairs and professorships. He emphasized that programmatic support still supports
students, faculty, staff, and facilities, but noted that this type of support was quite high.

Acknowledgement of Grants and Contracts Awards Report

The Board acknowledged the Grants and Contracts Awards Report for the period of April 1, 2016
– July 31, 2016. Chair Daigle noted that, for this four-month period, a total of $60 million grants
and contracts were awarded, which seems quite significant. Vice President for Research Richard
Galbraith confirmed that the amount was considerable and very promising for the University,
considering the economic climate.

Action Items

Vice President for University Relations and Administration Thomas Gustafson introduced a
resolution approving a power purchase agreement with Greenskies Renewable Energy, LLC. He
explained that the reason that the resolution is coming before the Board is due to the contract
term of 15 years.

CEO of the Burlington Electric Department (BED) Neale Lunderville explained that UVM is
BED’s largest customer. He also noted that the City of Burlington would like to become a net-
zero energy location. Director of Policy and Planning at BED James Gibbons explained that the
contract would be with a third-party developer, Greenskies Renewable Energy, LLC, to construct
a 639 kW of solar photovoltaic panels on the roofs of the following four UVM buildings:
Harris/Millis Residential Complex, Mason/Simpson/Hamilton Residential Complex,
Living/Learning Residential Complex, and the Bailey/Howe Library. The amount of energy
produced would be approximately 5% of UVM’s Burlington peak electricity load.

Director Gibbons next detailed the timeline for the proposal. He stated that, in October 2015, a
joint City of Burlington and UVM solar request for proposals (RFP) was released. They received
36 responses and 12 submissions. In 2016, the potential sites were selected and three vendors
were selected for walk-throughs and to submit final proposals. Greenskies was the selected
vendor, as it offered the best pricing and an aggregate discount for multiple installations.
Director Gibbons next described the opportunities that the agreement would offer all involved parties. He stated that, for UVM, the agreement would support the University’s commitment to addressing climate change, allow it to contribute renewable energy to Burlington, claim the electricity Renewable Energy Credits (RECs) and receive a value savings of approximately $500,000 over the next 15 years. For BED, the agreement would encourage solar use in Burlington, support its largest electric customer (UVM), and provide regulatory and analytical support. Greenskies would provide low-cost, reliable and clean electricity, with no capital cost to UVM.

Director Gibbons went on to note that BED encourages solar use in the City of Burlington, but there are limitations with many buildings converted as rentals and also a significant amount of older structures. He added that UVM uses approximately one-seventh of their electric load. He also noted that Greenskies’ project leader is a UVM alum.

Director Gibbons further stated that, if the University completes the project under the 2016 rules, it would retain the RECs; however, that may not be the case under the 2017 rules. He concluded by saying that the next steps are to obtain Board approval, finalize and sign the contract, complete the regulatory process, and begin installation. The 2016 rules require complete of these steps by December 31st, 2016; then the University would have 12 months to complete installation as long as it began within the calendar year.

Chair Daigle asked what would happen if the rules change after the contract is signed. Director Gibbons replied that the University would receive a guarantee of the current rules for 10 years.

Chair Daigle also inquired about potential risks the University might face if Greenskies were to go bankrupt. Vice President for Finance and Treasurer Richard Cate stated that an exit strategy will be built into the agreement and the University would be indemnified. He added that UVM would retain the equipment.

Trustee Briar Alpert asked for confirmation that, per the agreement, the University would not have to invest in capital and would not be responsible for maintenance. Director Gibbons replied that this is correct.

Trustee Kesha Ram asked if any Vermont-based companies had submitted a RFP. She also inquired if there are any academic components to the project. Director Gibbons answered that BED did receive one Vermont-based proposal, however, it was far more expensive than Greenskies’. In terms of academic components, Director Gibbons indicated that the University would have access to real-time data, which could be used academically.

Trustee Curt McCormack asked how much this project would assist BED in reaching its goal of 15% solar energy. Director Gibbons said that, at this time, BED is nowhere near this target and that the proposal would assist it in gaining ground. However, the step must occur in 2016, as the 2017 rules would limit how much BED could claim.
The following resolution was presented for approval:

**Resolution Approving Power Purchase Agreement with Greenskies Renewable Energy, LLC**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is authorized to enter into four fifteen-year power purchase agreements with Greenskies Renewable Energy, LLC for solar array installations on Mason/Simpson/Hamilton Residential Complex, Harris/Millis Residential Complex, Living/Learning Residential Learning Community and the Bailey/Howe Library. The term of the agreement is October 2016 through December, 2031, in an amount not to exceed $1,800,000.

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

In the interest of time, Chair Daigle noted that the Committee would consider the remaining action items during the afternoon session of the meeting. He and President Sullivan excused themselves for the remainder of the morning session to prepare for Vice President Biden’s event.

**Academic Presentation - Internationalization**

Director of Global Educational Initiatives Gayle Nunley began the academic presentation by stating that UVM recognizes that global engagement is crucial to our teaching, research, and service missions, and to providing students the experience they need to lead and have impact in the 21st century. She observed that these values are succinctly captured in the University’s “Why Diversity” Statement, which the Board adopted in 2004 and revised and adopted in 2009. She next said that, as one facet of UVM’s commitment, the President’s Strategic Action Plan, approved in 2013, establishes the goal of enriching the international diversity of our classrooms and campus community by increasing international undergraduate enrollment to approximately 5-7%, from a starting point of 1% in 2013. To date, the international diversity of the undergraduate student body has grown to 5.2%, in important part through UVM’s launch in 2014 of the Global Gateway Program (GGP). The GGP supports international students’ successful transition into degree status, as well as focused efforts to build the number and diversity of UVM’s direct-entry applicants. She stated that, shortly, the Board would hear from the following international undergraduate students: Nata Dudkina, who is from Baku, Azerbaijan and is expected to graduate in May 2018 with a Bachelor of Arts in Biochemistry from the College of Arts & Sciences; and Huihui Geng who is from Guangzhou, China and is studying economics in the College of Arts & Sciences.

Dean of the Graduate College Cynthia Forehand continued the presentation by describing international graduate student enrollment. She stated that, until this year, UVM had not actively recruited international graduate students. As of Fall 2016, international students account for 10% of the graduate student population, with 46 countries being represented. In May 2015, the Graduate College presented to the Board of Trustees a strategic goal of increasing the percentage of international enrollment in graduate-level programs to 15% by 2020. As part of this strategy,
the Graduate College has debuted in Fall 2016 a new Pre-Master’s Program (PMP), currently available to international students pursuing graduate degrees in select STEM fields, with the possibility of future expansion to include additional degree programs. Dean Forehand introduced Joyce Thompson, an international graduate student from Accra, Ghana who will also share her experience with the Board.

Ms. Dudkina began by stating that, when she first learned about UVM and discussed attending here with her parents, they said “no” to the prospect. However, she talked with a UVM representative and, through further research, decided to apply via the Global Gateway Program. She is now a Junior in the College of Arts and Sciences, as well as enrolled in the Honors College. She noted that the Honors College has provided her with additional learning opportunities, including seminars as well as her recent attendance at the Harvard Project for Asian and International Relations (HPAIR) Conference, where health policies were discussed. Ms. Dudkina is in her second year serving as a resident advisor, which has helped her meet many people. She is currently examining interspecific aggression as an area of research. Ms. Dudkina concluded by stating that she looks forward to her thesis work and final year at UVM.

Mr. Geng shared that his path to UVM began when he was a sophomore studying in China. He was feeling unmotivated and unhappy with his trajectory, so he decided to explore alternative options. When he discovered UVM and decided to apply, he was excited, panicked and confused. At the time he enrolled, he struggled with the language barrier, but was fortunate to have orientation leaders, and a professor, who helped him overcome his struggle with the English language. Now, he serves as an orientation leader and is excited to help new international undergraduate students. He also volunteers with immunizations at the UVM Health Center. This past summer, Mr. Geng studied abroad in Spain and lived with a host family, stating that he had a fantastic experience which would not have been a possibility if he were still studying in China. He noted that he also works at the Career + Experience Hub (the Hub) as a peer mentor, helping students with resume and cover letter review as well as with their four-year plan. He concluded his remarks by stating that he is one of two international students assisting with a project encouraging international students to participate with the Hub.

Ms. Thompson said she was a Masters student studying at the University of Ghana when she heard about UVM through the international student exchange program (ISEP). Through ISEP, she was one of five students selected to study in the United States. She added UVM as one of her top three choices due to its programs relating to cancer research. Prior to her arrival, she met with other international students to talk about their experiences, noting that she was the only graduate student in the group. After her time as an exchange student, Ms. Thompson was accepted into UVM’s cellular, molecular and biomedical science doctoral program. Her research over the last four years has revolved around how asbestos causes malignant mesothelioma, thought to be caused by chronic inflammatory responses of different cell types that the asbestos fibers encounter after inhalation. Ms. Thompson has had the opportunity to be an author in several publications. Nearing the end of her time at UVM, she is now completing interviews for post-doctoral internships. She stated that she appreciates all of the training she has received here and has been proud to be a part of UVM’s impact in health sciences.
Trustee Ron Lumbra stated that he was very impressed by the students’ presentations and asked if they had any advice to improve international education at UVM. Mr. Geng responded that the Office of International Education does a very good job with the program. Ms. Thompson stated that her degree program paired every student with a “buddy,” which helped her tremendously. She said that a “buddy system” would work well for improving the experience of incoming international students. Ms. Dudkina responded that the program could better encourage international students to believe in themselves and overcome their fears.

Trustee Bill Botzow asked the students what makes them feel at home and also asked if they have had opportunities to learn more about Vermont. Ms. Dudkina responded that her conversations and interactions with people are what make her feel most at home. In terms of opportunities to learn more about Vermont, Ms. Dudkina feels that it is challenging for international students because they lack driver’s licenses and do not have a network of local people to serve as resources. However, she added that the Office of International Education offers several options to attend events and explore Vermont.

At 9:52 a.m., the meeting was recessed.

At 4:36 p.m., the Committee reconvened in Livak Ballroom, Room 417-419 Davis Center.

The Economic and Community Impacts of the University of Vermont

Vice President for University Relations and Administration Tom Gustafson began an overview of the recently completed Economic and Community Impact Study of the University of Vermont. He explained that consulting firm Tripp Umbach completed the study and is also conducting a similar study for the University of Vermont Health Network.

Trustee Robert Brennan asked if such studies are typically conducted as an effort of an organization making a statement that they are making a positive impact, or are they typically completed by a larger entity to see if a particular organization is a benefit. Denise Vandersal, Principal with Tripp Umbach, answered that such studies are typically conducted by an organization to show their positive impact.

Vice President Gustafson next explained that there were four main goals of the study. The most important goal was to quantify the economic, employment, and tax revenue impacts of UVM throughout the State of Vermont. It also aimed to articulate the various community impacts that result from UVM operations. The study assessed the impact of research activity at UVM, and the impact of UVM alumni. In addition, the study looked at the effects of the Robert Larner, M.D. College of Medicine and the College of Nursing and Health Sciences.

Vice President Gustafson next described the methodology used for the study, IMPLAN (input-output modeling software) methodology. He explained that IMPLAN is a top standard industry model designed for running economic impact analyses, which are useful in evaluating the economic contribution of a sector of the economy. The impacts were calculated based on data received from UVM and secondary data research.
Vice President Gustafson indicated that there were three types of impacts presented in the analysis: direct, indirect, and induced. He provided construction as an example, noting that investment in construction and expenditures for operations are examples of direct impact. Purchases from area suppliers are examples of indirect impact, and household spending from earnings of direct and indirect expenditures are an induced impact.

Vice President Gustafson next presented key impact findings specific to the University, the College of Medicine and College of Nursing and Health Sciences, and UVM research. The study utilized data from FY 2014. The study found that the University has an economic impact in Vermont of $1.33 billion, which breaks down to $562.1 million in direct impact, and $770.6 million in indirect and induced impact. The University was found to support over 11,000 jobs, with 4,421 jobs categorized as direct impact and 6,866 jobs through indirect and induced impact. Additionally, the University generated more than $78.2 million in state and local tax revenue.

Vice President Gustafson next reported on the UVM Robert Larner, M.D. College of Medicine key impact findings. He stated that the College directly and indirectly generated $403.3 million in economic impact to Vermont, directly and indirectly supported 2,616 jobs in the state, and generated more than $18.8 million in state and local government revenue impact.

Vice President Gustafson also reported that the UVM College of Nursing and Health Sciences directly and indirectly generated $38.2 million in economic impact to Vermont, directly and indirectly supported 419 jobs in the state, and generated more than $2.8 million in state and local government revenue impact.

In terms of research activity impact, the study found that more than $157.9 million was generated in Vermont. The employment impact of UVM’s innovative research supported 809 jobs throughout the state. Additionally, $5.3 million was generated in state and local government revenue attributed solely to the research activities of the University.

Vice President Gustafson also noted that, by means of its regional spending and the spending of its employees and visitors, UVM contributed a total of $78.2 million in state and local tax revenue impact to the State of Vermont.

In terms of UVM’s community impact, through volunteer hours and donations of its employees and students, it is estimated that UVM had an impact of $15 million. Likewise, alumni impact is estimated at $36.7 million of additional earning power for members of each graduating class. Vice President Gustafson noted that the community and alumni impact figures were not included in the University’s $1.33 billion total impact.

Trustee Kesha Ram asked how many other Vermont employers have conducted similar studies. Vice President Gustafson stated that he does not have that information but, from his memory, UVM has not done such a study prior to this one. Trustee Frank Cioffi, who is President of the Greater Burlington Industrial Corporation (GBIC), stated that typically this type of information is not sought unless an employer is completing a permit process.
President Tom Sullivan noted that the data used for this study are from FY 2014, and therefore do not capture the significant amount of economic activity around the current STEM project.

Trustee Ed Pagano asked if the University might want to compare the study results with similar studies conducted by public universities. Ms. Vandersal replied that she would be pleased to share study information of Tripp Umbach’s past public university clients.

Vice President Gustafson stated that, once the UVM Health Network study is completed, it may present an opportunity for UVM and the Network to discuss their combined impact throughout Vermont.

Trustee Bill Botzow asked if Tripp Umbach encountered any major surprises. Ms. Vandersal replied that she found it interesting that UVM’s out-of-state student ratio is so high compared to other public universities.

Trustee McCormack asked if the analysis utilized a conservative multiplier affect. Ms. Vandersal replied that the multipliers used were conservative, but as robust as they should be.

Noting that the study found that 64% of UVM graduates remain in Vermont, Trustee Anne O’Brien asked if they are mostly Vermonters. Vice President Gustafson replied that he needs to take a closer look at that figure to give an accurate response.

Vice President for Research Richard Galbraith continued the presentation by explaining in greater detail the impact of UVM’s research activity. He pointed out that research creates impact by means of licensing technology to start-up and existing companies. He provided two examples, the first being a maple tap innovation patented by UVM and licensed to Leader Evaporator. The company was started in 1888 in Enosburg Falls, Vermont, and was eventually formed into a corporation that purchased several related businesses, making them the largest commercial operation for all maple syrup production supplies. Leader Evaporator has since moved to Swanton, Vermont, and has a 45,000 square-foot production facility and 35,000 square-foot showroom. Since 2009, the company has sold approximately 3 million of the UVM-patented maple taps every year. The economic effect of the taps has totaled approximately $280,000, and that money gets reinvested. This technology also allowed Leader Evaporator to become a dominant force in its industry, employing many people.

The next example Vice President Galbraith provided involves an invention UVM patented to launch micro satellites. It is estimated that 1700 micro satellites are currently orbiting Earth; however, a problem exists, as the satellites lack guidance. Once their orbit decays, they become dysfunctional and can cause significant damage. NASA is now requiring these satellites have propulsion systems. A 2014 UVM doctoral graduate, Ryan McDevitt, addressed this need by building miniaturized propulsion systems for the satellites. The device was patented through UVM, and Dr. McDevitt has since founded his own start-up company, GreenScale Technologies.

Vice President Galbraith added that UVM holds 45 licenses, with the work being very complicated and requiring a lot of support.
Vice President Galbraith provided a final example of UVM’s research impact, citing BioTek Instruments. Vice President Galbraith invited Trustee Briar Alpert, President and CEO of BioTek, to speak more about BioTek’s relationship with UVM. Trustee Alpert first cited the education that his father received from UVM as the basis for the company’s existence. BioTek has continued a symbiotic relationship with the University over the years. Trustee Alpert further stated that, if he had to estimate BioTeks impact to Vermont, he thinks it would be approximately $50-60 million per year, with 300 direct employees. He added that much of BioTek’s revenue base is from outside of Vermont, which is then shared throughout the State.

Trustees Frank Cioffi and Lisa Ventriss also added that UVM’s relationship with the Vermont Center for Emerging Technologies (VCET) has created significant positive impacts throughout Vermont and could not exist without UVM.

**Action Items, continued**

Vice President for Finance and Treasurer Richard Cate presented a resolution approving an amendment for ground maintenance contracts. He explained that this resolution amends the previous contract, approved by the Executive Committee in 2012, by requesting additional funding of $1 million to cover the remaining months of year four and renewing the contracts for a fifth year.

The following resolution was presented for approval:

**Resolution Approving Amendment for Ground Maintenance Contracts**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute contracts for the University’s grounds maintenance services with Landshapes Landscape Design and Installation, Levinsky Landscaping and Property Management, Inc., ML Scapes, Inc., Pleasant Valley, Inc., A. Marcelino and Company, Inc., and Cedar Glen Property Maintenance, Inc. Each contract will cover services from January, 1, 2013 through December 31, 2017, for an amount not to exceed $3,400,000 in aggregate.

This resolution replaces and supersedes the resolution approved by the Executive Committee on December 10, 2012.

Vice President Cate next presented a resolution approving a revenue contract with the Vermont Chamber Music Festival. He explained that the contract has an estimated total value of $1.2 million in revenue to the University.

The following resolution was presented for approval:

**Resolution Approving Revenue Contract with Vermont Chamber Music Festival**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is authorized to enter into a four-year revenue contract from October 2016 to October 2020 with the Vermont Chamber Music Festival for the Festival to be held at
UVM for each of the next four years with total estimated revenue to the University of $1,200,000.

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

Audit Committee Chair Bernard Juskiewicz presented a resolution approving Audit Committee Charter revisions. He stated that, at its meeting on September 12th, the Audit Committee reviewed and endorsed revisions to the compliance section of its Charter to ensure consistency with the Committee’s principal responsibilities. The revisions are outlined in Appendix A.

The following resolution was presented for approval:

**Resolution Approving Audit Committee Charter Revisions**

WHEREAS, the Audit Committee has decided to ensure that its Charter and Guidelines are consistent with the Board’s reserved rights and delegated authority and the Committee’s principal responsibilities;

WHEREAS, the Audit Committee has decided to ensure that its Charter and Guidelines are consistent with previously approved guidance related to reports made to the Audit Committee on the status of internal compliance audits and government agency audits, investigations and reviews;

BE IT RESOLVED, that the Audit Committee hereby approves the revisions to the Audit Committee Charter and Audit Committee Guidelines, as included in Appendix A, for recommendation to the Board.

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

**Priority Capital Projects; Safety Management and Student Services Relocation Updates**

Vice President for University Relations and Administration Tom Gustafson invited Chief Risk Officer (CRO) Al Turgeon to offer an update on safety management issues related to campus construction. CRO Turgeon began by stating that, overall, he feels that UVM and its construction contractors are conscientiously doing all they can to be safe on, and adjacent to, construction sites at UVM. Nevertheless, given the magnitude and complexity of the construction, there remains inherent risk that must be, and is, continuously assessed and managed.

CRO Turgeon moved on to state that UVM follows construction safety best practices which includes the following:

- UVM transfers construction safety responsibility and risk to construction firms in our construction contracts, and contract indemnification and minimum insurance coverage requirements.
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- UVM specifies minimum OSHA safety standards with which contractors must comply in UVM’s Construction Safety Handbook, which is issued to all construction firms regardless of size.
- UVM maintains its own project manager for all large construction projects, such as the STEM, 1st Year Housing and Alumni House projects, and requires all large construction firms to assign an on-site safety person.
- UVM employs an OSHA-certified person to oversee safety on campus.

CRO Turgeon also stated that Engelberth and PC Construction follow safety best practices, including:
- Having a safety manager on site full time.
- Conducting, through a job superintendent, weekly manager safety meetings; in addition, a safety manager does daily safety inspections.
- Offering subcontractor- new employee site and company safety orientations Teaming new employees with experienced employees.
- Empowering all employees to identify safety issues, and instituting reporting and response protocols.
- Re-assessing continuously, through safety managers, the safety of sites as conditions change, and adjusting and communicating new mitigation strategies accordingly.
- Prohibiting operators of any equipment involved in any sort of incident from operating the equipment until they are retrained.
- Participating in the VT Department of Labor’s Project WORKSAFE program.

CRO Turgeon also noted that Engelberth was recognized by the VT Department of Labor’s Safety for its exemplary safety and health achievement through the Safety and Health Achievement Recognition Program (SHARP).

CRO Turgeon concluded by stating that UVM also practices several safety enhancements, such as adding a safety flagger to the intersection in front of the primary entrance of the STEM construction site and enhanced safety signs, as well as conducting increased oversight of sidewalks, roads and major construction sites.

Chair Daigle asked if the University has received a final OSHA report on the recent tragic construction accident. CRO Turgeon replied that he is aware that the construction company has received a draft version of the report and that a final one has yet to be issued.

Director of Capital Planning & Management Bob Vaughan provided a status update on the following capital projects: STEM Complex, First Year Housing and Dining Facility, Chiller Plant, and the UVM Medical Center Miller Building. He summarized that all projects are on schedule and on budget, adding a disclaimer that the University does not know the status of the UVM Medical Center Building budget. He then displayed project photos that highlighted how the STEM Complex and Chiller Plant sites have changed since August 2015.
Trustee Kesha Ram asked if there have been special precautions taken to prevent trespassers causing damage to the construction sites. Director Vaughan replied that the sites have been secured with fencing, video cameras and bright lighting.

Chair Daigle asked if modifications were made to the original plans. Director Vaughan replied that no major modifications have been made and that everything is within budget and in line with the original scope.

Vice Provost for Student Affairs Annie Stevens reported on efforts to relocate student services offices centrally on campus. She explained that, by grouping offices and re-purposing current space, they have improved facilities, enhanced visibility, provided stronger coherency of purpose, and increased efficiency of services. Vice Provost Stevens explained that: Community University Partnerships moved from Billings Library to Harris Millis; the Office of Sustainability moved from Billings Library to 12 Colchester Avenue; the Tech Center moved from Davis Center to Billings 1st Floor; the CATcard Office also moved from Davis Center to Billings 1st Floor. As a result of the moves, the Advising Center, which opened in Fall 2016, was able to move into the old CATcard space and the Career Center moved from the Living Learning complex into the old Computer Depot space, with additional space acquired from the UVM Bookstore. The ALANA Center is now moving to where the Career Center used to be. Finally, the Interfaith Center will soon be opening where the Old Presbyterian Church was located, at Redstone Walkway. Vice Provost Stevens noted that all of these moves and space rehabilitations occurred within an eight-month period.

Executive Session

At 5:47 p.m., Chair Daigle entertained a motion to enter into executive session to consider contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage. He noted that action was anticipated following. Everyone was excused from the meeting with the exception of Provost Rosowsky; Vice Presidents Richard Cate, Tom Gustafson, Gary Derr, and Francine Bazluke; Chief of Staff and Senior Counsel to the President Sharon Reich Paulsen; UVM Foundation CEO & President Rich Bundy; and Dean of the Grossman School of Business Sanjay Sharma.

At 5:58 p.m. all in attendance, except for Trustees, were excused from the session.

The meeting re-opened to the public at 6:12 p.m.

The following resolution was presented for approval with opportunity for discussion:

**Resolution Accepting Proposed Donor Gift Agreement**

RESOLVED, that the Committee hereby authorizes the President to complete discussions with a donor regarding naming of the Kalkin Hall expansion, on the terms and conditions described on this date.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.
The following proclamation was presented for approval with opportunity for discussion:

**Proclamation Regarding the Naming of the College of Medicine in Recognition of Robert Larner, M.D.**

WHEREAS, on September 12, 2016, the Executive Committee authorized the President to accept the naming request of a donor’s proposed gift to the University of Vermont Foundation, Inc.; and

WHEREAS, on September 23, 2016, the University announced a $66 million gift from UVM alumnus and Vermont native Robert Larner, ’39, M.D. ’42 and his wife, Helen; and

WHEREAS, in recognition of the Larners’ lifetime giving and estate commitments totaling $100 million, the College of Medicine was named The Robert Larner, M.D. College of Medicine;

THEREFORE, BE IT RESOLVED, that the Board hereby expresses it deepest gratitude and heartfelt appreciation to Robert and Helen Larner for their outstanding philanthropy and extraordinary commitment to medical education at the University of Vermont.

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

**Other Business**

There being no further business, the meeting was adjourned at 6:14 p.m.

Respectfully submitted,

David A. Daigle, Chair
Good morning everyone. I would like to extend a warm welcome to our October board meeting and offer sincere thanks to all of you for your engagement and everything that you do for UVM and our students. The collective contributions you make to this great, historic University each day have brought us to an undeniably positive inflection point in our 225-year history.

You have obviously heard by now that we have a very special guest on our campus today to discuss the White House Cancer Moonshot project and UVM’s research contributions. We are delighted to have Vice President Biden with us today to discuss an initiative of such profound importance to so many of us.

A lot has happened at UVM since we last convened in May, and I would like to share a few updates with you.

After many, many years of planning, we opened our spectacular new alumni house. If you have not been in the alumni house, please visit – it is extraordinary, and on behalf of the entire board we extend our gratitude to all who made it happen. I was privileged to attend the dedication and the first UVM Foundation board meeting in the alumni house, and the events were brimming with passion and enthusiasm for UVM. The efforts to broaden and deepen of our alumni connections have driven new fundraising records; you will hear some very positive news in an update from our partners at the UVM Foundation.

We have a new name for our College of Medicine, in honor of a native Vermonter who, at age 98, still aspires to change the world for the better. Once again, we offer our profound gratitude to Dr. Larner for a gift that will fundamentally transform the way our college of medicine students learn.

Over the summer we completed the annual presidential review, which offers us both an opportunity to provide feedback, but also to shape our shared objectives for the future. I am pleased to report that President Sullivan received an excellent performance review, and that he retains the board’s full and enthusiastic support.

I would like to thank all trustees, but especially the annual review subcommittee members, for their input. As this is President Sullivan’s fifth year in the role, we will soon be initiating a five-year comprehensive review, consistent with our board’s Presidential Performance Review Policy. This review will be extensive, and will include input from a very broad range of University and community leaders who have worked closely with President Sullivan.

A few weeks ago trustees and senior leaders gathered for our annual board retreat. We spent a considerable amount of time on the broad topic of academic excellence, what it means, how we measure it, and how we celebrate it. As you know, President Sullivan and Provost Rosowsky set
forth several academic excellence goals in the strategic plan that was endorsed by our board in 2013. We commend the faculty, the academic deans, and Provost Rosowsky for your dedication to improving the academic experience of our students, encompassing teaching, research, and advising.

As a community, we are learning to celebrate the achievements of our faculty in new ways, such as *UVM Inquiry* and the new faculty achievement display in Waterman. Our board is looking forward to continuing to seek appropriate and informative means of measuring and improving academic progress and outcomes.

In August, UVM welcomed to campus the class of 2020, which, in the words of Provost Rosowsky, is “the highest achieving, and most academically talented class in UVM’s history.” In 2016, a record 39 Vermont high school students who earned Green and Gold scholarships for being at the top of their class have chosen to attend UVM.

UVM is becoming more selective; in an increasingly competitive world of higher education, that is a profoundly positive development. We can become more selective while preserving the values and culture of our University, and protecting our commitment to Vermont students; these are not mutually exclusive goals. By strengthening the academic standing of this University, we can in fact deliver more value to those Vermonter students who choose to attend UVM.

Over the last twenty years, the number of UVM undergraduate students who are from Vermont has declined relative to the overall number of students at UVM, from slightly in excess of 40% to slightly below 30%. There are two principal reasons for this change. The first is that UVM’s student body has increased by approximately one third during this time. In contrast, there has been little growth in the number of Vermont high school graduates, a population that in fact has been declining for nearly a decade. This increase in overall enrollment was a strategic decision and has provided greater financial resources for the benefit of all students. The second factor is that the percentage of admitted Vermont students who choose to attend UVM has declined slightly over time.

Importantly, UVM’s commitment to admitting all qualified Vermont students has remained steadfast. On average over the last twenty years, UVM admitted 21% of all Vermont high school graduates. This rate varied from a low of 17% in 2000 to a high of 24% in each of 2012, 2013, and 2014. I know firsthand the benefits that UVM can provide to Vermont students, and I can assure you that our commitment to Vermont students remains strong.

Finally, I would like to extend congratulations to a UVM employee who reached a special milestone over the summer. Corinne Thompson, who does an outstanding job managing our board, celebrated her 30th anniversary with UVM. Corinne, on behalf of the entire board, congratulations and well done.

This concludes my chair’s report.
This Charter sets forth the responsibilities of the University Board of Trustees Audit Committee.

I. Principal Responsibilities

The principal responsibilities of the Committee shall include:

a. promoting the development and monitoring the effectiveness of an institutional system of risk assessment and internal controls. At least annually, reviewing with management the University’s processes for identifying, prioritizing, mitigating, and reporting institutional risks;

b. reviewing and, as appropriate, making recommendations to the Board, regarding institutional policies relevant to the scope of Committee responsibilities, including conflict of interest, ethical and fraudulent conduct, whistleblower protection, and documents retention;

c. ensuring that audit plans encompass significant and material aspects of University operations;

d. full authority and oversight of the internal audit function including appointment decisions, performance evaluations, and employment termination of the chief internal auditor;

e. implementing a selection process to retain the independent auditor and making a recommendation to the Board of Trustees for approval. Recommending such additional audits as the Committee and/or the Board must approve under the Board’s reserved authority;

f. maintaining direct and effective communication with independent auditors on behalf of the Board;

g. reviewing the results of internal and external audits (including the annually audited financial statements), and assessing the quality and timeliness of management’s response and corrective actions;

h. reviewing the effectiveness of the University’s practices related to monitoring its compliance with laws and regulations;

i. reviewing the results of management’s investigation and resolution of any reported, or otherwise discovered, significant instances of noncompliance;

j. evaluating the scope and quality of internal and independent audit services, and the degree of coordination and appropriate degree of independence between them;
k. reporting regularly and promptly to the Board regarding matters within the scope of the Committee charge; and,

l. periodically reviewing expense reimbursements, or summaries thereof that have been submitted by the President and reviewed and certified by the Vice President for Finance and Treasurer.

II. Membership

The University of Vermont Board of Trustees shall annually appoint at least 5 of its members to the Committee. Its members shall be independent of management and the University including its component units and affiliated organizations. For the purposes of this charter, “independence” is defined as rendering a Trustee ineligible for Committee service if he or she (1) is employed by the University; (2) is a partner or employee of a firm retained to conduct an audit of the University; (3) held such University employment or audit engagement at any time during the previous three years; or (4) is receiving consulting, advisory, or other compensatory fees for services provided to the University. Members of the Investment Subcommittee are eligible for appointment to the Audit Committee, but no such member may serve as its Chair or Vice Chair. The University President is ineligible for service as a member, ex officio or otherwise, of the Audit Committee, as a University official and employee.

Committee members shall otherwise be subject to the Conflicts of Interest Policy in the conduct of their work.

Members of the Committee shall receive orientation appropriate to their Committee membership. All members should have a general understanding of general accounting, business and finance principles, including the ability to read and understand institutional financial statements, whether gained preceding service on this Board of Trustees or during Committee orientation. At least one member of the Committee should possess accounting or financial expertise.

III. Authority

The Committee is authorized to investigate any matter within the scope of its Charter, with full and direct access to all pertinent University records, personnel, independent auditors and consultants.

IV. Adoption of Charter

This Charter shall be effective as of the date of its approval by the Board. The Committee will annually review the Charter and recommend to the Board revisions thereto, in view of evolving accounting standards, legal developments and experience gained.
Audit Committee Guidelines

These Guidelines serve as an operational supplement to the Audit Committee Charter. They are intended to reflect generally accepted accounting industry standards and practices applicable to non-profit corporations and higher education institutions.

The Guidelines shall be reviewed annually by management, and management shall report annually to the Committee regarding the status of the Guidelines. The Committee shall make revisions to the Guidelines as necessary or appropriate in view of evolving accounting standards and practices, legal developments and experience gained.

I. Retention of the Independent Audit Firm

a. The Committee shall annually authorize and direct the Committee Chair to retain the independent audit firm to conduct the mandatory annual audit of the financial statements and/or compliance audits. In conjunction with such retention, the Committee will assess the independence and objectivity of the firm by obtaining statements from the firm on relationships between the firm and the University. The Committee will review and assess any relationships disclosed that may impact auditor objectivity and independence.

b. The Committee shall solicit requests for proposals relative to the mandatory annual audit of the financial statements and/or compliance audits from qualified independent audit firms no less than once every five years.

c. In the event that an independent audit firm is retained to conduct the mandatory annual audit of the financial statements and/or compliance audit for seven or more consecutive years, the Committee shall, as a condition of retention of the firm, require rotation of the lead audit partner on the University engagement.

II. Retention of Other Audit Services

a. The independent audit firm retained to conduct the mandatory annual audit of the financial statements and/or compliance audits generally shall not be eligible for University engagements to perform non-audit services that would violate the U.S. Government Accountability Office Independence Standard. If, due to extenuating circumstances, and in the exercise of its reasonable discretion, management deems it to be in the best interests of the University to retain the independent audit firm for non-audit services, the proposed retention is subject to review and action by the Committee where the retention will result in fees of $10,000 or more.

b. Contracts for non-audit services with independent audit firms not already retained by the University to conduct the mandatory annual audit of the financial statements and/or compliance audits are subject to review and recommendation by the Committee and subsequent Board consideration and action when such retentions will result in fees of $250,000 or more.

III. Oversight of Audits

The Committee will, no less than once annually, and otherwise periodically as necessary or desirable:
a. review annual audit plans developed by the Office of Audit Services, and receive regular progress reports relative to such plans;

b. review audit plans developed in consultation with independent audit firms, including (i) the critical accounting policies and practices to be used; (ii) all alternative treatments of financial information discussed with management, ramifications of alternative treatment and the treatment preferred by the firm; (iii) other material communications between the firm and management; and (iv) required communications from the firm under Statement of Auditing Standards No. 114, as amended;

c. subject to subsequent Board consideration and action, review and accept the mandatory annual audit of the financial statements. Review the Office of Management and Budget Circular A-133 audit, and the financial agreed upon procedures report of institutional National Collegiate Athletic Association programs;

d. resolve disagreements between management and the independent audit firm regarding financial reporting;

e. review the independent audit firm management letter comments regarding institutional financial and information technology and security internal controls, accounting policies and procedures, and management’s response to those comments;

f. review with management and the independent audit firm their respective judgments about the quality of University accounting principles; the consistency, and the degree of aggressiveness or conservatism, in the application of accounting principles; the reasonableness of significant accounting judgments; and the clarity and completeness of the financial statements and related disclosures;

g. confirm with management and the independent audit firm respectively that the annual financial statements disclose all material off-balance sheet transactions, arrangements, obligations, and other relationships of the University with unconsolidated entities or other persons that may have a material current or future effect on institutional financial condition, and the results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues or expenses;

h. receive reports from management, the Office of Audit Services and the independent audit firm, regarding new and significant accounting standards to understand their impact on institutional financial statements;

i. receive reports from the Office of Audit Services regarding any financial fraud which, in single incident or aggregate, results in an institutional uninsured or insured loss in excess of $10,000;

j. review the organizational structure, qualifications, independence, scope of services inclusive of office charter, and adequacy of resources of the University’s Office of Audit Services;

k. annually review the appointment, evaluate the performance and set the salary of the chief internal auditor;
l. identify and document specific administrative responsibilities relevant to the routine operations of the office of chief internal auditor that are assigned to the President;

m. ensure that regular quality assessment reviews of the internal audit operations are performed in accordance with Institute of Internal Auditors standards; and,

n. meet separately with both the internal and external auditors without management representatives present subject to the requirement of the Vermont open meeting laws.

IV. Internal Controls

The University’s executive management and the Board of Trustees Audit Committee have adopted the Committee of Sponsoring Organizations (COSO) Internal Control – Integrated Framework to help assess and enhance its internal control systems.

a. Certifications

i. The Committee will receive periodic reports from management on representations it is rendering in conjunction with mandatory annual audit of the financial statements and/or compliance audits as well as significant and material debt financing, such as issuance of bonds.

ii. Without limitation on IV.a(i), the Committee will receive from the Vice President for Finance and University Treasurer a record of certification along with the annual financial statement report that:

   a. He/she has approved the financial statements,

   b. Based on his/her knowledge, the report does not contain any material errors or omissions,

   c. Based on his/her knowledge, the financial statements materially present the financial condition and result of operations,

   d. He/she is responsible for establishing and maintaining a system of internal controls over financial reporting, and that,

   e. He/she has disclosed to the auditors and the Audit Committee all significant internal control deficiencies and changes that could materially affect financial data.

b. Policy Review.

The Committee will receive for its review and comment and, if necessary, its recommendation to the Board, institutional policies relevant to its scope of work, including conflict of interest, ethical and fraudulent conduct, whistleblower protection, and documents retention.

c. Required Disclosures and Compliance Monitoring.
The Committee shall oversee compliance with the Board Reserved Rights and Delegated Authority resolution. Violations of the Board Reserved Rights and Delegated Authority resolution identified by management or the internal audit office shall be reported to the Committee.

d. Confidential Reporting.

The committee will ensure that the University has a mechanism that permits confidential communications from employees and others regarding potential financial or accounting improprieties or nonfeasance.

V. Enterprise Risk Management

a. Oversee management’s enterprise risk management process on behalf of the Board.

b. Receive periodic updates on management’s process to identify, prioritize, mitigate, and report institutional risks including the process to map risks to relevant Board Committees.

VI. Compliance

a. Review with the Office of Compliance Services and management the effectiveness of the University’s practices related to monitoring compliance with laws and regulations;

b. Review with the Office of Compliance Services and management, the results of management’s investigation and resolution of any reported, or otherwise discovered, significant instances of noncompliance; findings of internal compliance auditing and monitoring activities;

c. Review with the Office of Compliance Services and management, the findings of government agency audits, investigations, reviews any compliance examinations by regulatory agencies and any auditor observations; monitoring activities that the Director considers significant, that are initiated by a government agency as a result of a whistleblower report, or on a for-cause basis, or that result in a fine, penalty, refund, disallowance or questioned cost in excess of $10,000;

d. Review with the Office of Compliance Services and management, the process for communicating the code of business conduct, code of ethical behavior or other such code to University personnel and for monitoring compliance therewith;

e. Receive periodically, but not less than annually, reports from the Office of Compliance Services on its activities;

f. Receive updates from the Office of Compliance Services and management on new and emerging compliance issues, including their impact to the University.; and,

g. Receive as needed, through the Audit Committee Chair, compliance matters communicated directly by the Chief Internal Auditor or Director of Compliance Services.
As approved by the Board of Trustee: November 13, 2004
Approved as amended by the Board of Trustees: September 8, 2007
Revised by the Audit Committee: November 12, 2007
Approved as amended by the Board of Trustees: December 1, 2007
Revised by the Audit Committee: April 28, 2009
Approved by the Board of Trustees: May 16, 2009
Revised by the Audit Committee: October 11, 2010
Approved by the Board of Trustees: October 30, 2010
Revised by the Audit Committee: November 14, 2011
Approved by the Board of Trustees: February 4, 2012
Revised by the Audit Committee: September 15, 2014
Approved by the Board of Trustees: October 18, 2014
Revised by the Audit Committee: September 12, 2016
Approved by the Board of Trustees: