EXECUTIVE COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, August 4, 2008 at 12:00 p.m., via conference call, in room 351 Waterman Building.

MEMBERS PRESENT: Chair Ian Boyce*, Vice Chair Frank Cioffi*, Edwin Amidon, William Botzow*, Daniel Fogel, and Martha Heath, and Debbie McAneny*

REPRESENTATIVES PRESENT: Staff Council Representative Beth Walsh and Student Government Association Representative Jay Taylor

OTHER TRUSTEES PRESENT: James Betts*, Jeff Davis*, Jason DePatie*, Jim Leddy, Beth Rice, Susan Hudson-Wilson* and Bill Ruprecht*

ABSENT: Trustees Robert Cioffi and Robert Young, Faculty Representative Robyn Warhol-Down and Alumni Council Representative Meg Guzewicz

PERSONS ALSO PARTICIPATING: Vice President for Legal Affairs and General Counsel Francine Bazluke, Provost John Hughes*, Chief of Staff Gary Derr, Vice President for Federal, State and Community Relations Karen Meyer, Interim Vice President for Finance and Administration Richard Cate, Brian Murphy, Esq., Jeff Nolan, Esq., and Leigh Cole, Esq., of Dinse, Knapp & McAndrew, P.C., and Keith Denham, Kate Ferrara and Aparna Muralidharan of Deloitte & Touche, LLP.

*By means of telephone.

Chair Ian Boyce called the meeting to order at 12:05 p.m.

Approval of Minutes

Chair Boyce entertained a motion to approve the minutes from the July 14, 2008 meeting. The motion was seconded and it was voted to approve the minutes.

President’s Report

President Fogel reported that, due to a projected shortfall in revenues to the General Fund of the State of Vermont, the Douglas administration is proposing to the State Emergency Board a 5% reduction in General Fund appropriations, which if implemented would result in a $1.9 million reduction for the University. With these and other developments in mind, the University administration is currently preparing the revised FY 2009 budget proposal to be brought before the Budget, Finance & Investment Committee (BFI) in September. Unbudgeted expenses for fiscal years 2007, 2008, and 2009 have been
accounted for and a solution has been developed for repayment of those expenditures, largely from reserves. The use of these reserves, supplemented by relatively modest short-term internal borrowing, will allow the truing-up of the outstanding balances. President Fogel also reported that a structural gap exists in budgets from FY 2010 forward of nearly $13 million annually in recurring expenditures, which will need to be addressed by curbing spending and achieving or exceeding revenue targets. Finally, he stated that it may take two to three fiscal years, beginning in 2010, to close the gap fully.

President Fogel commended the work to date conducted by staff on the internal budget reconciliation process, specifically recognizing Interim Vice President Richard Cate, Associate Vice President Ted Winfield and the Financial Budgeting and Analysis staff. He advised that the numbers will be finalized once the administration has reworked the proposed 2009 budget revision to accommodate the forecast cut in the appropriations from the State of Vermont. Broad outlines of a multi-year budget reconciliation plan, including the detailed 2009 budget revision, will be ready for Board review and approval in September.

President Fogel also stated that he expects to complete, by next February, a comprehensive analysis of the fiscal sustainability of UVM’s operations under the current business model to determine whether adjustments are necessary or desirable. He reiterated themes from “Continuing UVM’s Advance,” which was distributed with the proposed new University Strategic Plan in early April: the University must reduce spending in areas less important to educational quality and student priorities; intensify cost reduction and cost-avoidance efforts in every domain; eliminate unwieldy bureaucratic and organizational structures and procedures; develop a long-term plan to increase the portion of annual expenditures from sources other than tuition and fees; focus resources on a limited number of programs to build national distinction; and continue to enhance programmatic value and the student experience through investment in academic quality.

President Fogel concluded his report by sharing the following good news:

- Last week, Senator Patrick Leahy announced renewed federal support for the Vermont Center for Emerging Technologies.
- Grants & Contracts reports more than $122 million in awards through June 30, a recovery of $15 million over last year’s level of awards.
- Enrollment projections for the new academic year remain strong, with 25 to 50 first-year undergraduates above target expected.
- Retention and graduation rates are moving up, with the expectation that the number of returning students will exceed earlier projections by 100 or more.
- A new ranking of colleges by the Center for College Affordability and Productivity places UVM first among New England universities, eighteenth among all public universities nationwide, and sixtieth among all national universities, private as well as public.
Strategic Initiatives Update

Provost Hughes summarized the status of the Deans’ searches, noting that Abu Rizvi is chairing the search for the Dean of the School of Business Administration; Domenico Grasso is chairing the search for the Dean of the Rubenstein School of Environment and Natural Resources; and Doug Lantagne is chairing the search for the College of Agriculture and Life Sciences. Advertising for all three positions will begin in early September.

Approval of Library Acquisition Contract

Interim Vice President Richard Cate reported that the University employs EBSCO, Inc., the largest serial subscription agent in the United States, as the agency for over 90% of the University’s journal acquisitions. The University has had a relationship with EBSCO for over twenty years. To ensure that UVM uses the most cost-effective and complete service available, the University offered the Bailey-Howe libraries acquisitions purchasing contract to bid in 2005, and EBSCO was the successful bidder. In 2007, Dana Library went through a similar process that resulted in a contract with EBSCO. The five-year separate invoices with EBSCO total over $3 million, thus consistent with the established protocol for seeking Board approval for large contracts. The administration is seeking approval of the library acquisition contract with EBSCO for calendar year 2009.

Chair Boyce offered an opportunity for questions. There being none, he presented the following resolution for approval:

Resolution Approving Library Acquisition Contract with EBSCO, Inc.

BE IT RESOLVED, that the Interim Vice President for Finance and Administration, in consultation with the Dean of Libraries, be authorized to contract with EBSCO, Inc. as subscription agent for library acquisitions. The contract for EBSCO will be for calendar year 2009 and shall not exceed $3,200,000.

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

September Board Meeting Preparations

Chair Boyce reviewed the schedule for the September 4-5 Board meeting (attachment 4) and highlighted that the meeting will begin on Thursday, September 4 at 8:00 a.m. and adjourn by 4:30 p.m. on Friday, September 5. This is a departure from the usual mid-day Thursday through mid-day Saturday format, and the change will be evaluated following the meeting through the usual meeting assessment process.
The meeting will begin with the Committee of the Whole on Thursday, at which the annual review of the Trustees’ Strategic Plan will occur as well as the review and approval of the University of Vermont Strategic Plan for 2009-2013. Time is also scheduled for Board discussion of the Deloitte & Touche audit report.

The Budget, Finance and Investment Committee (BFI) is scheduled to meet immediately following the Committee of the Whole to review and consider the revised FY 09 budget. The Educational Policy & Institutional Resources Committee (EPIR) is not scheduled to meet at that time to allow all trustees the opportunity to be present for the comprehensive budget review, and Chair Boyce strongly encouraged EPIR members to attend. Both BFI and EPIR will meet after lunch. BFI will reconvene to conduct a capital projects financial feasibility review, receive a report from the Investment Subcommittee. It will also be asked to act on recommendations to approve the endowment management fee and FY10 spending policy; the annual allocation review; and the operating funds investment policy.

EPIR will discuss differential tuition modeling and take action on the annual deferred maintenance request of $11 million dollars.

Time is reserved at the end of Thursday afternoon for the UVM Board and Vermont Agricultural College Boards to meet.

On Friday morning, the Committee of the Whole will reconvene and the Chairs of BFI and EPIR will describe strategic topics coming before the Board for approval. The majority of the meeting will be reserved for executive session discussions regarding the evaluation of a public officer.

Time is reserved on Friday morning for a Board development educational module, which will cover understanding and managing the cost of higher education, and assessment of academic program quality.

The Board will reconvene after lunch on Friday to receive Committee reports and to take action on the consent agenda.

Other Business

At 12:28 p.m. the Chair entertained a motion to enter into executive session for the purpose of discussing contract negotiations and to receive the advice of legal counsel. Provost Hughes, Vice President Bazlute, Interim Vice President Cate, and Chief of Staff Gary Derr were asked to remain. All other attendees were excused from the meeting. The motion was seconded and it was voted to enter into executive session.

At 12:46 p.m. the meeting was re-opened to the public and the following resolution was presented:
Resolution Authorizing Student Enrollment and Clinical Placement Agreements

BE IT RESOLVED, that the Executive Committee hereby authorizes the President, himself or through his designees, to negotiate and execute, on behalf of the University and its College of Medicine, an agreement designed to facilitate access to medical education for Maine residents and a clinical affiliation agreement with Eastern Maine Healthcare Systems.

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

At 12:50 p.m. a motion was made, seconded and approved to re-enter Executive Session for the purpose of receiving advice from counsel. Representatives from Dinse, Knapp & McAndrew and Deloitte & Touche were invited to join the remainder of the Executive Session. All other persons, with the exception of trustees, were excused. President Fogel recused himself from this portion of the Executive Session.

Adjournment

The meeting was re-opened to the public at 2:20 p.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Ian Boyce, Chair