A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, March 25, 2009 at 1:00 p.m., via conference call, in Memorial Lounge, Waterman Building.

MEMBERS PRESENT: Chair Ian Boyce*, Vice Chair Frank Cioffi, William Botzow, Robert Cioffi*, Daniel Fogel* and Debbie McAneny*

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

ABSENT: Faculty Representative Robyn Warhol-Down and Alumni Council Representative Meg Guzewicz


PERSONS ALSO PARTICIPATING: Senior Vice President and Provost John Hughes, Vice President for Finance and Administration Richard Cate, Deputy General Counsel Thomas Mercurio, Vice President for Executive Operations Gary Derr, Vice President for Student and Campus Life Thomas Gustafson, Director of Athletics Bob Corran* and Associate Director of Athletics Jeff Shulman

*By means of telephone.

Chair Ian Boyce called the meeting to order at 1:07 p.m.

President’s Report (report appended)

FY 2010 Budget Update

Chair Boyce invited Provost John Hughes and Vice President for Finance and Administration Richard Cate to provide an update on the FY 2010 budget process.

Provost Hughes provided a summary of the academic reduction process. Initially, budget reduction targets were a base cut of 6.5% for administrative units and 4.75% for academic units. Next, academic unit rescissions were fine tuned so that the percent was not the same across-the-board, with at least six different levels of cuts. The differences in cuts were mostly affected by whether units had met student/faculty ratio requirements. Deans were asked to submit proposals with the charge of identifying areas for reductions while maintaining academic excellence and allowing the University to emerge from the
economic downturn earlier and stronger than other institutions. These proposals were submitted and reviewed in late February. Vice President Cate and Associate Provost for Budget and Capital Planning Jane Knodell were charged with meeting with deans and understanding potential impacts the reductions had on their unit’s academic mission. Budgets are being further refined to reflect areas that are in need of additional funding.

Vice President Cate added that the adjusted budget will be submitted for final review by the Budget, Finance and Investment Committee at their May meeting. The budget to be presented will differ significantly from previous versions and will be submitted with an indication of what has changed since last reviewed. There is current uncertainty regarding the final revenue amounts as the administration awaits further information from the legislature. Vice President Cate noted that a common sentiment expressed by deans and faculty is that much of the difficulty in the budget cuts is not what they give up, but that there is not money available for unmet needs. He is analyzing administrative funds to determine if any can be moved to academic budgets.

Chair Boyce invited Vice President for Student and Campus Life Thomas Gustafson, Director of Athletics Bob Corran, and Associate Director of Athletics Jeff Schulman to discuss budget cuts in athletics programs.

Vice President Gustafson indicated that the University Athletic department had a daunting budget reduction number of $1.1 million, which was a combination of a base general fund cut, a need to fund increases in scholarships, and the requirement to address other longstanding budget challenges. He noted that the decision to eliminate two intercollegiate sports was extremely difficult, but was made after a thorough process of examining alternatives.

The athletic department faced choices between cutting across the board or utilizing a strategic approach and making targeted reductions to protect overall quality. After much deliberation, the department chose to be strategic as it became clear that across-the-board cuts would not only diminish the quality of UVM Athletics, but would bring into question whether the University could sustain a Division I athletic program.

Vice President Gustafson strongly believes that Bob Corran, Jeff Schulman, and the Athletic Staff employed a sound process and made an appropriate, strategic determination which he fully supports.

Chair Boyce offered an opportunity for public comments and indicated Trustees would have an opportunity for questions following.

Caroline Goddard, a sophomore softball player, agreed budget cut decisions are difficult, but expressed dismay that the cuts were vertical, rather than distributed across all athletic programs.

Michael Glynne, a junior and Student Government Association (SGA) Senator, stated that the student body has voiced unwavering support for the softball and baseball
programs. He urged the Board to support a resolution passed by the SGA that requested the reinstatement of both teams.

Jim Carter, a lifelong resident of Vermont, alumnus and former University coach expressed his support for the reinstatement the baseball team. He indicated that baseball has historically been a sport composed of a high percentage of Vermont athletes and he is dismayed this opportunity will not be available for future generations. He urged the Board to reinstate this program.

Paul Jarvais, alumnus and local attorney, urged the Board to reinstate the baseball program. He stated that he has donated substantially to the University in support of this program and will reduce support if it is eliminated. He also urged the University to maximize opportunities available to athletes rather than make policies to pursue national championships.

Tarrah Beyster, Head Coach of the softball team, reiterated the sentiment that cuts should have occurred across all athletic programs, rather than eliminating two. She indicated that the softball team could survive with a 40% budget reduction and offered to take a $9,000 cut in pay. She also stated that the elimination of the baseball and softball programs was not in-line with the idea of the University’s athletic programs being a unified “Vermont’s team”.

Ronald Paquette, a parent of a baseball member, distributed a proposal with an alternative budget that would distribute cuts across all athletic programs, without eliminating the baseball and softball programs.

Bill Currier, head baseball coach, stated that when the baseball elimination was announced, he contacted the program’s financial donors to thank them for their support. Many donors expressed dismay regarding the decision and stated they would no longer donate to UVM. Mr. Currier also pointed out that the baseball program had survived for many years without scholarships and with funds mostly available through fundraising. He indicated the team would be able to support itself in the face of budget cuts, rather than be eliminated altogether.

Chair Boyce thanked all for their public comments and indicated their points will be recognized. He then offered President Fogel an opportunity to comment.

President Fogel thanked everyone for their support of the baseball and softball programs and acknowledged the pain of their elimination, but he reaffirmed his support for the budget decisions made by the athletic department.

Chair Boyce next offered an opportunity for Trustees to comment. Trustee Susan Hudson-Wilson made the following points: the decision about funding programs is not in the purview of the Board; the Board’s role is to observe and guide President Fogel, not to second guess specific decisions; the elimination of these programs is consistent with the athletic department’s strategic plan; and reversing the elimination decisions could have
significant ramifications affecting the board delegated authority and damaging effects to the Board’s role at the University.

Trustee John Snow offered a different perspective. He believes that the athletic department and the administration made the best decision they could in the framework that the Board has imposed. Trustee Snow added that this issue could have a long-term community impact, which would make it an issue that might fall under the purview of the Board. He also indicated that the issue was not of challenging the principle of delegation of authority, but may be an indication that this policy should be reviewed and revised.

Trustee Jim Betts asked if there was an attempt to consider alternatives proposed by team coaches. Director of Athletics Bob Corran responded that the first step was to ask coaches their general thoughts and proposed options before any program was being considered for elimination. The majority opinion was that targeted and vertical cuts needed to be made.

Trustee Frank Cioffi affirmed that the Board respects and trusts the administration, but he agrees with Trustee Snow that this issue should be considered by the Board as it affects the University. Trustee Cioffi recalled his experience as a University freshman when the football program was canceled and witnessed how much it affected the community over the long-term. He feels the elimination of baseball will also have a long-term affect. When policies adversely affect people, he urges the Board to side with the people. He suggested that the staff, faculty and students should be given an opportunity to compile creative solutions to address the budget deficit in a manner that people become more important than policy.

Trustee Deborah McAneny believes that this matter had been properly delegated to the administration and supports their decision. Trustee Robert Cioffi concurred and warned that the Board could face challenging governance issues if they reconsider the administration’s decision.

Trustee Jeff Davis added he remains committed to comments he previously sent to the Board and believes this issue should be considered by the full Board.

Chair Boyce indicated that the Board would need to arrive at a consensus regarding governance in relation to this issue. He indicated such consensus could be arrived by conferring with general counsel in Executive Session.

**Other Business**

At 2:35 p.m., Chair Boyce entertained a motion to enter into executive session for the purpose of receiving legal advice from Counsel. The motion was seconded and approved.

All in attendance were excused from the meeting with the exception of Trustees, Provost Hughes, Vice President Cate, Vice President Gustafson, Vice President Derr and Deputy
General Counsel Tom Mercurio. Trustees Jeanette White and Claire Ayer exited the meeting prior to executive session.

**Adjournment**

The meeting was re-opened to the public at 3:20 p.m.

Chair Boyce announced that after careful and thoughtful discussion, the Board concluded that this issue does not come under their purview and as such belongs to the administration.

There being no further business, the meeting was adjourned at 3:21.

Respectfully submitted,

Ian D. Boyce, Chair
Chairman Boyce, thank you very much. Since our last Executive Committee meeting two and a half weeks ago, we have been working hard with governance bodies—and especially with the Faculty Senate—to ensure that our work on budget adjustments continues to be highly strategic, in line with our focus and invest strategy. In addressing our budget, we have concentrated intensively on our core academic mission. We have sought to ensure that budget cuts are consistent with strategic academic priorities and that they are aligned as fully as possible with the strategic imperatives I laid out last fall after consultation with an ad hoc committee of strategic budget advisers that included deans and faculty, staff, and student governance leaders: the primacy of preserving and enhancing academic value, with emphasis on high quality and diverse enrollment, on the quality of the student experience, and on faculty research, scholarship, and creative activity. I’m pleased that we have the opportunity today to update the Executive Committee and the Board as a whole on that work and on other items of pressing strategic interest.

Last week, at a Faculty Senate meeting, I reported on the following points:

- First, with contractual exceptions solely for the University President, administrative compensation next year will be confined to base pay, with no bonuses, no deferred compensation, no vehicle allowances, and no other elements of non-base pay for any administrator. My own total compensation will be lower in 2010 than in 2009 and in 2008, and I expect aggregate total compensation in FY 2010 for all administrators from the level of the deans on up to come to less than in either of the two preceding fiscal years. I also told the Senate that the trustees, through this Executive Committee, will be monitoring all aspects of senior administrator compensation as an aspect of my own annual performance review;
- Second, we have initiated a benchmarking study comparing UVM senior staffing levels to peer institutions. The Senate will be updated on the status of the study and invited to comment on it in draft form. We will act to align UVM not only with common practice but with what we conscientiously discern to be best practice;
- Third, the Board, by action of the Executive Committee, has approved a more inclusive, participatory, and transparent process for reviewing and selecting honorary degree recipients and Commencement speakers.
- Finally, I reported to the Senate that no proposals for academic restructuring will be considered except through normal governance channels to which I am fully committed, notably the Faculty Senate, with ample time for reflection and deliberation.

I want to turn now to a topic on which John Hughes and Richard Cate will elaborate—our efforts to assure that our highest strategic priority for academic quality and the quality of the student experience is preserved and enhanced as we work through the budget adjustment process. Associate Provost Jane Knodell and Vice President
Richard Cate met with the deans throughout the week of spring break and determined that, in addition to the return of about $200,000 previously committed to the College of Nursing and Health Sciences, we will need to make additional investments—perhaps well over a million dollars more—in faculty positions, teaching assistantships, and instructional support to ensure the quality of the academic experience for students and faculty next year, as well as critical support for enrollment management programs in addition to next year’s $10 million increase in financial aid. On this short-term work for next fall, I want to be clear about two things. First, the analysis to date suggests that the investments we will make in academic quality will not have a one-to-one correspondence with the areas and positions affected in current budget cut scenarios; instead, investments will be designed in the most strategic and effective ways we can devise to maintain the quality of the academic and student experience. Second, there are no new dollars available to make these investments; we will be working within the budget plan the Board reviewed in December, and the investments we will be making in the preservation of quality at the academic core will require reallocation of existing dollars that will be experienced as further cuts in units where those dollars originate. In short, these strategically remedial measures may further impact non-academic areas in the interest of our overriding strategic emphasis on students and the quality of their academic experience.

Beyond this intensive work on course offerings in the coming academic year, we are committed to a long-term academic-quality impact analysis. In consultation with the Faculty Senate, I am appointing an Academic Quality Assurance Task Force that will examine, among other matters, the discipline-specific pedagogical appropriateness of student-faculty ratio targets across all of the colleges and schools, with attention to both undergraduate and graduate education. The Task Force will also make recommendations as to the resources required to support instructional excellence in the larger classes that necessarily become a more significant part of the mix of small, medium, and large class sections as instructional productivity rises to meet the ratio targets—resources such as funding for teaching assistants and professional support for users of instructional technology that may be required to help the relatively small number of faculty teaching larger sections to deliver the highest quality academic experience to their students. As noted before, any increases in these costs will have to be offset by reductions in other areas.

I have sent to the Executive Committee a memo detailing governance issues that I believe are timeless and that certainly apply to the discussions about elimination of baseball and softball and indeed to all of the other planned budget reductions. I will not reiterate what I said in that memo, except to emphasize its broad theme that our continuing success depends upon clear role delineation as between the Board and the administration, fidelity to applicable process, delegation and trust, and respect.

Finally, I want to update you on our important enrollment management front, including the critical task of building the class of 2013, and on external funding for research and scholarship to date this year. We finished the admissions season with 22,311 applicants, a 6% increase over last year’s record. We have admitted 15,549 students from
49 states. The overall admit rate to date is 69% and the average SAT total of critical reading and mathematics scores is 1235. Alana admits are up 23%, and represent slightly more than 10% of all admits and slightly more than 6% of Vermont admits. At this point, enrollment deposits are running behind last year, and thus we are intensifying yield activities even while we believe, along with many of our colleagues at other institutions, that students are delaying making decisions and deposits till much later this year than in the past so that they can compare all of their financial aid packages and net costs of attendance before committing. Student behavior this week is supporting that notion. Our deposit shortfall has decreased every day this week, which follows our initiation of sending financial aid packages two weeks ago—two weeks earlier than we have ever sent aid packages. We will know much more by the next executive committee meeting in mid-April. Also on the enrollment management front, not only do we have this spring the largest and highest-quality spring enrollment in UVM’s history, but also account holds, which we are monitoring closely as an index of the difficulty students may be having staying in school due to economic circumstances, remain down compared to last year. On the research front, I reported earlier a record level of funding through the first two quarters of the current fiscal year, up $12 million over the previous year, and though we are still a few days shy of the close of the third quarter it is not too early to say that we will close the quarter still at least $10 million ahead of last year’s pace, numbers that reflect several large directed appropriations but that do not yet express the probable positive effects of federal stimulus dollars for agencies that support funded research. Here ends my report, Ian. If there are any questions I will be happy to try to answer them.