A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, December 5, 2008 at 3:45 p.m. in the Silver Maple Ballroom, room 401 Dudley H. Davis Center.

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

MEMBERS ABSENT: James H. Douglas

Chair Ian Boyce called the meeting to order at 3:45 p.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and voted to approve the minutes from the September 5, 2008 meeting as presented.

Public Comment

Chair Boyce opened the public comment period and explained the protocol for addressing the Board.

The first speaker, David Shiman, spoke as President of United Academics. He recalled that negotiations between United Academics and the University, which ended in a contract this fall, were characterized by sharing of research data, respect, candor, and collaboration. President Shiman stated his hope that the same type of collaboration can be shared during the current financial crisis.

President Shiman noted that the union submitted to President Fogel, and made available to the entire Board, a list of questions to which the union was requesting answers. He called for the administration to acknowledge and identify factors and actions that led the University to its current financial predicament.

President Shiman concluded by stating that United Academics urged President Fogel to require administrators to involve faculty more actively in the decision-making process.

Nick Marrone, a UVM student, spoke on behalf of The International Socialist Organization (ISO) regarding the impact of the budget shortfall on students, faculty and staff. Mr. Marrone
opined that the budget shortfall was a result not only of the economic crisis, but of administrative mismanagement. He stated that tuition costs are extreme and should not be increased to solve the financial challenges. He expressed concern that budget cuts will affect the quality of education and life on campus, and suggested that the cuts should be taken first from administrators.

Kathryn Nopper, a UVM senior, spoke as a representative of Student Labor Action Project (SLAP). She stated that budget shortfalls were the result of poor planning. She also called attention to financial issues including livable wages for University employees, the affordability and quality of higher education, financial mismanagement, the lack of voice for University community members, and the human cost associated with budget cuts. Ms. Nopper urged the Board and the administration to include the University community in their decision-making processes.

Jean-Marie Pierce, a UVM student and member of Student’s for Peace and Global Justice (SFPGJ), invited Ben Silverman to speak on her behalf. Mr. Silverman, a UVM junior, expressed concern that the economic crisis will be used by the administration as an excuse for structural faults. He requested more transparency regarding the budget deficit and called for information regarding the details of the $22 million shortfall. Mr. Silverman indicated budget cuts should be implemented fairly and should start from the top of the University down.

C. Andy Black, a four-year member of SLAP, participant of the Translating Identity Conference (TIC) as well as the Presidential Commission on LGBT Equity, spoke regarding labor rights. Mr. Black indicated his parents, both graduates of the University, are benefactors of the Charles O. and Wendy M. Black Endowed Scholarship Fund. He provided his perspective as both a spokesperson for SLAP, but also as a student from a privileged background. Mr. Black called attention to comprehensive economic justice, a multi-faceted economic principle he hopes will be used to help meet the needs of the University community. He indicated that this idea involves principles to be created with the input of staff, faculty and students, which would guide all financial decisions at the University. Mr. Black concluded that the administration needs to apply economic justice to prevent financial mismanagement, rising tuition, and job insecurity.

Committee Reports

Educational Policy and Institutional Resources Committee

Trustee Claire Ayer summarized the report given to the Committee by the Faculty Senate Curricular Affairs Committee Chair, Cynthia Forehand. Dr. Forehand reported that the Faculty Senate Curricular Affairs Committee approved requests to establish a new Major in Global Studies; a new Minor in Global Studies; in the College of Arts and Sciences a name change from Area and International Studies Program to Global and Regional Studies; and from Extension and the College of Agriculture and Life Sciences a name change from University of Vermont Proctor Maple Research Center to University of Vermont Proctor Maple Research and Extension Center. The new major and minor in Global Studies will be brought forward to the Committee at the February 2009 meeting as action items.
Chair Martha Heath reviewed Provost John Hughes’ presentation regarding differential undergraduate tuition, introduced at the September meeting. The Provost had asked Dean of the School of Business Administration Rocki-Lee DeWitt, Associate Provost for Planning and Assessment Dale Jaffe, and Vice President for Enrollment Management Chris Lucier to advise whether to bring to the Board a set of principles for differential tuition discussion in February. Provost Hughes also presented information indicating that 6/12 of the University of Vermont’s public peers employ differential undergraduate tuition, 6/7 of our public aspirant institutions employ differential undergraduate tuition, and 3/14 of our private competitor institutions employ differential undergraduate tuition.

Vice President Chris Lucier updated the Committee on the status of enrollment, including an eight percent increase for in-state applications, an eleven percent increase for out-of-state applications, and a thirty-one percent increase in the number of ALANA applications. Overall, the application volume at the University is healthy. Vice President Lucier noted that his office is not noticing an increase in appeals for additional financial aid from current students.

Chair Heath advised that Provost Hughes had engaged the Committee in a discussion regarding Academic Program Approval and Review. He identified an urgent need to examine the enrollment patterns and graduation metrics of each academic program to ensure that the University’s investments in these programs are organized in a strategic manner, particularly in view of current resource constraints. She noted that President Fogel had charged Provost Hughes and the Faculty Senate with examining class size and graduation minima.

Chair Heath reviewed the streamlining of scheduled course times, noting the administration’s report that scheduling is much more efficient for students.

The Committee also approved resolutions regarding Approval of a Certificate of Graduate Study in Complex Systems and Approval of a Minor in Public Communication.

Trustee Jeff Davis summarized Vice President for Development and Alumni Relations Marc Diamond’s presentation regarding the development and relations program. Reviewed topics included the Campaign Impact Report, Division reorganization, and analysis of fundraising for facilities on campus in relation to other universities with comparable fundraising programs.

Trustee Beth Rice provided the Board with an overview of Vice President for Research and Graduate Studies Frances Carr’s report on the framework for a research “roadmap.” The roadmap provides structure for planning, investment, and evaluation. Two critical goals are to ensure the continued success of the University among the premier, small, research universities; and to achieve national distinction in selected areas of research, scholarship, and creative activities. Vice President Carr concluded by outlining the next steps that should be taken in alignment with the University’s strategic plan.

Trustee James Leddy reported that Associate Provost for Multicultural Affairs and Academic Initiatives Wanda Heading-Grant updated the Committee on the six-credit diversity requirement. She provided background information on the composition of the Diversity Curriculum Review
Committee (DCRC) and the DCRC Assessment Committee. The DCRC has met numerous times to review course proposals and establish new policies, and twenty-seven courses were approved at the most recent meeting. The Office of Multicultural Affairs and Academic Initiatives has hosted and co-sponsored several events aimed at faculty professional development such as Blackboard Jungle, James Banks, and Jena 6. The office has also been developing opportunities that support multicultural education and a safe learning and working environment for faculty and students.

**Budget, Finance and Investment Committee**

Investment Subcommittee Chair Robert Cioffi gave the Committee an overview of the Long-Term Investment Pool allocation performance for the quarter ending September 30, 2008. The long term pool was down 12% in the third quarter, down 15.2% calendar year-to-date, and 14% on a trailing one-year basis. He observed that the performance for the quarter ending December 31 may be weaker than the third quarter’s. The Investment Subcommittee will meet in January 2009 to review asset allocation and rebalancing in view of current market conditions.

The Investment Subcommittee also recommended to the BFI Committee approval of the resolution for Signatory Authority for Endowment Funds and Other Invested Funds and the resolution for Proxy Voting. Both resolutions were approved unanimously for recommendation to the full Board.

The Committee approved for recommendation to the full Board a resolution to accept grant and contract awards of $50,401,697 and gifts of $5,990,487 and a resolution authorizing the President to request $3.2 million from the State of Vermont toward construction, renovation, and major facility maintenance.

Chair McAneny described the Committee’s review of Treasury Operations. She noted that University budgets currently contribute toward external debt payment obligations on a consistent basis using a blended interest rate and shorter repayment schedule than the underlying long-term debt, and that the result has been to create a fund balance for use for future capital needs. In light of current operating budget challenges, she commented that this practice would not be practical for the next few fiscal years. The Chair further noted that the Committee had discussed the principles that led to the creation of the existing debt policy. The proposal before the Board today, she stated, would not change current policy. The Committee confirmed that the Treasurer has authority to adjust the internal repayment schedule. An alternate approach was also presented that lowers internal contributions in order to relieve budgetary pressures while at the same time assuring that all external debt obligations are fully covered by the operating budget. The Treasurer will provide periodic reports on the result of the amended practice. A resolution authorizing the transfer of funds from Treasury Operations to meet FY 2009 budgetary obligations without repayment, classified as a loan, was approved unanimously by the Committee for recommendation to the full Board.

The Chair went on to note that the debt policy, adopted in September 2004, requires annual review of the policy, with revisions to be made as deemed appropriate. The Committee was
asked to endorse the current debt ratio standards in the debt policy. A resolution to endorse the current debt policy was approved unanimously by the Committee for recommendation to the full Board.

The Chair stated that the Committee also discussed action items including the increase of summer tuition rates, reallocation of Funds for Delahanty Hall Laboratories, and approval of appointment of senior managing underwriters.

Chair McAneny commented that Interim Vice President Cate reported on topics including the status of commercial paper, the Commonfund, Strategic Financial Plan progress, management’s response to the Deloitte Report, a financial management operations manual, reserve funds, the KPMG audit, GASB 45, and FY 2009 budget status (1st quarter year-to-date). Interim Vice President Cate also explained that the viability ratio was tripped as of October due to the market’s actions; the viability ratio policy limit is 0.80; as of end of October, the ratio of expendable net assets over total long-term debt was 0.66. He noted that current policy does not address measures to be taken when policy limits have been tripped.

Interim Vice President Cate also advised the Committee that a resolution will be brought forward in February for $80 million long-term bonding to address previously approved capital projects that are now underway, and which are currently funded by commercial paper of which $25 million is outstanding. Interim Vice President Cate also requested the Committee’s authorization to issue a request for proposal (RFP) for developer proposals for residential housing on Redstone campus, including a third-party lease-back provision giving University control over operations. BFI supports initiating the RFP process, urging that it be a national-circulated RFP, and that impact, or lack thereof, on debt ratios needs to be confirmed.

**Board Governance Committee**

Chair Robert Cioffi reported that, after revisiting its charge and receiving a summary of governance committee practices at other universities, the Committee concluded that it was comfortable with the scope and focus of the work its charge outlines. The Committee took notice of the importance of its role regarding new Trustee recruitment, and its newly-appointed ad hoc Committee on Trustee Recruitment. The Committee also recognized its responsibilities with respect to the Board Conflicts of Interest policy, which it will soon reexamine.

Chair Cioffi observed that the new Trustee orientation program has been well-received, but that several Trustees have requested a more detailed orientation for their Committee assignments. The Committee agreed that, in addition to receiving written orientation materials, Committee orientations should be held “live” and include an overview of the Committee’s work.

The Committee reviewed several Board policies as part of its protocol of cyclical review of adopted policies.

Chair Cioffi reminded the Committee that it functions as the Nominating Committee for the election of University and Board officers and that *Operational Guidelines for Nomination of*
*Board and University Officer Appointments* were developed in 2005 to assist in that process. Committee members offered no amendments to the guidelines at this time.

Chair Cioffi indicated that the *Guidelines for Selection of University Trustees* were developed in 2007 as a recruiting tool for all sources of appointment to the Board. Member Botzow stated that the guidelines proved valuable in advising legislative candidates for trusteeship of Board expectations. Committee members did not have any suggested changes to these *Guidelines*.

Vice President Bazluke relayed that Chair Boyce viewed the annual review of the *Strategic Plan of the Board of Trustees* as unnecessary and had suggested that the Plan be reviewed on a three-year cycle. The Committee concurred with this recommendation.

Chair Cioffi stated that the Board and the administration each support a three-Board-meetings and one-Board-retreat format for the annual Board meeting schedule beginning in 2009. Chair Cioffi underscored the importance of including time to examine Board effectiveness at each retreat. He recalled the benefit of the Board survey completed before last year’s retreat and suggested that the same process be used for the 2009 retreat. Various opinions were expressed regarding the seasonal timing of the next Board Retreat and whether a Thursday/Friday format will work for the fall Board meeting. All Trustees were polled regarding their opinions on both topics, and the Committee of the Whole voted on the proposed dates earlier today.

Trustee John Snow reported to the Committee on the deliberations of the Interim Chair work group appointed to review logistical issues associated with the “gap” that currently occurs in alternate years between the start of a new Board year (March 1) and election of the new Chair (annual meeting in May). The work group concluded that the most attractive approach would be to have a new “regular meeting” held in early March for the exclusive purpose of electing the Board Chair in years that election of a new chair must occur. The Committee agreed with this recommendation and directed Vice President Bazluke to draft a resolution for recommendation to the full Board. The full Board approved this new protocol earlier today.

Chair Cioffi commended Trustee Coordinator Corinne Thompson for facilitating the process of moving assessments on-line, noting increased participation. The Committee agreed that trends with respect to specific Committee assessments should be monitored. Committee Members and staff each agreed that the quality of Board Educational Modules needs to be improved. Trustee Snow also recommended that the revised protocol for governance leader reports be adjusted to encourage the leaders to identify a strategic initiative.

In response to suggestions provided in the Deloitte & Touche LLP report issued last month, Vice President Bazluke provided the Committee with a chart that illustrates the application of Sarbanes-Oxley governance principles to nonprofit organizations. The Committee decided that these principles should be examined for potential UVM or Board policy additions or revisions. Members Botzow and DePatie agreed to work on this project with Vice President Bazluke and to report their findings to the Committee in December.
Chair Cioffi concluded his report by reminding the Board about a Nominating Committee e-mail that has a deadline of December 15 for responses.

**Audit Committee**

Audit Chair Edwin Amidon noted that the Committee has met four times since the September Board meeting.

At its meeting on October 6, the Committee received a report from Renee Bourget-Place of KPMG regarding field work for the FY 2008 financial statements audit; she indicated that the final would be submitted to the Committee in November. The Committee also reviewed the draft management response to the Deloitte Report and Interim Vice President Richard Cate reported that a request for proposal (RFP) will not be needed to secure external review of the response, although such assistance will be retained. Interim Vice President Cate also reported that Huron consultants have now been phased out.

Trustee John Snow described the work completed by the Investment Subcommittee on valuation of marketable alternative investments. Contacts were made with the management firms used by the University and arrangements made to obtain disclosures necessary to meet external audit requirements for FY 2008 and future years. Renee Bourget-Place commented that the information obtained would provide an excellent basis for KPMG's audit of that portion of the University's portfolio.

At its October 16 meeting, the Committee approved the report of the External Audit RFP Subcommittee to form the RFP. Committee members were advised that this RFP was for audit of financial statements and that the Deloitte Report internal control issues would be addressed in a future RFP or by amendment to the selected audit firm's work plan.

The Committee continued discussion on the management's draft response to the Deloitte Report and asked that the response be put into a management letter format addressing each finding and recommendation point by point. The Committee agreed with Interim Vice President Cate's suggestion that a manager of internal controls separate from the internal audit function would be a desirable addition to the finance staff.

The Chair stated that the meeting held on October 20 was principally held in executive session to discuss a personnel matter. In open session, the Committee voted to concur with the recommendation of the President regarding a personnel matter and authorize him to take appropriate action.

At its November 25 meeting, the Committee reviewed the proposed new University policy on employee conflicts of interest and conflicts of commitment and voted unanimously to recommend its approval by the full Board. The Committee received an overview from Renee Bourget-Place of KPMG of the FY 2008 financial statement audit and management letter, and Interim Vice President Cate discussed management's response. Significant deficiencies included "self-approval" journal entries, grants and contracts issues, and two unauthorized consulting
contracts in excess of $250,000 without required approvals. These areas were also addressed in
the Deloitte Report and response.

The external auditing process has returned to its customary schedule and there were no findings
of material weakness. There were six one-time adjustments, including the improper deferral of
$1.8 million in grant revenues from FY 2007 to FY 2008 and reclassifying of FY 2007 and FY
2008 Common Fund short-term balances from balance sheet cash equivalents to operating
investments. The balance sheet, for the first time, reflects the University's post-retirement health
benefits obligations in response to a newly effective accounting standard. This added about $26
million to the liabilities section of the balance sheet. Valuation methods for alternative
investments, such as hedge funds, were also reviewed and found to be satisfactory under new
more stringent accounting standards. A resolution to accept the FY 2008 financial statement
audit was unanimously approved.

The Committee discussed restructuring of the internal audit function in response to the Deloitte
Report. Coverage of the function, pending a national search for a new internal auditor as the
result of the retirement of the former auditor, was also discussed. The Committee agreed that,
during the interim period, the internal audit acting chief will report to the Committee with
administrative oversight by the President. A subcommittee of Trustees Edwin Amidon, Bill
Botzow, and John Snow was appointed to prepare recommendations for restructuring with the
assistance of Interim Vice President Cate and General Counsel Francine Bazlue, including job
description, reporting line, resources, relationship to compliance, Governance Committee input
on Sarbanes-Oxley standards, and related issues, and to recommend charter amendments to the
full Committee for possible action by the full Board at its February meeting.

The external audit RFP was issued on October 24 and proposals are due December 23. Opening
of proposals, presentations, and selection will occur in January. Several Committee members
continue to be concerned that internal control issues raised in the Deloitte Report should have
been included in the RFP which was approved at the October 16 meeting. Interim Vice President
Cate assured the Committee that these issues are being addressed by staff in accordance with
management's response and will be in the future if necessary by amendment to the external audit
engagement letter or a new RFP. A timeline will be compiled and reported to the Committee.

Chair Amidon concluded his report by acknowledging new Director of Grants and Contracts
Accounting Jennifer Gagnon’s report that staffing is complete and entries and reports are current.
However, there is still a substantial number of grant accounts receivable that the staff is
aggressively working on collecting. She expressed optimism that most of that amount will come
in.

Approval of Consent Agenda

Chair Boyce introduced the consent agenda and opened the floor to any requests or questions
regarding its approval.
AUDIT

Acceptance of Fiscal Year 2008 Annual Audit

WHEREAS, the books and accounts of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2008, have been audited by KPMG LLP, Certified Public Accountants, and the report of such audit published in detail in accordance with 16 V.S.A. Section 2281;

BE IT RESOLVED, that in accordance with authorization contained in the Bylaws, the Board hereby accepts such audit in lieu of the annual audit, and that the same be considered as the report of the Audit Committee.

COMMITTEE OF THE WHOLE

Resolution Recommending New Protocol for Board Chair Elections

RESOLVED, that the Committee, consistent with the University Charter and Bylaws, recommends to the Board the following change in protocol for election of the Board Chair:

In calendar years in which a new Chair must be elected, following identification of the new trustees who will assume trusteeship March 1, the Board shall hold a regular meeting as soon as feasible in March to facilitate prompt leadership succession.

Resolution Approving Amendment to the University Strategic Plan 2009-2013

RESOLVED, that the Committee recommends that the Board approve the proposed additional language added to goal five of the University Strategic Plan related to internal controls and accountability which shall read as follows: "As an institution, model the highest standard of ethical conduct, accountability and best practice, public service, and strong commitment to lifelong learning."

Resolution for President to Confer Honorary Degrees

RESOLVED, that the President be and hereby is authorized to offer and confer honorary degrees at the 2009 Commencement to the individuals recommended by the Honorary Degree Work Group.

Approval of the Conflict of Interest and Conflict of Commitment Policy

BE IT RESOLVED, that the University of Vermont hereby approves the Conflict of Interest and Conflict of Commitment Policy as recommended by the Audit Committee and as shown in the attached document.
EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

Resolution Approving the Creation of a Certificate of Graduate Study in Complex Systems

RESOLVED, that the Board of Trustees approves the creation of a Certificate of Graduate Study in Complex Systems, as approved and advanced by the Provost on October 13, 2008, and the President on October 15, 2008.

Resolution Approving a New Minor in Public Communication

RESOLVED, that the Board of Trustees approves a new minor in Public Communication as approved and advanced by the Provost on October 13, 2008 and by the President on October 15, 2008.

BUDGET, FINANCE & INVESTMENT COMMITTEE

Signatory Authority – Endowment Funds and Other Invested Funds

WHEREAS, the Board of Trustees has fiduciary responsibility for the University of Vermont and State Agricultural College Endowment Funds and Other Invested funds, such as Long-Term Investment Pool, including Consolidated Endowment Funds, and The University of Vermont Trust, certain Separately Invested Endowment funds, certain Charitable Trusts and the Pooled Income Fund; and

WHEREAS, from time to time documents relating to securities transfers, purchases, and sales are required in connection with the operation of these funds;

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Controller, and Assistant Controller for Tax and Treasury Services, or any officer holding any of the above positions on an interim basis, singly is authorized to execute any and all instruments necessary, proper, and desirable for that purpose.

This resolution supersedes all previous authorizations.

Signatory Authority - Proxy Votes on Shareholder Resolutions

BE IT RESOLVED, that, when offered shareholder resolutions, the Vice President for Finance and Administration and Treasurer, Controller, Senior Accountant, or Endowment Accountant of the University shall commit the proxy votes of the University in accord with specific guidelines approved by the Investment Subcommittee of the Budget, Finance, and Investment Committee of the Board of Trustees.
BE IT RESOLVED, that in the absence of such specific guidelines, except for matters of routine corporate business, the Vice President for Finance and Administration and Treasurer, Controller, Senior Accountant, or Endowment Accountant shall cast an abstaining vote.

BE IT FURTHER RESOLVED, that in any instance when such specific guidelines do not exist, the Socially Responsible Investing Work Group may study the issue and develop a recommendation for the Investment Subcommittee.

This resolution supersedes all previous authorizations.

**Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of $5,990,487 for the period July 1, 2008, through September 30, 2008, and grants and contracts in the amount of $50,401,697 for the period July 1, 2008, through September 30, 2008.

**State Capital Appropriation Request - Fiscal Year 2010**

RESOLVED, that the President be and is hereby authorized to request $3.2 million from the Governor and Legislature of the State of Vermont toward construction, renovation, and major facility maintenance in advancement of the mission of the University of Vermont.

**Summer Session Tuition Rates**

RESOLVED, that the Board of Trustees hereby approves the change in tuition for the Summer Session from $369 to $391 per credit hour for in-state students and from $931 to $987 per credit hour for out-of-state students. The changes are to become effective with the 2009 Summer Session.

**Reallocation of Funds for Delahanty Hall Laboratories**

WHEREAS, at its May 2007 meeting the Board approved an allocation of $1,500,000 for the renovation of research laboratories in Votey, Cook Science, and Farrell for the College of Engineering and Mathematical Sciences, the Department of Chemistry, and the combined needs of the National University Transportation Center and the Vermont Advanced Computing Center; and

WHEREAS, the Geology Department requires additional laboratory renovations in Delahanty Hall; and

WHEREAS, previously allocated funds in the amount of $152,000 remain available and are adequate for this additional work;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to
reallocate the $152,000 that remains from the Research Lab Renovations project approved on May 18, 2007, and to increase that project’s scope of work to include the Delahanty Hall lab renovations; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Appointment of Senior Managing Underwriters

WHEREAS, The University adopted its Commercial Paper Note Resolution (the “CP Resolution”) on November 13, 2004, and thereby established a commercial paper program (the “Commercial Paper Program”);

WHEREAS, in connection with the Commercial Paper Program, the University appointed Citigroup Global Markets Inc. as dealer under the CP Resolution and executed and delivered a dealer agreement between the University and Citigroup Global Markets Inc.;

WHEREAS, the University desires to add J. P. Morgan Securities Inc. as an additional dealer under the CP Resolution and to execute and deliver a dealer agreement (the “J.P. Morgan Dealer Agreement”) between the University and J.P. Morgan Securities Inc.;

WHEREAS, a copy of the form of the J.P. Morgan Dealer Agreement has been filed with the University;

WHEREAS, the University desires to amend the documents executed, delivered or prepared in connection with the Commercial Paper Program to reflect the appointment of J.P. Morgan Securities Inc. as an additional dealer;

WHEREAS, in connection with the sale of notes under the Commercial Paper Program (the “Notes”), an Offering Memorandum will be prepared that will present information about the University, the terms of the Notes, and the security for the Notes, among other things; and

WHEREAS, the University desires to appoint Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. as senior managing underwriters in connection with the issuance of the University’s bonds;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Appointment of J.P. Morgan Securities Inc. as an additional dealer. The Board hereby authorizes the appointment of J.P. Morgan Securities Inc. as an additional dealer for the Notes under the CP Resolution.
Section 2. **Actions Effecting Appointment.** Any Officer of the Board, the President, the Senior Vice President and Provost, the Vice President for Finance and Administration and Treasurer, the Controller, and the Associate Vice President for Budget and Resource Management, or their successors (each an “Authorized Officer”), is each hereby authorized to take such actions as may be necessary or desirable to effect the appointment of J.P. Morgan Securities Inc. as an additional dealer for the Notes under the CP Resolution.

Section 3. **Form of Dealer Agreement.** The form of the agreement between the University and J.P. Morgan Securities Inc., as presented at this meeting, is hereby approved (including the fee to be paid to J.P. Morgan Securities Inc. set forth in the agreement); and each Authorized Officer is hereby authorized to execute the agreement in the name and on behalf of the University, substantially in such form and with such changes, insertions and omissions as may be approved by that Authorized Officer, the execution being conclusive evidence of approval.

Section 4. **Other Documents.** The Board hereby authorizes any Authorized Officer of the University to amend any document executed, delivered, or prepared in connection with the Commercial Paper Program to reflect the appointment of J.P. Morgan Securities Inc. as an additional dealer under the CP Resolution.

Section 5. **Offering Memorandum.** The Board hereby approves the inclusion of information about the University in the Offering Memorandum consistent with the information in the last official statement or continuing disclosure filing prepared in connection with the University’s bonds with such changes, modifications, additions or deletions therein as shall seem necessary, desirable or appropriate to an Authorized Officer and authorizes the use by the dealers of that information in connection with the offering and sale of the Notes.

Section 6. **Appointment of Underwriters.** The Board hereby appoints Citigroup Global Markets Inc. and J.P. Morgan Securities Inc. as senior managing underwriters in connection with the issuance of the University’s bonds.

Section 7. **Actions of Officers.** Each Authorized Officer is hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents that they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by (i) this Resolution and (ii) the J.P. Morgan Dealer Agreement; except that none of the above shall be authorized or empowered to do anything or execute any document that is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) the J.P. Morgan Dealer Agreement, (c) any agreement to which the University is bound, (d) any rule or regulation of the University or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of Vermont.

Section 8. **Severability of Invalid Provisions.** If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or shall be determined to be against public policy, or shall for any reason whatsoever be held invalid, then those covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining agreements
and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the J.P. Morgan Dealer Agreement authorized hereunder.

Section 9. Conflict Provisions. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of the conflict, hereby superseded and repealed.

Section 10. Effective Date. This Resolution shall take effect upon its adoption.

First Supplemental Resolution to Commercial Paper Note Resolution

BE IT RESOLVED by THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE (the “University”), as follows:

ARTICLE I.

Authority for First Supplemental Resolution

SECTION 1.01. First Supplemental Resolution. This First Supplemental Resolution is supplemental to, and constitutes a Supplemental Resolution within the meaning of and is adopted in accordance with Articles VII and VIII of, the resolution adopted by the University on November 13, 2004, entitled “THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE COMMERCIAL PAPER NOTE RESOLUTION ADOPTED NOVEMBER 13, 2004, A RESOLUTION AUTHORIZING THE ISSUANCE BY THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE OF ITS SHORT-TERM PROMISSORY NOTES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH NOTES; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF,” referred to herein as the “Resolution.”

SECTION 1.02. Authority for the First Supplemental Resolution. This First Supplemental Resolution is adopted pursuant to the provisions of the Resolution.

ARTICLE II.

Definitions

SECTION 2.01. Definitions. All terms not defined herein which are defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this First Supplemental Resolution as such terms are given in said Section 1.01 of the Resolution. In addition, as used in this First Supplemental Resolution, unless the context shall otherwise require, the term “First Supplemental Resolution” means this First Supplemental Resolution, adopted __________, 2008

ARTICLE III. Amendment of Resolution

SECTION 3.01. Amendment of Certain Definitions. The following
definitions are hereby amended and restated to read as follows:

**Dealer Agreement** means an agreement by and between the University and a Dealer providing for the appointment of and acceptance by that Dealer of the duties and obligations imposed thereby, as the same shall have been amended, supplemented or otherwise modified as permitted thereby.

**Dealer** means Citigroup Global Markets Inc., J. P. Morgan Securities Inc. and any of their successors or assigns permitted under their respective Dealer Agreements or any other dealer for the Notes which may at any time be added or substituted by the University.

**ARTICLE IV.**

Miscellaneous

**SECTION 4.01. When Effective.** This First Supplemental Resolution shall become effective immediately on the date, subsequent to this date of adoption, that no Notes of like maturity remain Outstanding under the Resolution, and the filing with the Issuing and Paying Agent of a copy of this First Supplemental Resolution, accompanied by an opinion of Bond Counsel stating that this First Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the Resolution, is authorized or permitted thereby and is valid and binding upon the University and enforceable in accordance with its terms.

**Internal Usage Authorization – Treasury Operations**

WHEREAS, on September 5, 2008, the Board adopted a resolution authorizing the University to borrow and repay up to $5 million from the University’s own Treasury Operations; and

WHEREAS, a reassessment of the University’s present budgetary needs demonstrates that the obligation to repay those funds may no longer be appropriate or prudent;

THEREFORE, BE IT RESOLVED, that if funds from Treasury Operations authorized on September 5, 2008, are required to meet FY 2009 budgetary obligations, those funds may be so utilized and need not be repaid to Treasury Operations as previously required.

**Annual Review of Debt Policy**

WHEREAS, in September 2004, the Board adopted a Debt Policy to guide the portfolio management of debt, which it updated most recently in November 2007; and

WHEREAS, the Debt Subcommittee of the Finance and Budget Committee was charged with the regular review of the Debt Policy;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the Debt Policy as shown in Attachment 6 of the Budget, Finance, and Investment Committee materials.
A motion was made, seconded and unanimously voted to approve the consent agenda as presented. Trustee Bill Botzow abstained from voting on the appointment of senior managing underwriters resolution.

Other Business

At 5:00 p.m., the Chair entertained a motion to enter executive session for the purpose of discussing contracts and to discuss the evaluation of a public officer.

All in attendance were excused from the meeting with the exception of Provost John Hughes, General Counsel Francine Bazluke, Chief of Staff Gary Derr, Vice President for Federal, State and Community Relations Karen Meyer, Vice President for Student and Campus Life Thomas Gustafson and Interim Vice President for Finance and Administration Richard Cate.

At 6:00 p.m., President Fogel, Provost Hughes, General Counsel Bazluke, Chief of Staff Derr, Interim Vice President Cate, Vice President Meyer and Vice President Gustafson were excused.

Adjournment

The meeting was re-opened to the public at 6:20 p.m. There being no further business the meeting was adjourned.

Respectfully submitted,

Bill Botzow, Secretary
Conflict of Interest and Conflict of Commitment

Policy Statement

University faculty, staff, and administrators (“employees”) are employed by the institution in service to its mission. The mission includes the principle that institutions of higher education operate for the common good to ensure the preservation and advancement of knowledge through its creation and dissemination and not simply to further the interest of either individual employees or the institution as a whole. Advancement of this mission requires that employees avoid conflicts of interest that may impair the public trust and conflicts of commitment that may compromise the performance effectiveness of employees in carrying out their University responsibilities. Employees’ participation in professional, community service and other external activities may contribute both to their professional competence, and the prestige of the University, and the welfare of people in the state, country and world, and is therefore to be encouraged. In doing so, however, employees must avoid ethical, legal, and financial conflicts of interest and conflicts of commitment that may compromise their performance effectiveness in carrying out their University responsibilities.

This statement identifies the University’s policies in relation to conflicts of interest and commitment and contains its compliance requirements.

Reasons for the Policies

These policies establish standards of conduct designed to maintain academic, research, and business integrity. They are intended to heighten employee awareness of situations that present a conflict of interest or of commitment so that potential conflicts may be avoided, or disclosed and properly managed. These policies make every effort to balance the integrity and interests of the University with those of individual employees. They seek not only to help employees identify instances where conflicts might arise, but also to assist employees in eliminating or managing actual conflicts and when possible, to prevent the appearance of conflicts.
Strategic Direction

This policy supports the following goal in the University’s Strategic Plan:
http://www.uvm.edu/president/strategic_planning/Strategic%20Plan%202009-2013.pdf

- Institutional Efficacy: As an institution, model the highest standard of ethical conduct, public service, and strong commitment to lifelong learning.

Applicability of the Policies

These policies apply to all faculty, staff, and administrators employed by the University, whether full-time or part-time (together referenced in this policy as “employee(s)”). For purposes of these policies, a full-time employee is one with a 1.0 FTE. Persons whose employment is governed by collective bargaining agreements may be subject to related provisions of those agreements, which will supersede inconsistent provisions of this policy. These policies are intended to supplement federal and state law requirements as to matters including sponsored research as well as professional ethics and other conduct standards that may apply to particular professions or disciplines. The policies are not intended to supersede the institutional policy governing research conflicts of interest, which governs as to all matters within its stated scope.

Policy Elaboration

CONFLICTS OF INTEREST POLICY

A conflict of interest arises with respect to activities that compromise, or appear to compromise, an employee’s judgment in performing his or her University duties. These conflicts can arise when an employee, or a member of his/her family (as defined below) has an existing or potential personal, financial or other interest that; (a) impairs or may reasonably appear to impair his/her independence of judgment in the discharge of responsibilities to the University; or (b) may result in personal gain or advancement at the expense of the University. University employees serve the public trust and are required to fulfill their responsibilities with due care and loyalty to the
best interests of the institution. The integrity of the University must be protected at all times, both in actuality and appearance. Conflicts of interest therefore must be: (1) disclosed, (2) eliminated or (3) properly managed.

Many outside activities in which an employee may wish to engage, such as certain outside employment, private activities, involvement in public organizations, public service, and political involvement, present no conflicts of interest and can enhance the reputation of the University. In undertaking such activities, employees retain their constitutional rights, including those of freedom of association and expression. When engaging in an otherwise permissible endeavor or activity, the employee must nonetheless make clear when she or he is acting as a private individual rather than as a representative of the University. In this regard, employees must abide by the terms of the University policies governing use of trademarks and use of the University name, symbols, letterhead and other proprietary indicia of affiliation.

It is not possible to provide an all-inclusive list of situations giving rise to a conflict of interest; below are examples of situations giving rise to a conflict.

PROHIBITED CONFLICTS OF INTEREST

- Making a decision to employ, promote, or terminate a member of the employee’s family (defined for this policy as spouse or civil union partner, member of same household, parent, grandparent, child or grandchild, sibling, aunt or uncle); or supervising, setting salary or wages, approving time cards or employment records, for, or evaluating the performance of, a member of the employee’s family.

  Where, by virtue of reporting lines, an employee would otherwise make these decisions regarding a family member, an appropriate alternative administrator must be designated by the responsible Vice President.

- Negotiating or authorizing on behalf of the University a contract or other business transaction for services, goods, or products, from a company or enterprise in which the employee or a member of the employee’s family has an substantial financial interest or management position known to the employee.

  Where, by virtue of position, an employee would otherwise make these decisions, an appropriate alternative administrator must be designated by the responsible Vice President.
• Approving forgiveness of a debt of the University to an external entity in which the employee or his/her family member has a known interest, or forgiveness of a debt of such entity to the University.

Where, by virtue of position, an employee would otherwise make these decisions, an appropriate alternative administrator must be designated by the responsible Vice President.

• Accepting, soliciting, or offering bribes, kickbacks, payoffs, or other improper incentives or payments from a third party or another employee in the course of University employment. (This prohibition does not, however, include honoraria, meals, or reimbursement of reasonably incurred travel expenses in consideration of a speaking or comparable appearance made or given by an employee in his/her professional or official capacity, whether in relation to external or UVM activities).

• Accepting cash, or non-cash, gifts of any type having more than nominal value, including goods, services, travel, or entertainment, at no cost or discounted prices, from persons or entities doing business with the University, in consideration of the employee’s UVM business or professional relationship with the person or entity.

• Disclosing, or otherwise using on an unauthorized basis, University confidential or proprietary information to which the employee has access in the course of University duties.

POSSIBLE CONFLICTS OF INTEREST

Certain situations give rise to a possible conflict of interest and must therefore be disclosed so that they may be either ruled out as conflicts or handled under the conflicts management process:

• Accepting external employment or consulting contracts during a period of UVM employment.

• Employing University employees or students at UVM, over whom the employee has supervisory responsibility or authority, for non-University endeavors or activities.

• Accepting any form of remuneration, financial or otherwise, for endorsement of the products or services of a business or individual where a UVM title or employment is an express or implied aspect of the endorsement.
• Acquiring or holding any financial interest in an entity that competes with the University, excluding interests held in publicly traded companies.

• Serving as an executive officer or on the board of directors of a for-profit or non-profit entity, such as a corporation, association, or partnership, regardless of remuneration, that interacts with the University in ways that might result in undue benefit to the other organization.

CONFLICT OF COMMITMENT POLICY

The paramount work commitment of a full-time University employee is to his or her position at UVM. It is the responsibility of the employee to manage his/her external activities so that they do not interfere with his or her UVM obligations. A conflict of commitment occurs when external activities undertaken by a UVM employee will or reasonably can be expected to significantly interfere with his or her ability to perform obligations to University duties fully or effectively.

Employees who wish to engage in activities, including external employment, compensated independent consulting, and uncompensated activities, that will or reasonably can be expected to significantly interfere with their university responsibilities must inform their supervisors in writing of the proposed activity before making the commitment.

Within five (5) business days of receipt of the written disclosure, the supervisor will schedule a meeting with the employee to discuss how to manage the potential problem.

The supervisor and the employee must attempt to develop a written conflict management plan. The plan may include monitoring the activity to ensure that employees are able to complete their University obligations, modification of assignments, including any reduction in FTE commensurate compensation reduction, or a leave of absence arranged under otherwise applicable leave policies. If agreement cannot be reached on a plan, the supervisor will inform the employee that he or she must fulfill University responsibilities and inform him/her of the possible consequences of failing to fulfill these responsibilities.

Political Activity

In their capacity as citizens, employees are free to engage in political activity. In doing so, they must ensure they can perform their University assignments and otherwise meet their University obligations.

Many kinds of political activity (e.g., holding part-time office in a political party, seeking election to any office under circumstances that do not require extensive campaigning, or serving by appointment or election in a part-time political office) are consistent with effective service as a University employee.
Other kinds of political activity (e.g., intensive campaigning for elective office, or serving a term that requires full-time commitment either continuously or periodically) may require that the employee seek a leave of absence from the University. In recognition of the legitimacy and social importance of political activity by its employees, the University will seek to provide institutional arrangements to accommodate such activity, subject to otherwise applicable policies and procedures regarding workload adjustments and leaves of absence. Arrangements may include the reduction of workload or a leave of absence for the duration of an election campaign or a term of office, accompanied by commensurate adjustment of compensation. Employees seeking a leave of absence should recognize that they have a primary obligation to the University, and should be mindful of the impact that leaves of absence may create for colleagues and, as applicable, students. Such leaves will not be automatic, and must be governed by the priority needs and considerations of the department, school, college, or unit concerned. If adjustments in favor of an employee are made, they must be limited to a reasonable period of time.

Adapted from: American Association of University Professors’ Statement on Professors and Political Activity.

See also applicable policies or contract provisions regarding leaves of absence; the University policy regarding Political Activities: Tax Exempt Organization Restrictions; University policy regarding Name, Symbols, Letterhead and other Proprietary Indicia of Affiliation; and the federal Hatch Act, which covers employees whose principal employment is connection with an activity financed in whole or in part by loans or grants made by the United States or a federal agency).

Additional General Rules Governing Conflicts of Interest or Commitment

Use of University Resources

Even when an endeavor or activity is otherwise permissible or approved, the employee must abide by University policies governing use of institutional resources and assets. An employee may not make more than incidental use of University work time, University resources (such as telephones, FAX or copy machines, vehicles, supplies, facilities, laboratories), or the services of University employees or students for unauthorized and/or non-University purposes. Use of personal computers for external activities is permissible, subject to institutional policies governing computer use and the use of the UVM letterhead.

Definitions

None


Procedures

Conflicts of Interest Management Procedure

I. Violation by an employee of prohibited conflicts may lead to serious disciplinary action, up to and including dismissal, as well as possible civil or criminal prosecution.

II. Activities not prohibited but that may give rise to a conflict must be promptly, and in advance of the proposed activity, disclosed in writing by an employee to his or her immediate supervisor, under the procedures described below. Addressing conflicts and developing strategies to manage them may require steps such as:

(1) no action required beyond the disclosure;

(2) development of a conflicts management plan memorialized in writing;

(3) modification of University responsibilities, as mutually agreed, under applicable policies;

(4) prohibition of the activity in cases of irreconcilable conflicts.

Applicable Procedures

Officers of administration must annually file a conflicts disclosure form on a schedule established by the President. Forms must be updated during the reporting period as relevant circumstances change.

Faculty must disclose conflicts of interest as they arise to their department chairs or, in units with no chairs, to their deans.

Staff must disclose conflicts to their supervisors as conflicts arise.
Following an employee’s disclosure of a proposed endeavor or activity that may create a conflict of interest, the supervisor will determine whether the proposal, in fact, presents a possible or actual conflict of interest. This determination shall be communicated to the employee in writing within fourteen (14) calendar days after the employee makes disclosure. If the employee is not so informed within this time period, she or he may justifiably conclude that no conflict of interest exists.

If, after discussion of the proposal with the employee, the supervisor identifies an actual or possible conflict, the supervisor will:

(1) Develop with the employee a conflicts management plan which shall be reduced to writing;

(2) In the case of an irreconcilable conflict, disallow the proposed activity. Employees whose disclosures result in disallowance of the proposed activity may grieve the decision under otherwise applicable grievance procedures.

**Reporting of Possible Policy Violations**

Supervisors are required to investigate promptly possible violations of these policies. If a policy violation is proven, the supervisor must take appropriate responsive action, which may include disciplinary measures. Possible violations of the conflict of interest policy may be reported by third parties to the employee’s supervisor or to the Office of the Associate Vice President for Institutional Risk Assessment and Audit Services (802 656-2662). No retaliatory action will be tolerated on the part of a University employee or official against persons making such a report in good faith.

**Contacts**

The President is the University official responsible for interpretation of this policy, in active consultation with the General Counsel.
Related Documents/policies

NOTE: All preexisting policies covering the same subject matter as these policies, whether contained in University handbooks or policy statements, are superseded as of the effective date of adoption of these policies. Questions regarding the status of other policies may be referred to the office of the General Counsel, 656-8585

Board of Trustees’ conflict of interest policy

Related Significant Financial Interest in Research and Scholarly Activity Policy
Intellectual Property Policy
Facilities and Grounds Use Policy
Computer and Email Use Policy
Trademarks Policy
Name, Symbols, Letterhead and other Proprietary Indicia of Affiliation, Use of University Policy
Political Activities: Tax Exempt Organization Restrictions Policy
Fraudulent or Dishonest Conduct and Whistleblower Policy
Loans Prohibited Policy
Campus Mails Policy
Effective Date

Acknowledged by:

_________________________           Interim Vice President  ____________  
Richard Cate                           Date

Approved by the Chair of the Board and President on:

_________________________           President  ____________  
Daniel M. Fogel                     Date

_________________________           Chair Board of Trustees  ____________  
Ian D. Boyce                        Date