A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, February 7, 2009 at 8:00 a.m. in the Livak Ballroom, 417-419 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, James H. Douglas, 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: None

ALSO PARTICIPATING: General Counsel Francine Bazluke and Vice President for Operations Gary Derr

Chair Ian Boyce called the meeting to order at 8:04 a.m.

Approval of Previous Meeting Minutes

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

Public Comment

Chair Boyce opened the public comment period by requesting that all speakers identify themselves; state their title and the group or organization that they are representing, if any; and adhere to the three-minute time limit allotted to each speaker under the protocol.

Professor of Education David Shiman spoke as President of United Academics. He described faculty concerns about the pace of changes at the University, such as President Fogel’s transformation proposal, Governor James Douglas’s proposal to explore integration of the University with Vermont State Colleges, and the University’s budget initiatives. President Shiman encouraged more collaboration with faculty in administrative decisions.

Judy Cohen spoke as Vice President of the Faculty Senate, Professor of Nursing, native Vermonter and an alumnus of the University. She expressed concern about perceived overspending and a lack of accountability on the part of the University administration. She stated that faculty welcome change, but disapprove of how proposed budget cuts will impact staff, faculty, students and the local community. She also expressed concern about budget cuts affecting faculty positions will impact accreditation, academic quality, and other factors. She urged the Board and administration to slow the University’s pace of change and to implement budget cuts more strategically.
Davis Feurzig, Assistant Professor of Music, spoke as a faculty member new to UVM. He stated concerns regarding the potential impacts that layoffs, changes to course minima and faculty/student ratios will have on the quality of education and the recruitment and retention of superior faculty. He reiterated the sentiment that the budget cutting process seems hasty and lacks sufficient input from faculty. He urged the Board and the administration to reconsider this process.

Mary Lou Kete, Associate Professor in the Department of English, spoke as an alumus, parent of a high school student, and faculty member. She expressed concerns regarding the University’s cost-cutting strategies, which she stated threaten the curricula of various departments and the ability of the University to compete with peer institutions. She asked the Board to urge the administration to utilize resources to address the University’s current financial challenges rather than utilizing them to examine a potential restructure.

Jacques Bailly, Associate Professor of Classics, emphasized the faculty role in governance, educational quality and retention of talented individuals. He indicated that many of his colleagues’ class sizes have doubled to quadrupled, which he stated will have a major impact on academic quality. Mr. Bailly stated that faculty are worried about the University’s current pace of change and the long-term curricular implications.

**Committee Reports**

**Educational Policy and Institutional Resources Committee**

Chair Martha Heath began her report to the Board by indicating that the discussion regarding the Posse Foundation had been postponed to the May meeting.

The Committee approved several resolutions included in the consent agenda for approval and received a report from Vice President for Enrollment Management Chris Lucier regarding spring enrollment data, admissions, and financial aid. Spring enrollment has exceeded expectations by 100 students and is the highest recorded. Admissions are also up 6% from last year, with a 22% increase in ALANA applicants.

Provost Hughes led the Committee through continued discussion of differential tuition. A committee composed of Dean of the School of Business Administration Rocki-Lee DeWitt, Associate Provost for Planning and Assessment Dale J. Jaffe, and Vice President Chris Lucier were charged with examining how differential tuition might be utilized at UVM. This three-person committee has provided guiding principles for the development, approval, monitoring and evaluation of differential tuition program proposals. However, due to the current economic climate, Provost Hughes does not recommend moving forward with differential tuition at the present time, but will introduce a pilot proposal for the Board’s review when appropriate.

Provost Hughes also presented the Committee with benchmarking data related to the University’s comparison with peer institutions. He noted that examining institutions with which the University has most cross-applications provides an opportunity to examine the profile of the
students the University attracts and to learn of best practices. Conclusions were drawn using the top 50 institutions in cross-applications, and more detailed comparisons were made using our top 25 comparison institutions. In the measures of In-State Costs After Aid, Out-of-State Costs After Aid, Average In-State Tuition Increase Over the Past Five Years, Average Out-of-State Tuition Increase Over the Past Five Years, and Student/Faculty Ratio, the University holds an advantageous position over its leading competitors. Conversely, the University needs to improve the measures of Median SAT Score, Six-Year Graduation Rate, First-Year Retention Rate, and Acceptance Rate.

Chair Heath concluded her report by stating that the Committee received a proposal to return McAuley Hall, located on the Trinity Campus, to student housing with a dining facility. This proposal addresses the need for additional student housing by next year. Committee members toured the facility and agreed that the project is an institutional priority. The Committee endorsed the project and now refers it to the Budget, Finance & Investment Committee for financial review, after which the matter will be referred to the Executive Committee for final Board decision.

**Budget, Finance and Investment Committee**

Chair Debbie McAneny began her report by discussing the FY 2010 budget plan update. Interim Vice President Richard Cate presented a status report on the budget management work that is underway to meet the FY 2009 rescissions and targeted FY 2010 budget reductions. $2.5 million has been rescinded from the FY 2009 by implementing a .75% across the board rescission in all unit budgets and unfunding several one-time expenditures. Currently, budget reductions of $10 million have been identified for FY 2010. Further cuts may be necessary once the FY 2010 state appropriation is finalized. In addition, the Committee reviewed targeted rates for room, board and required student fees. Together, housing and meal plans rates would increase 5.4% for FY 10. The room, board and fee levels will not exceed the levels presented.

Interim Vice President Cate presented the Committee with an alternative amortization schedule that matches internal debt service payments to external obligations. A buffer of approximately 22 to 25 basis points is built in to cover program costs and to maintain a reserve. A policy statement outlining the assumptions built into the revised amortization schedule will be provided to the Committee in April.

Chair McAneny next reported on the General Obligation Bond, series 2009, and the commercial paper program amendment. Chris Cowen from Prager Sealy and John Malpiede from Citigroup discussed the current bond market conditions and the associated impact on the General Obligation Bond under consideration. Interim Vice President Cate stated that, given the current financial environment, it is appropriate to put permanent financing in place to cover the debt portion of the approved and under-construction capital projects. The bond issuance will refund the current commercial paper debt of $24.855M as a part of the overall borrowing to finance the approximately $81M of total project costs. Additionally, the University feels it prudent to reduce the authorized level of the commercial paper program from $100M to $50M.
The Committee unanimously approved two resolutions to bring to the Full Board: General Obligation Bonds, Series 2009, and Second Supplemental Resolution to Commercial Paper Note Resolution.

Trustee John Snow reported on recent work of the Investment Subcommittee. It reviewed Long-Term Investment Pool allocations and performance through December 31, 2008. The endowment ended the quarter at $243.2 million, down 27.5% for the quarter with Cambridge median also down 27.5%. The endowment was down 2% for the trailing 3 years and up 3.1% for the trailing five years.

The Investment Subcommittee recently met with Cambridge Associates and with representatives from two investment managers who currently manage the University endowment assets, specifically Iridian Asset Management and Eaton Vance Management. Both managers gave strong presentations and were well-received.

Trustee Snow also reported that the Investment Subcommittee discussed asset allocation goals and whether to consider increasing equity exposure given that the asset class is down considerably. The Subcommittee agreed to make the following modifications to long-term target allocations: increase US Equity from 22% to 25%, decrease Global ex US Equity from 23% to 22%, decrease Marketable Alternatives from 20% to 17.5%, keep Venture Capital/Private Equity at 10%, decrease Real Assets from 15% to 12.5%, keep Bonds at 10%, and increase Cash and Equivalents from 0% to 3%.

The Investment Subcommittee recommended approval of the Resolution Recommending Adoption of the Uniform Prudent Management of Institutional Funds Act by the State of Vermont with a modification in the final paragraph.

Chair McAneny resumed her report by stating that the Committee was asked to approve Phase II of the Harris/Millis residential complex for $4.0M in project costs. Reallocation of debt financing to the Harris Millis residential complex will have no impact on total debt capacity. The project cost will be covered by budgeted operating dollars from the Division of Student and Campus Life ($3.0M) and reallocation of positive balances remaining from three other previously approved Residential Life Projects: Cook Commons Renovation ($0.250M), Marsh Austin Tupper Residential Complex Renovation ($0.200M), and Carbon Monoxide Detection Systems ($0.550M). The Committee voted unanimously to approve phase II of the project and also to reallocate debt financing and project budgets among the Residential Life projects.

Chair McAneny concluded by reporting that the Committee was provided with a FY 2009 budget to actual report as of December 31, 2008. A short discussion took place regarding various elements such as short-term investment income. Due to the volatility of investment income, this item will not be included as part of the University’s general fund base revenue budget starting in FY 2010, but will be listed “below the line” so that it can be tracked.
Board Governance Committee

Board Governance Committee Vice Chair Ed Amidon reported on the December 18, 2008 meeting. He indicated that the Committee reviewed the Board Conflicts of Interest Policy. Discussion took place regarding the potential conflict of a Trustee who is also a parent of a University student; as to this issue, the Committee concluded that the Trustee should disclose that his or her child is enrolled and recuse if an issue comes before the Board that directly involves a son or daughter. The $5,000 financial threshold for disclosure was also discussed and the Committee agreed to review the threshold next year. The Committee re-endorsed the policy as presented.

The Committee also began the Board officer nominations process by confirming that Chair Ian Boyce, Vice Chair Frank Cioffi and Secretary Bill Botzow agreed to continue in their respective officer positions if re-elected, and that they had continuing support from all Trustees who responded to the call for nominations. The Committee approved this slate of candidates for referral to the Board for approval at this meeting. The election of Chair will occur at the annual meeting in May, as dictated by the Charter.

The Committee reviewed several revisions, recommended by the administration, to the Board delegation and retention of authority resolution in order to streamline Board meetings and assist the Board in attending to strategic, fiduciary, and policy matters. The revisions proposed by the administration were endorsed by the Committee and referred to the Board for its action.

The Committee also reviewed recommendations for SOX best-practice follow-up steps submitted by ad hoc work group members Bill Botzow and Jason DePatie, and summarized by Committee Liaison Francine Bazluke. The Committee accepted the work group recommendations, which will next be referred to the appropriate Committees to include in their work plans.

Vice Chair Amidon concluded by reporting that the Committee discussed a proposal from Continuing Education for the creation of an on-line training program for Trustees. He indicated this could be potential revenue for Continuing Education if the program could be sold to other Universities as an on-line tool. This proposal will continue to be discussed by the Committee.

Audit Committee

Chair Ed Amidon provided his final report to the Board. He indicated that the Committee unanimously approved a resolution recommending that the chief internal auditor report to and be supervised by the Audit Committee on behalf of the full Board. The Committee would have discretion to delegate specific administrative responsibilities to management. An alternative structure to contract out the internal audit function to an external audit firm was considered, but not adopted. A proposed job description for recruiting of a new chief internal auditor was reviewed and approved with some modifications. The position will be advertised promptly subject to approval of the restructuring resolution by the full Board. It was also recommended that institutional compliance should be a management function separate from internal audit.
Chair Amidon reported that management continues to make substantial progress in reconfiguring and strengthening internal controls in response to the Deloitte Report, including insuring compliance with approval authority policies and timely and appropriate reporting of budget line spending. The Committee agreed with management's proposal to issue an RFP for quarterly external review of internal controls beginning in July 2009 as well as to provide a one-year review in January 2010 of the internal audit restructuring.

Chair Amidon concluded with an update that grants and contracts receivables have been reduced from $12 million to $5.5 million since the Committee last met in late November. About $3 million is over 120 days past due and there is a risk that some portion of that amount will be uncollectible.

**Vermont Agricultural College Board**

Chair Claire Ayer reported that President Fogel had advised the Board of his appointment of a working group to recommend alternative academic structures and policies. He also reminded the Board of the proposal by Governor Douglas to examine enhanced integration of the University and the Vermont State College system.

Thomas Vogelmann, Interim Dean of the College of Agriculture and Life Sciences, and Michael Vayda, Associate Dean of the College of Agriculture and Life Sciences, updated the Board on progress toward a plan for the Miller Research Facility.

Vice President Karen Meyer and Chair Clair Ayer updated the Board on outreach to Vermonteres, including a new outreach booklet, the enhanced alliance with the Hardwick, VT area, and the pending partnership with the Windham Foundation to bring speakers to that part of the state.

Trustee John Snow and Chair Clair Ayer led a discussion of the guidelines for the selection of University trustees.

The Board discussed a work plan for the coming year, and considered scheduling options for upcoming meetings.

Trustee Jim Leddy commended the appointment of Steven Morse to Governor Douglas’s integration commission. He then inquired if there were resources in place for staffing the work of the Commission. Governor Douglas indicated there is discussion with Mr. Morse to determine such needs and a way to accommodate them. Trustee Robert Young stated that past Commissions have sought funding from the business community.

**University of Vermont Board**

Chair Susan Hudson-Wilson reported that the Board accepted the report on the Wilbur Fund. The Board then met in Executive Session to discuss the appointment and evaluation of public officers.
Election of Board Officers

Chair Boyce announced that the Board would next be electing the following officers: Vice Chair, Secretary, and Assistant Secretary of the Board, and that each officer elected will take office effective March 1, 2009. Trustees were reminded that, in accordance with the University Charter, the Chair is elected at the annual meeting in May.

Chair Boyce reported that the Committee on Board Governance had met and developed a proposed slate of officers. He then asked Edwin Amidon, Vice Chair of the Committee on Board Governance, to identify the slate by office and proposed nominee.

Vice Chair Amidon presented the following slate:

- Chair: Ian Boyce
- Vice Chair: Frank Cioffi
- Secretary: Bill Botzow
- Assistant Secretary: Francine Bazluke

Chair Boyce asked for additional nominations. No further nominations were made.

A motion was made, seconded and voted to elect the proposed slate of candidates for Vice Chair, Secretary, and Assistant Secretary.

In accordance with the Bylaws, Chair Boyce next entertained a motion for appointment of the following University officers by virtue of their office for a one-year term beginning March 1, 2009, or until their successors take office:

- Provost: John Hughes
- Treasurer: Richard Cate

A motion was made, seconded and voted to elect the officers as proposed.

Chair Boyce indicated that Dan Fogel will remain as President.

Retiring Trustee Resolutions

Chair Boyce presented the following resolutions in honor of retiring Trustees:

Edwin H. Amidon, Jr.

WHEREAS, Edwin H. Amidon is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Ed Amidon has provided the Board with invaluable knowledge, experience, and generosity of time during his service as Chair of the Audit Committee, Vice Chair of
the Academic and Student Programs Committee, Vice Chair of the Committee on Board Governance, and Secretary of the Vermont Agricultural College Board, in addition to his service on the Budget, Finance and Investment Committee, the Diversity Committee, the Executive Committee, the Investment Committee, and the Nominating Committee;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Edwin H. Amidon.

Beth H. Rice

WHEREAS, Beth H. Rice is nearing the completion of her term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Beth Rice has articulated frank and insightful viewpoints and offered sound advice during her service on Board Committees including the Audit Committee and the Educational Policy and Institutional Resources Committee, with additional service as a member of the Honorary Degrees Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont State and Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Beth H. Rice.

Martha P. Heath

WHEREAS, Martha P. Heath is nearing the completion of her second term as Trustee of The University of Vermont and State Agricultural College having supported and served the University for over 12 years; and

WHEREAS, Martha Heath has enriched the Board by providing sound leadership as Board Vice Chair, discharging her responsibilities with outstanding dedication, in the Vermont tradition of common sense, all in service to the greater good of UVM;

WHEREAS, Martha Heath has led the Board in her service as Chair of the Academic and Student Programs and Educational Policy and Institutional Resources Committees, Vice Chair of the Executive Committee and the Subcommittee for Presidential Evaluation and Chair and Secretary of the Vermont Agricultural College Board, along with membership on the Finance and Budget Committee, Committee on Health Education, the Nominating Committee, the ad hoc Presidential Comprehensive Review Committee, the ad hoc Labor Advisory Group, and through her membership on the ad hoc Presidential Search Committee, the Student Commons Task Force and the Campus Life Task Force II;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Trustee Martha P. Heath.
James P. Leddy

WHEREAS, James P. Leddy is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and
WHEREAS, James Leddy has served and supported The University of Vermont with passion and conviction during his service as Vice Chair of the Diversity Committee and in his membership on the Academic and Student Programs Committee, the Educational Policy and Institutional Resources Committee, and the Vermont Agricultural College Board, and through his additional service on the Committee on Socially Responsible Investing;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to James Leddy.

Robert H. Young

WHEREAS, Robert H. Young is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Robert Young has served the Board with distinction, bringing his extensive knowledge of business best practices and his sound judgment to the work of the Board in his service as Co-Vice Chair of the Budget, Finance and Investment Committee, Chair of the ad hoc Committee on Health Education, Chair of the Fletcher Allen Health Care Nominating Committee, and the UVM Nominating Committee, and as Chair and Vice Chair of the Facilities and Technologies Committee, and through his membership on the Executive Committee, Debt Subcommittee, the Subcommittee for Presidential Evaluation, the ad hoc Presidential Comprehensive Review Committee, and the ad hoc Presidential Search Committee;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Robert Young.

A motion was made, seconded and it was unanimously voted to approve the resolutions as presented. Each retiring member was presented with a framed copy of their resolution.

Approval of Consent Agenda

Chair Boyce presented the consent agenda and moved to remove the resolution regarding the POSSE foundation as it was tabled to the next meeting.
COMMITTEE OF THE WHOLE

(1) **Audit Firm for Fiscal Year 2009 Audit**

RESOLVED, that the Board of Trustees authorizes the President and/or Provost to enter into a contract with KPMG, Certified Public Accountants, to conduct the annual audit of the University and other related audits for and during the fiscal year ending June 30, 2009. The annual audit shall be conducted in compliance with the requirements of the University Bylaws and state and federal law.

(2) **Resolution Establishing Reporting Line for the Chief Internal Auditor**

RESOLVED, that the Board hereby directs that, pursuant to the recommendation of its Audit Committee, the chief internal auditor shall henceforth report directly to, and be supervised by, the Board Audit Committee; and

BE IT FURTHER RESOLVED, that pursuant to this direction, the Audit Committee shall have full authority with respect to the appointment, performance evaluation, and employment termination of the chief internal auditor; and

BE IT FURTHER RESOLVED, that the Audit Committee is, within the exercise of its sound discretion, authorized to assign to the President, by written delegation, specific administrative responsibilities relevant to the routine operations of the office of the chief internal auditor; and

BE IT FURTHER RESOLVED, that the Audit Committee and the chief internal auditor are hereby authorized and directed promptly to revise the Audit Committee Charter and Guidelines, and the internal audit office Charter, respectively, in a manner consistent with the directions of this resolution; and

BE IT FINALLY RESOLVED, that the Audit Committee shall report to the full Board on the status of actions taken in response to this resolution no later than the May 2009 meeting of the Board.

(3) **Resolution Adopting Revisions to Delegation and Retention of Board Authority**

RESOLVED, that the Board hereby adopts the revisions to its Resolution Regarding Delegation and Retention of Board Authority as recommended by the Committee on Board Governance and appearing as Attachment A to this document.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

(4) **Resolution Approving a New Major in Global Studies**
RESOLVED, that the Board of Trustees approves a new major in Global Studies, leading to the Bachelor of Arts degree, as approved and advanced by the Provost on January 15, 2009, and the President on January 16, 2009.

(5) Resolution Approving a New Minor in Global Studies

RESOLVED, that the Board of Trustees approves a new minor in Global Studies, as approved and advanced by the Provost on January 15, 2009, and the President on January 16, 2009.

(6) Resolution Approving a Name Change for the Area and International Studies Program

RESOLVED, that the Board of Trustees approves changing the name of the Area and International Studies Program to the Global and Regional Studies Program, as approved and advanced by the Provost on January 15, 2009, and the President on January 16, 2009.

(7) Resolution Approving Amendments to Diversity Policy Statement

WHEREAS, in a statement adopted on November 13, 2004, this Board articulated its belief that diversity and academic excellence are inseparable; and

WHEREAS, in its statement, this Board proclaimed that a diverse University community is a compelling institutional interest indispensible to achieving our goal of academic excellence; and

WHEREAS, the University Strategic Plan identifies as a strategic goal building a diverse and globally aware University community sustained by an inclusive, supportive, and just campus climate;

NOW, THEREFORE, the Board approves and adopts with enthusiasm, and with renewed dedication to its stated principles and objectives, a revised Diversity Policy Statement, appearing as Attachment B to this document.

(8) Resolution Approving Changes to the Academic Freedom Policy

WHEREAS, the Faculty Senate adopted the Statement on Academic Freedom on September 23, 1954, and the Board of Trustees approved the statement on October 16, 1954; and

WHEREAS, the Faculty Senate revised and adopted the Statement on Academic Freedom on November 20, 2008;

NOW, THEREFORE, the Board approves and adopts, with renewed dedication and reaffirmed commitment to its stated principles and objectives, the Statement on Academic Freedom, appearing as Attachment C to this document.
(9) Resolution Referring McAuley Hall Project to Budget, Finance and Investment Committee

RESOLVED, that the Educational Policy and Institutional Resources Committee favorably recommends the McAuley Hall project to the Budget, Finance and Investment Committee, thus signifying its Step 1 capital projects approval.

BUDGET, FINANCE & INVESTMENT COMMITTEE

(10) Harris-Millis Phase II Resolution

WHEREAS, the Educational Programs and Institutional Resources Committee carefully reviewed the program, scope, and preliminary estimate of $4,000,000 for the Harris-Millis Residential Complex Phase II (the “Project”) at its September 2008 meeting and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and,

WHEREAS, the Educational Programs and Institutional Resources Committee endorsed the Project at its September 2008 meeting and remitted it to the Budget, Finance, and Investment Committee for financial review and approval at a subsequent meeting; and

WHEREAS, the Division of Student and Campus Life has budgeted $3,000,000 of its operating funds for this project; and

WHEREAS, at its February 2007 meeting the Board approved the Cook Commons Renovation budget for $1,100,000 and the University completed that project at $850,000; and,

WHEREAS, at its February 2007 meeting the Board approved the Marsh Austin Tupper Residential Complex Renovation budget for $4,400,000 and the University completed that project at $4,200,000; and,

WHEREAS, at its November 2006 meeting the Board approved the second and final phase of the Carbon Monoxide Detection Systems budget for a total of $3,500,000 and it has been determined that project can be completed at $2,950,000;

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 decrease the Cook Commons Renovation Project budget from $1,100,000 to $850,000, the Marsh Austin Tupper Residential Complex Renovation Project budget from $4,400,000 to $4,200,000, and the Carbon Monoxide Detection Systems Project budget from $3,500,000 to $2,950,000; and,
BE IT FURTHER RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to apply the reallocation of $1,000,000 in funds with the $3,000,000 of Student and Campus Life operating funds to finance the $4,000,000 Harris-Millis Residential Complex Phase II Project; 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 people 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.

(11) Resolution Recommending Adoption of the Uniform Prudent Management of Institutional Funds Act by the State of Vermont

WHEREAS, as a non-profit education corporation subject to the laws of the State of Vermont, the University of Vermont is subject to the Uniform Management of Institutional Funds Act (UMIFA) and some elements of this act are, after over 35 years, somewhat dated; and

WHEREAS, in July 2006, the National Conference of Commissioners on Uniform State Laws (NCCUSL) approved and recommended for adoption by all states the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which is an update of UMIFA; and

WHEREAS, UPMIFA further protects donor intent regarding distributions from endowments and provides clarity about how endowments are to be managed in times when their market values decline below the value of the gifts when they were originally made;

NOW THEREFORE BE IT RESOLVED, that the Investment Subcommittee of the Board of Trustees of the University of Vermont recommends that the State of Vermont respond to the recommendation of the NCCUSL and adopt UPMIFA during the 2009 legislative session;

BE IT FURTHER RESOLVED, that this resolution be conveyed to the Speaker of the House, Senate Pro Tempore, the Chair of the Committee on Economic Development, Housing and General Affairs, and the Chair of the Committee on Commerce/Economic Development.

(12) General Obligation Bond Series, 2009 (see appended document)

(13) Commercial Paper Note Resolution (see appended document)

A motion was made, seconded and unanimously voted to approve the consent agenda as presented.
Other Business

President Fogel announced that an accreditation team from the New England Association of Colleges and Schools will visit campus on April 20th and there will be an opportunity for Trustees to meet with the site team that morning. He recognized Jill Tarule, Maura Saule and Provost John Hughes for their work in composing meeting the self-study requirement.

Trustee Jeanette White took an opportunity to express her fear that the University may be taking a hasty approach in handling budget cuts. She specifically referenced the nursing program as discussed by Professor Cohen. President Fogel responded that the administration is proceeding with great care and in a collaborative and open manner with the community.

At 9:27 a.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. A five minute break was offered.

All in attendance were excused from the meeting with the exception of General Counsel Francine Bazluke and Chief of Staff Gary Derr. Trustee John Hilton was not in attendance for this portion of the meeting.

Adjournment

The meeting was re-opened to the public at 11:10 a.m. There being no further business the meeting was adjourned.

Respectfully submitted,

Bill Botzow, Secretary
Resolution regarding Delegation and Retention of Board Authority

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University and subject to action that it will take in accordance with its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

1. statements of institutional mission, principles and values;

2. the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

3. establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

4. appointment of University trustees to the boards of other corporate entities or public bodies in their capacity as University trustees;
(5) appointment and employment of the President, and appointment of other officers of the University in accordance with the University Bylaws, and authorization of severance payments in excess of the standard amount University policy specifies for officials who report to the President;

(6) creation or elimination of, and material changes in, academic programs and departments; establishment of, and appointments to, endowed professorships, with periodic reports from the administration to the Board of appointments made thereto; and approval of the faculty medical or other clinical practice plans;

(7) award of academic and honorary degrees;

(8) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(9) naming of buildings and academic programs and departments;

(10) through its Investment Subcommittee of the Budget, Finance and Investment Committee ("Investment Subcommittee"), selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that: the Board must itself approve policies for the Long-Term Investment Pool and the Limited Term Asset Pool; the endowment spending rate; the endowment management fee; declaration of financial exigency; and dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(11) State capital appropriations requests, the institutional annual budget, State appropriation and capital requests, and the annual audited financial statement;

(12) tuition, room and board rates, and student fees;

(13) purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;
(14) authorization to make payments in lieu of taxes;

(15) issuance of bonds and approval of institutional debt policy;

(16) procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;

(17) approval of contracts for facilities construction negotiation and execution of contracts for facilities construction or renovation, and the purchase or sale of goods, equipment or services, and all other contracts whose value equals or exceeds $1,000,000, provided that the Board shall approve all contracts for consulting services whose value equals or exceeds $250,000, and shall also authorize, through its Investment Sub-Committee, the selection and retention of all investment advisors regardless of contract cost;

(18) selection and retention of independent audit firms to conduct mandatory financial attestation and/or compliance audits, regardless of contract cost; contracts at a cost of $10,000 or more for non-audit consulting services with any independent audit firm conducting a mandatory attestation and/or compliance audit for UVM; and, otherwise, contracts with independent audit firms for consulting services whose value equals or exceeds $250,000;

(19) authorization to settlement of lawsuits whose value direct (i.e., uninsured) cost to the University equals or exceeds $500,000; and authorization to file and/or settle lawsuits in which the Board is a named party or a Board-approved policy is in dispute;

(20) all Board self-governance matters reserved to the Board in the University Bylaws, including without limitation the election, appointment and removal of Board officers, approval of Board Committee appointments, and election and appointment of Trustees by the UVM Board, or as otherwise required or permitted by law; and

(21) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion;
AND BE IT FURTHER RESOLVED that, notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations, as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and, subject to the terms of (18) and (19) above respectively, retentions of consultants and independent audit firms for consulting services whose value equals or exceeds $100,000; and settlement of lawsuits whose value equals or exceeds $250,000; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

DIVERSITY

Why Diversity is an Academic and Institutional Strategic Priority for the University of Vermont

“Of all the civil rights for which the world has struggled and fought for 5,000 years, the right to learn is undoubtedly the most fundamental.”  W.E.B. DeBois

The University of Vermont holds that diversity and academic excellence are inseparable. An excellent university, particularly one that is a public land grant, needs to actively seek to provide access to all students who can excel at the institution, without respect to their backgrounds and circumstances, including, among other differences, those of race, color, gender, gender identity or expression, sexual orientation, national and ethnic origin, ethnicity, socio-economic status, cultural and/or geographic background, religious belief, age, and disability. There is, moreover, a compelling national interest in a higher education sector rich in diversity and opportunity, and a clear state interest in making the educational benefits of this diversity and opportunity accessible to all Vermonters.

The nation’s economic success depends upon global networks and markets, and our future security and prosperity require us to be a respected partner from a wide range of cultures, countries, and communities across the globe. Research and scholarship are increasingly international and co-operative enterprises today that require not only cultural awareness, but a skill set for working collaboratively as part of diverse teams. Many of the most pressing problems our graduates will face in their lifetimes are regional or global in nature, including war and terrorism, disease, poverty, global warming, and an intense competition for diminishing resources. An education grounded in diverse perspectives will better enable our graduates to confront and successfully resolve these problems. Likewise, the social, economic and political challenges of our increasingly diverse state and nation require leaders that are well educated in, and respectful of, the nature and complexities of diversity and differences.

The compelling interest of public universities in creating and supporting diversity was cited in the majority decision of the U. S. Supreme Court in Grutter v. Bollinger, decided June 23, 2003:

“the Court endorses Justice Powell’s view that student body diversity is a compelling state interest in the context of university admissions.”

Our mission as a public research university is to educate students and to create and disseminate knowledge. Consequently, we must strive to educate our students about the world that they live in and help them acquire the information and skills they need for successful and productive lives. It is not possible to accomplish this without the strong
presence of three critical things. The first is maintaining a safe and respectful climate for all members of our University community. The second is achieving diversity among the university community of faculty, staff and students. The third is providing a curriculum that teaches critical thinking and engages learners of different is rich in multicultural perspectives across our various programs and disciplines.

We must recognize, however, that diversity goes well beyond curriculum. In 1852, Cardinal Newman, in seeking to explain the effectiveness of British universities in forming successful students, said:

"When a multitude of young men [add, of course, "young women" for the modern public university], keen, open-hearted, and observant, as young men are, come together and freely mix with each other, they are sure to learn from one another, even if there be no one to teach them; the conversation of all is a series of lectures to each, and they gain for themselves fresh matter of thought, and distinct principles for judging and acting day by day. Such teaching," Cardinal Newman adds, "is necessary for our social being, and it is secured by a large school or a college . . . for the pupils come from very different places, and with widely different notions."

Thus Cardinal Newman recognized that much student learning comes from personal and group interactions inside and outside the classroom and that those interactions need to be enriched by a diversity of experiences, opinions and views. Many of the most able and gifted students actively seek such a diversity of people and ideas. Without this type of multicultural experience and the depth of understanding and the skills it helps develop, our students will lack a very significant dimension of educational preparation as they leave to pursue their chosen careers and take their place as leaders in a state, a nation and a world that are increasingly diverse.

It is also clear that academic excellence goals cannot be met without a diverse professoriate. A diverse faculty is necessary not only for the variety of ideas and experiences that it brings to the creation of a truly excellent curriculum but also for the intellectual and social vibrancy that marks a vital academic community. Likewise, diversity among our staff enhances the safe and respectful climate that is essential to achieving the University’s educational goals and the greatest possible range of cultural skills sets to serve our communities.

For these reasons, therefore, a diverse UVM community is a compelling institutional interest that is indispensable to achieving our goal of academic excellence. If we are unsuccessful, the academic quality of the institution will be compromised, we will become less competitive for the best students, staff and faculty, and we will find ourselves increasingly isolated from the ever more diverse world in which our graduates will live and work.

Adopted by the Board of Trustees: November 13, 2004.
Statement on Academic Freedom

The Faculty Senate adopted the following statement on academic freedom on September 23, 1954 and was approved by the Board of Trustees on October 16, 1954 and revised and adopted by the Faculty Senate on November 20, 2008 and approved by the Board of Trustees on February 7, 2009:

Academic Freedom and Responsibility

We, the faculty of The University of Vermont and State Agricultural College, in the spirit and tradition of free universities throughout the world, are agreed upon the following statement of principles on academic freedom and responsibility. We believe that incorporation of these principles into the organization of The University of Vermont and State Agricultural College will re-emphasize the importance of academic freedom to the basic health of the University, and also serve as a statement of policy on the rights and responsibilities of faculty members at this institution. It has been our intent to state these principles in terms broad enough so that they may be valid not only in these critical times when academic freedom and personal liberty are in jeopardy both at home and abroad, but also in the future insofar as the future can be foreseen.

The Necessity of Academic Freedom in Higher Education

The main purpose of a university has always been, must always be, to stimulate the thinking and the creative powers of its students and its faculty. As an institution it deals in ideas, not only old and accepted ones but new ones that may be full of explosive power. If they are explosive, they are bound to be disconcerting, even painful, to some on the campus and to many beyond its borders.

Inevitably they will be called dangerous by the timid and short-sighted, but to those who really believe in the fruitfulness of human thought, the real danger would appear only if the flow of such ideas should cease. For then indeed sterility would have taken over our campus. Our faculty would no longer deserve the name of intellectuals and our students, regardless of degrees attained, could no longer claim to be educated. They would leave our campus accustomed only to the commonplace, satisfied with the mediocre, ignorant or afraid of ideas which catch fire.

Academic freedom is therefore not solely a right or privilege of the faculty but is the fulfillment of the obligation on the part of the university to provide an atmosphere in which intellectual growth may take place.
Academic Freedom and Special Responsibilities of Faculty Members

We subscribe to the 1940 Statement of Principles on Academic Freedom of the American Association of University Professors which provides:

a. Faculty are entitled to full freedom in research and in the publication of the results, subject to the adequate performance of their other academic duties; but research for pecuniary return should be based upon an understanding with the authorities of the university.

b. Faculty are entitled to freedom in the classroom in discussing their subject, but they should be careful not to introduce into their teaching controversial matter which has no relation to their subject.

c. Faculty are citizens, members of a learned profession, and officers of the university. When they speak or write as citizens, they should be free from institutional censorship or discipline, but their special position in the community imposes special obligations. As scholars and educational officers, they should remember that the public may judge their profession and their institution by their utterances. Hence, they should at all times be accurate, should exercise appropriate restraint, should show respect for the opinions of others, and should make every effort to indicate that they are not speaking for the university.

In addition, there are recognized qualifications which must be attained and maintained before the privilege of being a member of the academic profession can be considered a permanent one: satisfactory performance as a teacher, scholarship, and high moral standards.

Responsibility of the Institution to the Faculty

The University must defend tenaciously the right of its members to think and express their thoughts freely and to make those choices within the law guaranteed to every citizen. This includes the right of dissent since any democratic institution ceases to merit the name democratic when this fundamental right is denied. Never is this duty more imperative than in those unhappy times when the public opinion of the community would restrain or curtail the free play of ideas. The universities, whose roots extend back into the centuries, have a tradition and duty to maintain an independence of judgment in the face of public opinion.

Academic Freedom and Tenure

Tenure is an indispensable pre-condition for academic freedom. It is, in fact, a guarantee that the institution subscribes to the principle of academic freedom, and that its members may not be dismissed without adequate cause. Termination of tenure should occur only in cases of *bona fide* financial exigency in the University or when it has been demonstrated that the teacher lacks professional or moral fitness or competence as a teacher.
In the interpretation and the application of these principles we shall expect the University authorities to be quick to protect its heritage of academic freedom, in doubtful cases remembering that an excess of freedom is always less dangerous than an excess of constraint.”
GENERAL OBLIGATION BONDS, SERIES 2009 RESOLUTION

WHEREAS, the University has decided to issue its General Obligation Bonds, Series 2009 (the “Series 2009 Bonds”), to provide funds (i) to refund all outstanding commercial paper notes of the University (including the payment of interest thereon), (ii) to finance the cost of certain capital projects of the University which have been authorized by the Board prior to or on the date hereof (including authorized reimbursements for prior University capital expenditures) and (iii) to pay the costs of issuance relating to the Series 2009 Bonds, which purposes have been found by the Board to be necessary and desirable; and

WHEREAS, the University desires to authorize the issuance of the Series 2009 Bonds in an aggregate initial principal amount not to exceed $85 million; and


WHEREAS, the University proposes to issue the Series 2009 Bonds on a parity with the Series 1990 Bonds, the Series 1998 Bonds, the Series 2002 Bonds, the Series 2005 Bonds and the Series 2007 Bonds pursuant to the terms of the Indenture and a Series 2009 and Fifth Supplemental Indenture thereto (the “Fifth Supplemental Indenture”) between the University and the Trustee; and

WHEREAS, the University desires to execute and deliver a Bond Purchase Agreement (the “Bond Purchase Agreement”) between the University and Citigroup Global Markets Inc. and J. P. Morgan Securities Inc. (the “Underwriters”), pursuant to which the University will sell the Series 2009 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, in connection with the issuance and sale of the Series 2009 Bonds, a Preliminary Official Statement (the “Preliminary Official Statement”) and a final Official Statement (the “Official Statement”) will be prepared by the University, which will present information about the University, the terms of the Series 2009 Bonds and the security for the Series 2009 Bonds, among other things; and

WHEREAS, the University desires to execute and deliver a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) between the
University and the Trustee, pursuant to which the University will be obligated to update certain information in the Official Statement and provide certain other notices to specified repositories in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Fifth Supplemental Indenture;
2. the Bond Purchase Agreement;
3. the Continuing Disclosure Agreement; and
4. the Preliminary Official Statement;

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Issuance of Series 2009 Bonds. The Board hereby approves and confirms the issuance of the Series 2009 Bonds by the University in the initial principal amount of not more than $85 million (including the costs of issuance, insurance premium if any and other related expenses), bearing a true interest cost not exceeding 6.50% per annum and maturing not later than October 1, 2039 with a first maturity or sinking fund installment date not later than October 1, 2010 to provide funds (i) to refund all currently outstanding commercial paper notes of the University and (ii) to finance the cost of certain capital projects of the University which have been authorized prior to or on the date hereof (including authorized reimbursements for prior University capital expenditures). The Board hereby finds and determines that these purposes are necessary and desirable and hereby authorizes the Chair of the Budget, Finance and Investment Committee to establish an ad-hoc subcommittee for the issuance of the Series 2009 Bonds. Such subcommittee may authorize the President or the Interim Vice President for Finance and Administration to determine (i) whether a policy of municipal bond insurance should be obtained with respect to all or a portion of the Series 2009 Bonds (based on whether such policy will be cost effective considering both the interest cost of the Series 2009 Bonds if such a policy was obtained and the insurance premium, and based on whether the insurer will require that the University comply with certain covenants); (ii) whether the Series 2009 Bonds should be issued as two or more sub-series of bonds (based on whether the issuance of the Series 2009 Bonds in two or more sub-series will facilitate debt management, marketing of the bonds, or compliance with federal tax law restrictions) and (iii) the terms of the Series 2009 Bonds and the terms of the sale of the Series 2009 Bonds (including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2009 Bonds based on financial or structural benefits to the University and marketing considerations and the underwriters’ compensation) subject to the limitations set forth in this resolution and any additional limitations imposed by such sub-committee. The form and content of the Series 2009
Bonds as set forth in the Fifth Supplemental Indenture are hereby approved and confirmed. The President or the Interim Vice President for Finance and Administration and Interim Treasurer of the University, and the Secretary or the Assistant Secretary of the Board are authorized and directed to execute and deliver the Series 2009 Bonds for and on behalf of the University, in substantially the form and content set forth in the Fifth Supplemental Indenture, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions.

Section 2. Authorization of Fifth Supplemental Indenture. The Board hereby approves and confirms the form and content of the Fifth Supplemental Indenture. The President or Interim Vice President of Finance and Administration and Interim Treasurer of the University, and the Secretary or Assistant Secretary of the Board are hereby authorized and directed to execute and deliver the Fifth Supplemental Indenture for and on behalf of the University, in substantially the form and content presented to the Board, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions. From and after the execution and delivery of the Fifth Supplemental Indenture, the President and Interim Vice President of Finance and Administration and Interim Treasurer of the University, and the Secretary or Assistant Secretary of the Board and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Fifth Supplemental Indenture as executed.

Section 3. Authorization of Bond Purchase Agreement. The Series 2009 Bonds shall be awarded and sold to the Underwriters pursuant to the terms of the Bond Purchase Agreement at an underwriters’ discount or fee of not more than 0.6% ($6.00 per $1,000 bond) of the principal amount of the Series 2009 Bonds and the Series 2009 Bonds shall be authenticated and delivered to or upon the order of the Underwriters upon payment of the purchase price set forth in the Bond Purchase Agreement. The form and content of the Bond Purchase Agreement are hereby approved and confirmed. The President or Interim Vice President of Finance and Administration and Interim Treasurer of the University is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the University, in substantially the form and content presented to the University, but with such changes, additions or deletions as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreement, the President and Interim Vice President for Finance and Administration and Interim Treasurer of the University and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such
documents as may be necessary to carry out and comply with the provisions of the
Bond Purchase Agreement as executed.

Section 4. Authorization of Continuing Disclosure Agreement. The form and content of the Continuing Disclosure Agreement are hereby approved and confirmed. The President or Interim Vice President of Finance and Administration and Interim Treasurer of the University is hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement for and on behalf of the University, in substantially the form and content presented to the Board, but with such changes, additions or deletions as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Continuing Disclosure Agreement, the President and the Interim Vice President of Finance and Administration and Interim Treasurer of the University and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreement as executed.

Section 5. Approval of Preliminary Official Statement and Official Statement. The form, terms and content of the Preliminary Official Statement and the Official Statement in substantially the form of the Preliminary Official Statement (but including the terms of the Series 2009 Bonds) are authorized, approved and confirmed, with such changes, additions or deletions therein as shall seem necessary, desirable or appropriate to the President or Interim Vice President of Finance and Administration and Interim Treasurer of the University. The use of the Preliminary Official Statement and of the Official Statement by the Underwriters in connection with the sale of the Series 2009 Bonds is hereby authorized, approved and confirmed. The President or Interim Vice President of Finance and Administration and Interim Treasurer of the University is authorized to execute the Official Statement on behalf of the University.

Section 6. Tax Certificates. The President or Interim Vice President of Finance and Administration and Interim Treasurer of the University are hereby authorized to execute a certificate in order to evidence the University’s compliance with the Internal Revenue Code of 1986 and the applicable Income Tax Regulations thereunder.

Section 7. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2009 Bonds, the Indenture, the Fifth Supplemental Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement or any other instrument related to the issuance of the Series 2009 Bonds shall be deemed a stipulation, obligation or agreement of any officer, agent or employee of the University in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Series 2009 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.
Section 8. **Actions of Officers.** The officers of the Board and of the University are hereby authorized and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (i) this Resolution, (ii) the Indenture and the Fifth Supplemental Indenture and (iii) the documents presented to this meeting; except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) the specific provisions of the Indenture and the Fifth Supplemental Indenture, (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 9. **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 against public policy, or shall for any reason whatsoever be held invalid, then such 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 Series 2009 Bonds authorized hereunder.

Section 10. **Conflicting Provisions.** All prior resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 11. **Effective Date.** This Resolution shall take effect upon its adoption.

SECOND SUPPLEMENTAL RESOLUTION TO THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE COMMERCIAL PAPER NOTE RESOLUTION

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

ARTICLE I. Authority for Second Supplemental Resolution

SECTION 1.01. Second Supplemental Resolution. This Second 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 SHORTTERM PROMISSORY NOTES; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL AND INTEREST OF SUCH NOTES; AND PROVIDING FOR THE RIGHTS OF THE HOLDERS THEREOF,” referred to herein as the “Resolution.”

SECTION 1.02. Authority for the Second Supplemental Resolution. This Second 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 Second Supplemental Resolution as such terms are given in said Section 1.01 of the Resolution. In addition, as used in this Second Supplemental Resolution, unless the context shall otherwise require, the term “Second Supplemental Resolution” means this First Supplemental Resolution, adopted __________, 2009.

ARTICLE III.
Amendment of Resolution

SECTION 3.01. Amendment to Reduce Maximum Authorized Principal Amount of Notes. The first sentence of Section 2.01 of the Resolution and the third sentence of the fourth paragraph of the back of the form of CP Notes attached as Exhibit A-2 to the Resolution are amended to read as follows: The aggregate principal amount of Taxable Notes and Tax-Exempt Notes which may be outstanding at any time shall not exceed the lower of $50,000,000 and the aggregate amount authorized to be issued to pay Costs of the Project and Costs of Issuance pursuant to resolutions of the Board authorizing the undertaking of a Project and the issuance of Notes to finance such Project.

ARTICLE IV.
Miscellaneous

SECTION 4.01. When Effective. This Second Supplemental Resolution shall become effective immediately upon the later of (i) the issuance of the General Obligation Bonds, Series 2009 and (ii) the date, subsequent to this date of adoption, that all Notes Outstanding on the date hereof no longer remain Outstanding under the Resolution, and the filing with the Issuing and Paying Agent of a copy of this Second Supplemental Resolution, accompanied by an opinion of Bond Counsel stating that this Second 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.
THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

Second Supplemental Resolution

To

Commercial Paper Note Resolution

Adopted __________, 2009
SECOND SUPPLEMENTAL RESOLUTION TO

THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
COMMERCIAL PAPER NOTE RESOLUTION

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AGRICULTURAL COLLEGE (the “University”), as follows:

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