A meeting retreat of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, September 9 and Saturday, September 10, 2011 at the Lake Morey Inn, Fairlee, VT. The meeting commenced at 12:45 p.m. on Friday, September 9th.

Friday, September 9, 2011

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Bill Botzow, Ian Boyce* (attended a portion of the meeting), Interim President John Bramley, Carolyn Branagan, Christopher Bray, Frank Cioffi, David Daigle, Kyle DeVivo, John Hilton, Jr., Joan Lenes, Debbie McAneny, David Potter, Kesha Ram, Dale Rocheleau, Bill Ruprecht, Brian Sozansky, Jeanette White and Mark Young

MEMBERS ABSENT: Samuel Bain, Jeff Davis, and Governor Peter Shumlin

ALSO PARTICIPATING: Vice President for Legal Affairs and Assistant Secretary to the Board Francine Bazluke, Provost Jane Knodell (attended a portion of the meeting), Vice President for Executive Operations Gary Derr (attended a portion of the meeting), and John Isaacson and Vivian Brocard from Isaacson, Miller

* via conference phone

Chair Robert Cioffi called the meeting to order at 12:45 p.m.

Opening Remarks (see full remarks appended to minutes)

Executive Session

At 12:58 p.m., Chair Cioffi entertained a motion to enter into executive session for the purpose of discussing the evaluation of a public official and contracts. Mr. Isaacson, Ms. Brocard and Ms. Bazluke were asked to remain.

At 2:35 p.m. the meeting was re-opened to the public. The Chair called for a brief break.

Strategic Financial Initiative Update (see presentation appended to minutes)

At 2:50 p.m., the meeting resumed. Trustee Boyce joined by phone. Provost Knodell re-joined the meeting. Several members of the UVM staff and a reporter also joined the meeting by phone.

Interim President Bramley opened this segment with an overview of the Strategic Initiatives Project (“the Project”), which Provost Knodell is leading. He noted that the work is under way because growth of revenues in the future is extremely unlikely due to various factors. He explained that if decisions as to investment, including reallocation, of available resources is done “top down”, the process will fail.
Provost Knodell stated that the Strategic Initiatives Project ("the Project") has as its objective positioning UVM to thrive and excel in challenging times. She noted that the Project is an outgrowth of the May Board meeting in which Trustees stated that tuition cannot continue to rise at significant rates. The Provost then walked Trustees through a PowerPoint demonstration [attached to the minutes] that identified existing and projected challenges in the external environment; the goals and objectives of the Project; the process by which Vice Presidents, Deans and faculty governance leaders are engaged in their work; the various means by which the integrated team will engage the campus; and the timetable for the Project and its completion.

Trustees asked questions during the presentation, which included a request for clarification of the criteria and metrics by means of which programs will be evaluated, and whether criteria will be “weighted” in any manner. A Trustee questioned whether value will be also assessed from an institutional or “user” (student) point of view; the Provost explained that part of the value proposition involves consideration of what students receive for their investments in their education. Trustees commented that value should not be measured solely by the financial return on investment students achieve once they pursue their careers, because the value of the educational experience exceeds subsequent financial gain.

The challenges associated with ensuring responsible engagement by UVM community members whose programs may be affected by the Project were discussed. Provost Knodell stated that the process will rely heavily on governance group leadership of, and participation in, the process, most especially the Faculty Senate.

National Perspective on Presidential Searches

At 3:30 p.m., Chair Cioffi introduced John Isaacson and Vivian Brocard from the executive search firm of Isaacson, Miller. Mr. Isaacson began his presentation with an overview of reasons why he believes that UVM is well-positioned to do a presidential search at this time. He particularly cited UVM’s identity as a premiere small research university committed to quality undergraduate education, and offered examples of other universities that have become highly successful positioning themselves in a similar manner. Mr. Isaacson also cited as a positive draw the fact that UVM is launching a fundraising foundation that has the capacity to enlarge substantially the philanthropic base of the institution and alumni loyalty.

Mr. Isaacson next identified national and international trends and pressures that universities will be facing over the next 10 years, including the cost of tuition viz. family and financial aid resources, demographics affecting the pool of available applicants, internationalization, the decline of federal funding, and the impact of health care reform on the vitality of academic medical centers.

Mr. Isaacson next led Trustees through a question and answer period. Questions covered issues including the ability of any candidate to effect transformational change in the face of community resistance. Mr. Isaacson acknowledged the issue but posited that there are market-tested candidates who could manage the challenges as well as opportunities.

Trustee Ian Boyce, Interim President Bramley, and Provost Knodell departed.
Executive Session

At 3:55 p.m., Chair Cioffi entertained a motion to enter into executive session to discuss personal records and contracts. Mr. Isaacson, Ms. Brocard and Ms. Bazluke were invited to remain.

At 5:15 p.m. the Chair recessed the meeting and announced that the meeting will reconvene the next day at 8:30 a.m. to continue executive session discussions.

Saturday, September 10, 2011

MEMBERS PRESENT: Chair Robert Cioffi, Vice Chair Harry Chen, Secretary Donna Sweaney, Bill Botzow, Carolyn Branagan, Christopher Bray, Frank Cioffi, David Daigle, Kyle DeVivo, John Hilton, Jr., Joan Lenes, Debbie McAneny, David Potter (attended a portion of the meeting), Kesha Ram, Dale Rocheleau, Bill Ruprecht, Brian Sozansky, Jeanette White and Mark Young

MEMBERS ABSENT: Samuel Bain, Interim President Bramley, Ian Boyce, Jeff Davis, and Governor Peter Shumlin

ALSO PARTICIPATING: Vice President for Legal Affairs and Assistant Secretary to the Board Francine Bazluke, Provost John Isaacson and Vivian Brocard from Isaacson, Miller

Chair Cioffi reconvened the meeting retreat on Saturday, September 10, 2011 at 8:30 a.m.

Executive Session

At 8:33 a.m., a motion was made, seconded and it was voted to enter executive session for the purpose of continuing discussions related to personal records and contracts. Ms. Bazluke, Mr. Isaacson, and Ms. Brocard were asked to remain.

At 10:25 a.m., Ms. Bazluke, Mr. Isaacson, and Ms. Brocard were excused from the meeting.

The meeting was re-opened to the public at 10:45 a.m.

Adjournment

There being no further business the meeting/retreat was adjourned.

Respectfully submitted,

Donna Sweaney, Secretary
Let me begin by thanking you for taking the time to be with us for these couple of days, I realize that everybody’s schedules are busy and I appreciate the effort made by all Trustees to be here. During my time on the Board, I have found these retreats to be some of the most worthwhile and thought provoking meetings. Based on our agenda, I believe this will be no different.

Let me preview briefly our agenda for the next twenty-four hours. At the conclusion of my comments, I will entertain a motion to go into executive session for the purpose of reviewing Interim President Bramley’s goals and objectives for FY 2012. At the conclusion of the discussion, we will come out of executive session for two discussions: 1) an update on the strategic financial initiatives that have been undertaken on campus led by Provost Jane Knodell; and 2) a perspective on the national landscape of searches for Presidents of Universities led by John Isaacson of Isaacson, Miller.

We will then go back into executive session to begin the Board’s work on the search process and discussion of candidates with Isaacson, Miller. This work will take us through dinner this evening and into tomorrow morning.

I would be remiss at this point if I did not address two topics that have attracted lot of media attention in the State of Vermont over the past few months.

First, the events of the past two weeks and the devastation caused by Hurricane Irene in the southern part of our state is unprecedented in our lifetimes. The people and infrastructure of the state have been profoundly affected and they are in our thoughts and prayers. As these numerous communities continue the process of recovery and rebuilding, I am pleased to announce that collectively, through personal donations, this Board has raised $5,175 to contribute to the relief efforts. I have asked Vice President Gary Derr to work with Governor Shumlin’s office to determine the appropriate target for our donation. I appreciate your commitment to this cause and thank every member of this Board for helping those in Vermont who have been affected by this natural disaster.

The second issue that I would like to address is the continuing attention we have received over past two months in the wake of President Fogel’s departure. Let me start by saying something that cannot be said often enough, UVM is a profoundly strong institution and is in a better situation academically and fiscally that it has been the case in many years. We need to continue to support it and strengthen it as the powerful financial, cultural and economic engine that it is for the state of Vermont.

With that said, I realize that there are many who have disagreed with some of the decisions that this Board has made, and I respect those views. However I strongly believe that individuals with the breadth and completeness of knowledge about the situation that those sitting around this table were privy to, would have come to similar conclusions. I wholeheartedly stand by our decisions, and I am proud of the careful, deliberative approach that led to them.

On a personal note, I would like to thank the entire Board for its work in this difficult matter, but in particular those Trustees who live in the State of Vermont and are in our legislature. I realize how
often you have had to address our decisions in everyday conversations and I cannot tell you enough how much I have appreciated your unwavering support for the decisions that we had to collectively make. Though I sat through my share (or maybe more than my share) of press interviews on this topic, I understand that those interviews are at times far easier than the confrontations on these topics that occur in the grocery store or in a legislative committee room.

Despite the criticism that has come our way, this Board has remained universally committed to one thing: ensuring a stronger, better, more sustainable UVM in the future. I look forward to working with all of you over the next couple of days and in the future to continue to strive toward this goal.

I’d be happy to entertain any questions before we move into Executive Session.
THE STRATEGIC INITIATIVES PROJECT

Positioning the University of Vermont to thrive and excel in challenging times.
THE STRATEGIC INITIATIVES PROJECT

The need to act now...

• Declining numbers of college-aged students in our primary applicant markets
• Decreasing availability of public funding
• Increased competition within higher education
• Changes in the student marketplace, including the perceived value of higher education
• Growing concern that higher education is not sufficiently focused on student learning, rigor, and on setting high expectations of students
• The need to keep pace with technological change
• The profound effects of a persistent, deep recession on our students, their families, and on our faculty, staff, alumni, donors, and friends
• The unsustainable practice of relying on significant tuition increases
• Limited capacity for further growth in undergraduate enrollment
THE STRATEGIC INITIATIVES PROJECT

Goals and objectives:

• A sustainable, long-term financial model that closes a projected FY 17 $36M financial gap (the gap includes current expenses plus funds for strategic investments)
• Tangible progress toward achieving our mission and vision
• The alignment of resources with redefined and strategic priorities
• A stable, satisfied, productive faculty & staff
• A transformative, high-impact educational experience for our students
• Improved facilities
THE STRATEGIC INITIATIVES PROJECT

Five areas of focus/teams...

1 – Cost Structure and Productivity Enhancement
   analyzing cost structure; recommending reductions (target of $24M)

2 – Net Revenue Enhancement
   identifying opportunities to generate additional revenue (target of $12M)

3 – Diversity and Internationalization
   analyzing current initiatives and future opportunities for furthering diversity and internationalization

4 – Student Success and Satisfaction & General Education
   identifying investment priorities within S3 and General Education

5 – TRI and Research
   identifying investment priorities within TRI and Research
THE STRATEGIC INITIATIVES PROJECT

Cost Structure and Productivity Enhancement Purpose Statement...

“To provide a clear explanation of how money is spent and how we should spend money at UVM in order to develop a roadmap to guide current and future allocation of resources. Our goal is to use a strategic approach to reduce or avoid costs and improve productivity in a way that enhances the academic experience as fully as possible while ensuring UVM’s long-term financial viability.”

How do we spend our money?
THE STRATEGIC INITIATIVES PROJECT

How should we spend our money?

- Extensive analysis
- Examining growth, patterns, trends
- External benchmarking

Strategic Value Assessment
THE STRATEGIC INITIATIVES PROJECT

Strategic Value Assessment...

With SVFA assessment in hand, units/programs will be mapped to identify candidates for disinvestment (cost reduction/avoidance), redesign (FA improvement), and will guide decisions about strategic investment (enterprise-wide).
# The Strategic Initiatives Project

The Strategic Value Criterion...

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<th>Criteria</th>
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<tbody>
<tr>
<td>1</td>
<td>Differentiates UVM from its peers resulting in distinction, identity and competitiveness.</td>
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<tr>
<td>2</td>
<td>Attracts and retains high quality faculty who deliver superior teaching, scholarship and research.</td>
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<tr>
<td>3</td>
<td>Provides an exceptional academic experience that attracts, engages and retains high-quality and diverse students through degree completion and prepares them to succeed now and in the future.</td>
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<td>4</td>
<td>Demonstrates UVM’s commitment to community engagement and addressing important societal needs.</td>
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THE STRATEGIC INITIATIVES PROJECT

Timeline...
December 2011 - Four teams (Net Revenue Enhancement, Diversity & Internationalization, TRI & Research, and S3/General Education) complete work; present recommendations regarding revenue generation and strategic investments; implementation begins January 2012

December 2011 – Cost Structure and Productivity Enhancement team recommends prioritized opportunities for cost savings in the outer 3 rings; implementation begins January 2012

Spring 2012 – Cost Structure and Productivity Enhancement team recommends prioritized opportunities for cost savings in the inner ring – Academic Experience; campus-wide engagement in Strategic Value Assessment; implementation begins (per governance structure)