THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

FULL BOARD

Chair David Daigle, Vice Chair Ron Lumbra, Secretary Donna Sweaney, Briar Alpert, David Aronoff, Cynthia Barnhart, John Bartholomew, Otto Berkes, Robert Brennan, Frank Cioffi, Johannah Donovan, Carolyn Dwyer, Jodi Goldstein, Sidney Hilker, Bernard Juskiewicz, Curt McCormack, Donald McCree, Caitlin McHugh, Anne O’Brien, Ed Pagano, Governor Phil Scott, Shap Smith, President Thomas Sullivan, Tristan Toleno and Jeff Wilson

Saturday, February 2, 2019
*8:30 a.m. – 11:00 a.m.
Livak Ballroom (417-419)
Dudley H. Davis Center

AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure/Exemption</th>
<th>Discussion Leader(s)</th>
<th>Time</th>
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<tr>
<td>Call to Order</td>
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<td>8:30 a.m.</td>
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<tr>
<td>1. Approval of October 27, 2018 Minutes</td>
<td>Attachment 1</td>
<td>David Daigle</td>
<td>8:30-8:35</td>
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<td>2. Public Comment</td>
<td></td>
<td>David Daigle</td>
<td>8:35-8:50</td>
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<td>3. Committee Reports</td>
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<td>8:50-9:20</td>
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<tr>
<td>Audit</td>
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<td>Bernard Juskiewicz</td>
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<td>Educational Policy &amp; Institutional Resources</td>
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<td>Donna Sweaney</td>
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<td>Budget, Finance &amp; Investment</td>
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<td>Don McCree</td>
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<td>Frank Cioffi</td>
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<td>4. VT Agricultural College Board</td>
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<td>Tristan Toleno</td>
<td>9:20-9:25</td>
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<td>5. UVM Board</td>
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<td>Ron Lumbra</td>
<td>9:25-9:30</td>
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<td>6. Election of Board &amp; University Officers</td>
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<td>David Daigle</td>
<td>9:30-9:40</td>
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<td>Frank Cioffi</td>
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<td>7. Retiring Trustee Resolutions</td>
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<td>David Daigle</td>
<td>9:40-9:50</td>
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<td>8. Approval of Consent Agenda</td>
<td>Attachment 2</td>
<td>David Daigle</td>
<td>9:50-9:55</td>
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<td>Motion to Enter Executive Session** Exemption(s)</td>
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<td>Bill Harrison</td>
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<td>Motion to Go Out of Executive Session</td>
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<td>10. Other Business</td>
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<td>David Daigle</td>
<td>10:25-11:00</td>
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<td>Motion to Adjourn</td>
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<td>11:00 a.m.</td>
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*Meeting time is tentative and subject to rescheduling.

** The Chair will seek a motion to go into Executive Session for the purposes of discussing security measures, the premature public knowledge of which would clearly place the University at a substantial disadvantage. No action is expected following the Executive Session.
A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, October 27, 2018, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Donna Sweaney, Briar Alpert, David Aronoff, Cynthia Barnhart*, John Bartholomew, Otto Berkes, Robert Brennan, Frank Cioffi, Carolyn Dwyer, Sidney Hilker, Jodi Goldstein, Bernie Juskiewicz, Curt McCormack, Don McCree, Caitlin McHugh, Ed Pagano, Shap Smith, Thomas Sullivan, Tristan Toleno**, and Jeff Wilson

MEMBERS ABSENT: Johannah Donovan, Anne O’Brien, and Governor Phil Scott

ALSO PARTICIPATING: Provost and Senior Vice President David Rosowsky, Vice President for Legal Affairs and General Counsel & Senior Advisor to the President Sharon Reich Paulsen, Vice President for Finance and Treasurer Richard Cate, and Vice President for University Relations and Administration Thomas Gustafson

*participated via conference phone until 9:30 a.m.
**participated via conference phone

Chair David Daigle called the meeting to order at 8:52 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the September 8, 2018 meeting as presented.

Public Comment

There were no requests for public comment.

Committee Reports

Audit Committee

Chair Bernard Juskiewicz offered a summary report of meetings held on July 9 and September 17, 2018. At the July and September meetings, University Controller Claire Burlingham and Renee Bourget-Place of KPMG provided brief status reports on the FY 2018 financial statement and Uniform Guidance audits. There were no issues to report. Also at the September meeting, Associate Chief Information Officer Julia Russell explained that due to system upgrades KPMG did not conduct their customary information technology review of PeopleSoft for FY 2018 and she offered an update on the FY 2017 General Computer Controls Observations and
Recommendations report which identified two general information technology control-level observations.

At the July meeting, Controller Burlingham offered an update on Government Accounting Standards Board (GASB) changes and how they will impact the University. Chief Risk/Public Safety Officer Al Turgeon introduced the Risk and Public Safety Group. The group’s leadership presented an overview of the services that their functions provide to the University community. Additionally, at Chair Juskiewicz’s request, Vice Provost for Student Affairs & Deputy Title IX Coordinator Annie Stevens and Director of the Office of Affirmative Action and Equal Opportunity & Title IX Coordinator Nick Stanton provided the Committee with an overview of the University’s approach to preventing and responding to sexual misconduct and sexual harassment.

In July, Chief Internal Auditor William Harrison offered a summary of internal audit activity as well as the status of the internal audit work plan as of May 31, 2018 and audit recommendations.

In September, Director of Compliance Services and Chief Privacy Officer Tessa Lucey offered a summary of her office’s work on the Seven Elements of an Effective Compliance Program as outlined by the Federal Sentencing Guidelines. She discussed her new role as the Chief Privacy Officer as well as Ethics and Compliance Reporting and Help Line statistics and benchmarking data, and enhancements to the University’s policy management process.

Also in September, Vice President for Finance and Treasurer Richard Cate reported on the FY 2018 Presidential expense reimbursements and travel expenses in accordance with the Audit Committee Charter. Chief Internal Auditor Harrison provided the Committee with a summary of FY 2018 Presidential housing expenditures as required by the President’s Official Residence University Operating Procedure.

Chief Information Officer (CIO) Simeon Ananou offered an overview of the Enterprise Risk Management (ERM) Voice Communications Systems Reliability risk. Dr. Ananou discussed plans to replace the current phone system, and strategically select and implement modern communications tools.

Lastly, the Committee conducted its annual review of the Audit Committee Charge and Charter. It was advised of two housekeeping changes to the Charter’s guidelines. There were no changes to the Audit Committee Charge.

Chair Daigle inquired about the status of the external audit of information technology services. Chief Internal Auditor Harrison reminded the Board that the scope of the audit focused on cybersecurity and data governance. The audit has been completed and the finding will be brought to the Audit Committee at its November 5, 2018 meeting.

*Educational Policy and Institutional Resources Committee* (EPIR)

Committee Chair Donna Sweaney offered highlights from the meeting held yesterday afternoon. The meeting began with an opportunity for Committee members to offer comments and ask questions pertaining to the following written reports pre-distributed in the meeting materials:
• Provost’s Report - referencing the Climate Certificate initiative, the Provost reported that it’s been two years since the idea was first launched. Since then, he has put out a call to faculty members who might be interested and received an overwhelming response. The Provost will be hosting a luncheon in the next couple of weeks for interested faculty to move towards a timely solution. The Committee expressed interest in supporting this initiative.

• Annual UVM Foundation Report with input from Vice President for Development Clarence Davis

• Annual Enrollment Report with input from Vice President for Enrollment Management Stacey Kostell

• Annual Career Success Action Plan Progress Report with input from Vice Provost for Student Affairs Annie Stevens

• Capital Projects Progress Report with input from Director of Capital Planning and Management Bob Vaughan

Director of Capital Planning and Management Robert Vaughan reviewed two capital projects that the Committee endorsed and referred to the Budget, Finance & Investment Committee. The projects include:

• A proposal for the McAuley Hall expanded deferred maintenance project. The overall objective of the project is to expand the original requested project scope to replace the curtain wall system to also include the replacement of the five different levels of membrane roofing throughout the complex. Additional scope elements would include the replacement of the heating system piping throughout the student rooms, and completion of hazardous material abatement of identified asbestos in both the curtain wall and roof surfaces.

• The Program Plan for the On-Campus Multipurpose Center Project that the Committee of the Whole received an update on during yesterday morning’s Committee of the Whole meeting.

Faculty Senate Curricular Affairs Committee Chair Laura Almstead referenced her written report. There were no new proposals at this time.

Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant and Senior Advisor for Strategic Diversity Assessment and Research Paul Yoon provided a comprehensive report on the major institutional diversity initiatives and accomplishments. The report addressed how the University of Vermont’s Identity Centers and staff support and engage students for success, highlighted the historical significance of the recent dedication of the Andrew Harris Commons, the University’s revamped onboarding program as well as preliminary plans for the administration of a comprehensive Campus Climate Survey.

Provost and Senior Vice President David Rosowsky and Dean of the Graduate College Cindy Forehand discussed progress made on Academic Excellence Goal #8, which calls for increasing enrollment in graduate and professional programs. Dean Forehand presented comprehensive data on enrollment trends, the accelerated master’s programs, and the success of variable tuition rate.
Vice Provost for Student Affairs Annie Stevens offered brief progress reports on the following portfolio-level risks and opportunities since the Chief Risk Officer’s annual Enterprise Risk Management report to the Board last February:

- **Increased Student Health Needs (Risk #16)** - Data was presented on the challenges, national context, and the next steps to be taken to address mental and physical health issues.

- **Strengthen, Promote, and Assess Residential Learning Communities (Risk Management Opportunity #17)** - Context of the Residential Learning Communities in terms of the history, where this initiative is currently, and learning community outcomes, and steps moving forward was provided.

- **Title IX Sexual Assault (Risk #3)** - Challenges and related risks as well as steps taken, and next steps moving forward were addressed.

Provost Rosowsky was invited to share additional details from the discussion of Academic Excellence Goal #8. He explained that the Accelerated Master’s Program allows early admissions to graduate studies with up to six concurrent credits double-counted towards the bachelor’s and master’s degrees. Acknowledging that with careful planning this is an excellent way for motivated students to get two degrees, he noted an increase of over 40 accelerated master’s students in undergraduate dual enrollment since last year. He also noted a 40% growth in new program enrollment in graduate enrollments since 2015 and increases in graduate net tuition revenue over two years and in Ph.D yield over the last year.

**Budget, Finance and Investment Committee (BFI)**

Chair Don McCree reported that the Committee unanimously endorsed seven resolutions for Board approval and introduced the first four related to tuitions.

- **Summer session tuition rates** of $465 per credit hour for in-state students and $1,171 per credit hour for out-of-state students. These rates reflect a 30% discount of the spring semester tuition.

- **Tuition rates for the Global Gateway and the Pre-Master’s Program for Summer and Fall 2019 and Spring 2020.** For the 2019 Summer Semester, the tuition component of the total cost-of-attendance fee will be set at the same tuition rate as the prior Spring semester. For Global Gateway students whose program includes a semester of non-credit coursework, the tuition component of their total cost-of-attendance fee for that semester will be set at $7,500 per semester for Fall 2019 and Spring 2020.

- **Room and meal plan rates for FY 2020.** The predominant residence hall traditional double room will increase 3.75% over the current year’s rate based on new program additions/changes, facility renovations, and debt payment responsibilities. The predominant meal plan will increase 3.5% over the current year’s rate, based on UVM’s contract with Sodexo.
An increase in the student credit hour cap from 18 to 19 to support high achieving students, increase student satisfaction, reduce financial burden, and support both retention and 4-year graduation rates. The financial impact to the University is estimated between $185,000 to $345,000.

Investment Subcommittee (ISC) Chair Robert Brennan offered a report noting that as of September 30, 2018, the value of the endowment is $521 million. He stated that markets are entering interesting times and may be at the end of the growth cycle.

At the ISC’s recommendation, the Committee voted to reaffirm the Endowment Budget Policy and approve revisions to the benchmarks in the Statement of Investment Policy & Objectives for recommendation to the full Board.

The Committee received updates on the following:

- Controller Burlingham reported the University is on track for a clean FY 2018 audit, free of findings from KPMG, who is completing their field work regarding the financial statement audit. To date, there were are no material weaknesses or significant deficiencies.

- The administration is required to report annually on the number of high school students who were enrolled in UVM classes this past year. In FY 2018, 371 high school students took classes at UVM through the Dual Enrollment Voucher program, mostly during Summer 2017. This compares to 450 and 405 Dual Enrollment students in FY 2017 and FY 2016 respectively.

- University Budget Director Alberto Citarella reported on the FY Budget to Actuals report. The year-end results were positive with units spending $19.1 million less than budgeted and actual revenues $7.2 million over budget. After reappropriations and adjustments, there was a $5.7 million remaining fund balance.

- Controller Burlingham offered the annual report on the President’s Strategic Initiatives Fund. This fund’s sources originate from one-time events such as the sale of property; the President makes decisions on how strategically to spend it. As of July 1, 2018 the balance is $833,261; essentially all of this year-end balance has been obligated at this point.

- UVM Foundation Vice President and CFO Charles Feeney updated the Committee on fundraising progress on capital projects, including the Science, Technology, Engineering and Mathematics (STEM) Complex and Ifshin Hall. In regards to Ifshin Hall, as of October 19, 2018, $9.5 million of the $11 million non-debt goal and total project cost has been raised in non-debt funding.

The STEM Complex was funded by a mix of private gifts and non-debt funding. As of October 19, 2018, the Foundation had secured $11.6 million in non-debt funding. The remaining non-debt goal is $14.4 million. The Foundation leadership remains confident that a high percent of the non-debt goal will be achieved through donor
funding. The University bridged the gap in private gifts with cash reserves with the expectation that they could be replenished.

Chair McCree reminded the Board that the Division of Finance leadership worked with consultants from Kaufman Hall to develop a strategic financial plan model that assists the administration and the Trustees in analyzing the University’s financial condition and the impact of any proposals for future projects that require funding. This tool allows the University the ability to forecast out a number of years. Vice President Cate presented a base case scenario and described the potential impact of capital projects such as the research building and the multipurpose center.

Lastly, the Committee unanimously approved the following capital projects for referral to the Board:

- **Residential Life FY 2019 Deferred Maintenance Project (McAuley Hall).** This project was approved by the Board last fall and the administration is requesting an increase in funding to cover additional work including the roof, replacement of the heating system piping, and completion of hazardous material abatement. It is estimated that the expanded scope for the McAuley Hall renovation will increase the cost from $3.0 to $6.1 million. Unrestricted plant funds from residential life will cover the additional expenses.

- **Expenditures for the completion of design development, construction documents, and estimate of project cost for the Larner College of Medicine and College of Arts & Sciences Psychological Sciences Medical Research Complex.** The Board was introduced to the concept of the proposed complex intended to support the University’s research mission and eliminate deferred maintenance on the Given Medical Building and John Dewey Hall. The estimated cost to complete the project design, including construction drawings, is $6.0 million, which will be funded from the Larner College of Medicine’s reserves.

- **Following the update to the Committee of the Whole, and referral by the EPIR Committee, members discussed the funding proposal for the On-Campus Multipurpose Center Project at length.** The estimated cost to complete the project is $95.0 million, which will be funded from a combination of gifts, general funds, and up to $75.0 million of University debt. Chair McCree explained that the authorization of the project’s expenditures, in excess of the previously authorized $5,250,000 is subject to receipt and approval by the University by February 1, 2019 of signed commitments from donors that total at least $30,000,000 in gifts directed exclusively for athletics or the project and that at least $15,000,000 of the $30,000,000 in gifts for the project must be through signed commitments scheduled to be received as cash no later than December 31, 2021.

The proposed cash flow and borrowing plan includes:

- Incremental short-term borrowing between January 2019 to June 2019
- In July 2019, issue long-term debt, repay short-term debt, and fund construction through December 2019
- Incremental short-term borrowing between January 2020 to June 2020
In July 2020, issue long-term debt and repay short-term debt; expend accrued general
fund deferred maintenance funds; UVM Foundation issues promisory note to
University backed by documented pledges
Incremental short-term borrowing between July 2020 and March 2021
From July 2020 to March 2021, use receipts from documented pledges to repay short-
term borrowing and discharge note

It was noted that debt services would be funded by a recreation fee.

**Vermont Agricultural College Board**

Secretary Curt McCormack reported that the Board discussed the upcoming 2019 legislative
session and received an update on planning for the 6th annual Legislative Summit to be held on
November 14, 2018. The focus of this year’s summit is “The Future Sustainability of Vermont’s
Rural Economy.” Members discussed the opportunities the summit presents to connect research
activities of UVM’s faculty with policymakers around an issue of great importance to UVM and
Vermont’s leaders. All trustee were encouraged to attend the half-day session.

Secretary McCormack concluded his remarks by acknowledging Trustee Bernard Juskiewicz’s
retirement from the legislature and thanked him for his years of service.

**University of Vermont Board**

Chair Ron Lumbra reported the Board reviewed a summary of the Wilbur Trust Fund financial
report from July 1, 2017 through July 31, 2018 noting the fund continues to help make tuition
more affordable for Vermont high school students.

The Board spent the remainder of the meeting in executive session for the purpose of discussing
trustee recruitment. With respect to succession planning, Chair Lumbra reported that the Board
discussed desired skillsets for the next class of trustees and have identified the following areas of
expertise: academics, medical and healthcare, finance, information technology systems,
marketing and social media, and the environment. Members also discussed the diversity of the
Board, the mission of the University and the alignment of both with the recruitment of new
Board members.

**Approval of Consent Agenda**

Chair Daigle introduced the revised consent agenda distributed this morning noting it includes
the amendment to the resolution approving the removal of the name of Guy W. Bailey from the
library, endorsed at yesterday’s Committee of the Whole meeting, the addition of individual
resolutions approving the program plan and authorizing expenditures for the On-Campus
Multipurpose Center project, as endorsed by the Educational Policy & Institutional Resources
and Budget, Finance & Investment Committees yesterday, and a single resolution combining
those two committee approvals. He noted that the Board would vote on the first and last
resolutions (#1 and #13) separately and the remaining resolutions will be voted on as a consent
agenda.

Chair Daigle presented resolution #1 and offered an opportunity for discussion.
COMMITTEE OF THE WHOLE

1. Resolution Approving Removal of the Name of Guy W. Bailey from the Bailey/Howe Library

WHEREAS, on March 26, 2018, the Board of Trustees approved the creation and appointment of a new Board of Trustees Renaming Advisory Committee (“Committee”) for the purpose of considering proposals to remove a name from a building, academic unit, or academic program; and

WHEREAS, on April 9, 2018, a memo was issued to the UVM Community detailing the process for submitting a proposal to remove a name from a UVM building, academic unit, or academic program; and

WHEREAS, on April 29, 2018, the Committee received a proposal to remove the name of Guy W. Bailey from the Bailey/Howe Library; and

WHEREAS, the Committee met on May 11, 2018 to conduct a preliminary review and determined the proposal warranted further consideration; and

WHEREAS, the Committee conducted a thorough, careful and deliberative process and issued periodic communications to the UVM Community to invite input on the proposal; and

WHEREAS, the Committee evaluated all input it received and then deliberated and prepared a report recommending that the name of Guy W. Bailey be removed from the Bailey/Howe Library; and

WHEREAS, the Board is satisfied that it has received adequate information to make a decision regarding the proposal to remove Guy W. Bailey’s name from the Bailey/Howe Library;

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the removal of the name of Guy W. Bailey from the Bailey/Howe Library as recommended by the Committee in the report included as Appendix A to this document; and

BE IT FURTHER RESOLVED, that the Bailey/Howe Library be renamed the David W. Howe Memorial Library.

President Sullivan offered praise for the process and Committee’s work. He expressed his appreciation for the careful, thoughtful and transparent work of the Renaming Advisory Committee under the leadership of Vice Chair Ron Lumbra. He thanked the Committee for their clear and well-reasoned report, which he opined is a testament to the fair and deliberate process. He acknowledged the process implemented by the University to consider proposals to remove names from UVM facilities utilizes the principles and criteria developed and adopted by Yale University in November 2016. This process was unanimously endorsed by a University of Vermont work group appointed for the purpose of evaluating best practices for considering the renaming of facilities. He concluded by offering his full support of the Committee’s
recommendation. Chair Daigle added that the Committee of the Whole unanimously endorsed the recommendation.

Vice Chair Lumbra agreed with President Sullivan’s comments and recognized Committee members’ service, echoing the process was conducted thoughtfully, deliberately, and efficiently. He expressed his gratitude to everybody who served on the Committee and supporting staff.

There being no further discussion, a motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Chair Daigle presented resolution #13 and offered an opportunity for discussion.

**Full Board**

13. **Resolution Authorizing On-Campus Multipurpose Center Project Program Plan and Expenditures**

WHEREAS, on February 4, 2017, the Board of Trustees authorized the administration to expend $750,000 to take steps relating to an on-campus Multipurpose Center (“Project”), including initiation of the schematic design phase and generation of a Project cost estimate and funding plan; and

WHEREAS, on October 20, 2017, the Board authorized the expenditure of $1,000,000 of private gift funds for the first phase of design development for the Project; and

WHEREAS, on February 3, 2018, the Board authorized the expenditure of $1,500,000 of private gift funds to fund the next phase of design development and permitting for the Project;

WHEREAS, on May 18, 2018, the Board authorized the expenditure of $2,000,000 of private gift funds to fund the last phase of design development and permitting for the Project;

WHEREAS, on October 26, 2018, the Educational Policy & Institutional Resources Committee approved the conceptual scope of the Project as presented to the Committee and then referred the Project to the Budget, Finance & Investment Committee for financial review;

WHEREAS, on October 26, 2018, the Budget, Finance & Investment Committee recommended to the Board that it authorize total Project expenditures of up to $95,000,000 (inclusive of the $5,250,000 previously authorized), subject to certain conditions specified by the Committee;

THEREFORE, BE IT RESOLVED, that the Board hereby authorizes total Project expenditures of up to $95,000,000 (inclusive of the $5,250,000 previously authorized), subject to conditions specified in this resolution, with the funds to be expended in a manner consistent with the report made on this date;
BE IT FURTHER RESOLVED, that the authorization of Project expenditures in excess of the previously authorized $5,250,000 is subject to receipt and approval by the University by February 1, 2019 of signed commitments from donors that total at least $30,000,000 in gifts directed exclusively for athletics or the Project;

BE IT FURTHER RESOLVED, that at least $15,000,000 of the $30,000,000 in gifts for the Project must through signed commitments be scheduled to be received as cash no later than December 31, 2021;

BE IT FURTHER RESOLVED, that any bequests that are to be counted toward the $30,000,000 in gifts required to be raised for the Project, must be irrevocable commitments that have been verified in writing;

BE IT FURTHER RESOLVED, that all donor receipts for the Project are required to be used to fund Project expenditures or repay University debt; and

BE IT FURTHER RESOLVED, that the up to $95,000,000 of funds for Project expenditures referenced above be drawn from a combination of gifts, general funds, and up to $75,000,000 of University debt.

President Sullivan recognized that the passage of this resolution represents a significant step forward in the long history of the University’s vision, consideration, planning and construction of this critical project.

Chair Daigle acknowledged that discussions of plans and proposals for a Multipurpose Center have been on-going over the last twenty years. He recognized that this important milestone has been achieved through the dedication and commitment of many and thanked President Sullivan, Athletic Director Jeff Schulman, UVM Foundation President and CEO Shane Jacobson and the many generous philanthropic donors from which one-third ($30 million dollars) of the project will be funded.

There being no further discussion, a motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Chair Daigle presented the remainder of the resolutions to be voted on as a consent agenda:

EDUCATIONAL POLICY & INSTITUTIONAL RESOURCES

2. Resolution Approving Expanded Residential Life Fiscal Year 2019 Deferred Maintenance Project (McAuley Hall)

WHEREAS, the administration today reported on the strategic and operational need for the McAuley Hall Expanded Deferred Maintenance Project and the associated program scope;

THEREFORE, BE IT RESOLVED, that the Committee hereby approves the conceptual scope that the administration presented on this date and refers the Project to the Budget, Finance & Investment Committee for financial review and approval.
3. **Resolution Approving Program Plan for On-Campus Multipurpose Center Project**

WHEREAS, the administration today reported on the strategic and operational need for the On-Campus Multipurpose Center and the associated program scope;

THEREFORE, BE IT RESOLVED, that the Committee hereby approves the conceptual scope that the administration presented on this date and refers the Project to the Budget, Finance & Investment Committee for financial review and approval.

BUDGET, FINANCE & INVESTMENT

4. **Resolution Approving Summer Session Tuition**

RESOLVED, that the Board of Trustees hereby approves the tuition rate for Summer Session of $465 per credit hour for in-state students and $1,171 per credit hour for out-of-state students except that, with prior approval from the Provost, Graduate programs may maintain summer tuition rates for in-state and out-of-state students equal to the prior Fall and Spring tuition rates for their program. The changes will become effective for the 2019 Summer Session.

5. **Resolution Approving Total Cost of Attendance Fees for Global Gateway and Pre-Master’s Programs (Summer/Fall 2019 & Spring 2020)**

WHEREAS, the University, after a request-for-proposal process, entered into an agreement with Study Group to provide services to UVM in support of the University’s Global Gateway Program; and

WHEREAS, in January 2016, the Board approved amendments to the agreement with Study Group, which included additions to the Study Group Agreement to create a Pre-Master’s Global Gateway Program;

THEREFORE, BE IT RESOLVED, that for the 2019 Summer Semester, the tuition component of the total cost-of-attendance fee charged to Global Gateway Program students and Pre-Master’s Program student will be set at the same tuition rate as the prior Spring semester; and

BE IT FURTHER RESOLVED, that for those Global Gateway students whose program includes a semester of non-credit coursework, that the tuition component of their total cost-of-attendance fee for that semester shall be set at $7,500 per semester for Fall 2019 and Spring 2020.

6. **Resolution Approving Room and Meal Plan Rates, Fiscal Year 2020**

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2020 as follows:
Per Year

- Private Single with Bath: $10,624
- Private Double with Bath: $9,438
- Private Triple with Bath: $7,824
- Suite Single with Shared Bath: $10,194
- Suite Double with Shared Bath: $8,902
- Suite Triple with Bath: $7,442
- Traditional Single: $9,800
- Traditional Double: $8,502
- Traditional Triple: $6,732
- Traditional Quad: $5,700
- Retail Dining: $4,414
- Residential Unlimited Access (+100 Points): $4,414
- Residential Unlimited Access (+350 Points): $4,932

7. **Resolution Expanding the Student Credit Hour Cap**

WHEREAS, currently the standard full-time tuition rates for in-state and out-of-state students ($7,968 per semester and $20,088 per semester respectively in Fiscal Year 2019) enables students to take up to 18 student credit hours (SCH) a semester;

WHEREAS, currently students must pay on a per-SCH basis for student credit hours in excess of eighteen in a given semester;

BE IT RESOLVED, that starting in Fiscal Year 2020, the standard full-time per-semester tuition rate for in-state and out-of-state students will enable students to take up to 19 SCH’s per semester before paying for additional SCH’s.

8. **Resolution Approving Revisions to the Statement of Investment Policy & Objectives**

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, the Investment Subcommittee at its September 26, 2018 meeting reviewed revisions to the Statement of Investment Policies and Objectives;

NOW, THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix B to this document.
(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, September 26, 2018)

9. Resolution Reaffirming the Endowment Budget Policy

RESOLVED, that the Endowment Budget Policy is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the Endowment Budget Policy each year no later than December 31.

Adopted by: Board of Trustees - May 13, 1995
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
Board of Trustees - October 30, 2010
Board of Trustees - October 22, 2011
Board of Trustees - November 8, 2012
Board of Trustees - October 26, 2013
Board of Trustees - October 18, 2014
Board of Trustees - October 3, 2015
Board of Trustees - October 22, 2016
Board of Trustees – October 21, 2017
Board of Trustees –

10. Resolution Approving Expanded Residential Life Fiscal Year 2019 Deferred Maintenance Project (McAuley Hall)

WHEREAS, on October 20, 2017, the Board of Trustees authorized the expenditure of $3,000,000 of residential life funds toward the McAuley Hall Deferred Maintenance Project; and

WHEREAS, the administration today reported on the increased estimated cost for the McAuley Hall Expanded Deferred Maintenance Project and presented a funding plan;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it increase the authorization of project expenditures to $6,100,000, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $6,100,000 of funds for such expenditures be drawn from the unrestricted plant funds from Residential Life.
11. Resolution Authorizing Expenditures for Completion of Design Development, Construction Documents and Estimate of Project Cost for the Larner College of Medicine and College of Arts & Sciences Psychological Sciences Medical Research Complex

WHEREAS, the administration today reported on the schematic design update and generation of a Project cost estimate and funding plan for the Larner College of Medicine and the College of Arts & Sciences Department of Psychological Sciences Project; and

WHEREAS, the administration provided an estimate of the cost of completion of the Project design;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the administration to undertake the expenditures necessary to complete the project design, including construction drawings, at a cost consistent with its report of this date; and

BE IT FURTHER RESOLVED, that the $6 million in funds for such expenditures be drawn from the Larner College of Medicine.

12. Resolution Authorizing On-Campus Multipurpose Center Project Expenditures

WHEREAS, on February 4, 2017, the Board of Trustees authorized the administration to expend $750,000 to take steps relating to an on-campus Multipurpose Center (“Project”), including initiation of the schematic design phase and generation of a Project cost estimate and funding plan; and

WHEREAS, on October 20, 2017, the Board authorized the expenditure of $1,000,000 of private gift funds for the first phase of design development for the Project; and

WHEREAS, on February 3, 2018, the Board authorized the expenditure of $1,500,000 of private gift funds to fund the next phase of design development and permitting for the Project;

WHEREAS, on May 18, 2018, the Board authorized the expenditure of $2,000,000 of private gift funds to fund the last phase of design development and permitting for the Project;

THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends to the Board that it authorize total Project expenditures of up to $95,000,000 (inclusive of the $5,250,000 previously authorized), with the funds to be expended in a manner consistent with the report made on this date;

BE IT FURTHER RESOLVED, that the authorization of Project expenditures in excess of the previously authorized $5,250,000 is subject to receipt and approval by the University by February 1, 2019 of signed commitments from donors that total at least $30,000,000 in gifts directed exclusively for athletics or the Project;
BE IT FURTHER RESOLVED, that at least $15,000,000 of the $30,000,000 in gifts for the Project must through signed commitments be scheduled to be received as cash no later than December 31, 2021;

BE IT FURTHER RESOLVED, that any bequests that are to be counted toward the $30,000,000 in gifts required to be raised for the Project, must be irrevocable commitments that have been verified in writing;

BE IT FURTHER RESOLVED, that all donor receipts for the Project are required to be used to fund Project expenditures or repay University debt; and

BE IT FURTHER RESOLVED, that the up to $95,000,000 of funds for Project expenditures referenced above be drawn from a combination of gifts, general funds, and up to $75,000,000 of University debt.

A motion was made, seconded, and the remainder of the consent agenda was unanimously approved as presented.

**Executive Session**

At 9:44 a.m., Chair Daigle entertained a motion to enter into executive session to consider contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage. He noted that no action was anticipated following the session that is expected to last approximately thirty-five minutes. The motion was made, seconded and approved.

Vice Presidents Rosowsky, Reich Paulsen, Cate, and Gustafson were invited to remain.

Trustee Ed Pagano departed the meeting at 10:25 a.m.

President Sullivan and Vice Presidents Rosowsky, Reich Paulsen, Cate and Gustafson were excused from the meeting at 10:30 a.m.

At 10:58 a.m., the meeting re-opened to the public.

**Adjournment**

There being no further business, the meeting adjourned.

Respectfully submitted,

David A. Daigle, Chair
REPORT OF THE TRUSTEE RENAMING ADVISORY COMMITTEE WITH RESPECT TO PRESIDENT GUY W. BAILEY AND THE BAILEY-HOWE LIBRARY

October 16, 2018

I.  Background of the Committee

On March 26, 2018, University of Vermont Board of Trustees approved the creation and appointment of the Board of Trustees Renaming Advisory Committee. This Committee is charged with considering and making recommendations to the Board regarding proposals from the University community to remove names from University buildings, applying principles and criteria developed at Yale University in 2016. Input from the University community is to be sought with respect to any proposed name removal that is considered by the Committee.

II.  Criteria and Process

Once the Committee receives a proposal, it conducts an initial review to determine whether the following requirements have been met:

- Rationale for name removal, including relevant Principles on Renaming that apply
- Any relevant documents including pertinent historical or other evidence, with appropriate documentation and citations

If the requirements have been met, the Committee evaluates the proposal using the following criteria, which were developed by Yale University:

There is a strong presumption against renaming a building on the basis of the values associated with its namesake. Such a renaming should be considered only in exceptional circumstances.

The presumption against renaming is at its strongest when a building has been named for someone who made major contributions to the University.
Principles to be considered:

- Is a principal legacy of the namesake fundamentally at odds with the mission of the University?
- Was the relevant principal legacy significantly contested in the time and place in which the namesake lived?
- Did the University, at the time of a naming, honor a namesake for reasons that are fundamentally at odds with the mission of the University?
- Does a building whose namesake has a principal legacy fundamentally at odds with the University’s mission, or which was named for reasons fundamentally at odds with the University’s mission, play a substantial role in forming community at the University?

The Yale report further states: “We expect that renaming will typically prove warranted only when more than one principle listed here points toward renaming; even when more than one principle supports renaming, renaming may not be required if other principles weigh heavily in the balance.” (Yale University, 2016)

Next steps in the process include:

1) Gaining a thorough understanding of the legacy of the individual whose name is proposed for removal.
2) Providing an opportunity for UVM Community members to contribute input and commentary with respect to the proposed name change.
3) Once the Committee is satisfied that it has received adequate information to consider a recommendation, final deliberations take place. The Committee then delivers a final recommendation to the Board of Trustees.

### III. Guy W. Bailey Name Removal Proposal

The Committee received the attached proposal, dated April 29, 2018, to remove the name of Guy W. Bailey from the Bailey-Howe Library complex. The proposal ("Weinstock Proposal") was submitted by Professor Jacqueline S. Weinstock, and included 108 faculty supporters.

The proposal also may be found here: [http://www.uvm.edu/trustees/?Page=other_com/renaming/content.html&SM=submenu1.html](http://www.uvm.edu/trustees/?Page=other_com/renaming/content.html&SM=submenu1.html)

The primary rationale for the proposed name removal was Bailey’s direct and active involvement, while UVM President, in supporting the Eugenics Survey of Vermont ("ESV").
The proposal did not request removal of the Howe name on the Library Complex. Howe was unaffiliated with Bailey’s tenure and his name was added separately to an addition to the library constructed later. Consequently, the Committee did not consider the removal of the Howe name.

IV. **Summary of Committee Review**

The Committee reviewed multiple sources both to verify the information presented in the Weinstock proposal, and to gather historical perspectives to inform its own inquiry. The Committee also fully reviewed all comments from members of the University community.

Through its research, readings, and deliberations, the Committee draws the following conclusions with respect to President Guy W. Bailey’s legacy:

1) Guy W. Bailey (1876-1940) was the 13th President of UVM, appointed in 1920, serving until his death in 1940. (Bassett, 1991)

2) Bailey’s tenure saw enrollment grow rapidly, with many new buildings added to the campus, including Slade Hall, the Fleming Museum, Ira Allen Chapel, Southwick, and Waterman. (Gale, 1991) Bailey was respected by many who knew him and benefitted from his guidance when they were students. He offered moral and financial support, active mentorship, and concern for their academic success and personal welfare and was actively engaged across the University community. He also is credited with expanding educational access to students, including women, as well as keeping the University financially afloat during the difficult years of the Great Depression. These aspects of his legacy formed the basis for a proposal by a group of alumni to burnish his tarnished legacy with respect to financial issues, and name the new library for Bailey, approved by the Board of Trustees in 1959. (Beckley, 1976).

Supporters of Bailey described him as “...A king-sized individual in every way. He was the most respected man in the State of Vermont. He could have been elected Governor if he had had the slightest interest in the job. He preferred to be President of the University of Vermont.” (Beckley, 1976).

3) With respect to eugenics, the issue upon which the Weinstock proposal is based, Bailey was significantly involved. Specifically, he supported the Eugenics Survey of Vermont, and its principal leader, Henry Perkins, UVM Professor of Zoology, in multiple ways, including:
   - “Heartily endorsing” Henry Perkins’s work with respect to the Eugenics Survey of Vermont. (Gallagher, 1999)
   - Serving as the key University leader in raising substantial private funding for the Survey, which was the first privately-funded research project at UVM. (Bassett, 1991)
   - Serving on the Eugenics Survey Advisory Committee. (Gallagher, 1999)
4) Broader Impacts of the ESV:
   • Perkins and the ESV successfully lobbied for the passage of a voluntary sterilization law in Vermont in 1931. While there is no direct evidence that Bailey was actively involved in this lobbying effort, he remained a member of the ESV Advisory Committee during this period. In practice, many of the sterilizations subsequently carried out were involuntary. (Gallagher, 1999)
   • In Vermont, eugenics research was largely motivated by concerns about the supposed degeneration of native-born Yankee “stock.” Although sterilization records are not available, it appears likely that it was mostly poor women, along with darker-skinned French-Canadian and Native-American populations, who were targeted by the Vermont eugenic sterilization program. (Gallagher, 1999)
   • By 1935, eugenics was largely falling into disfavor, especially after the Nazis embraced the concept in their “race hygiene” programs. (Gallagher, 1999)

5) Eugenics is now widely recognized and condemned as misguided and racist. However, in Bailey’s time it was widely accepted as an intellectually progressive idea built on a foundation of science. “The eugenics movement, led in America by biologists who embraced Mendelian genetics, attracted a broad and powerful constituency and generated a vast literature that influenced public policy concerning immigration, mental health initiatives, and state intervention in family life.” (Gallagher, 1999).

   Another perspective is offered by Alison Bashford: “…Eugenics was often, but not necessarily driven by race questions. Reduction in birth defects, on the other hand, was one consistent and central objective of eugenics in almost all national contexts. Eugenics and race, then, are often used interchangeably, in a way that flattens out this complicated history and that stems, in large part, from a still-common conflation of eugenics with Nazi racial hygiene.” (Bashford and Levine, 2010).

6) Although not mentioned in the Weinstock Proposal, a significant controversy over inappropriate financial practices employed by Bailey is well documented as part of his legacy. After his death, Trustees found that Bailey had concealed the fact that the University was deeply in debt and nearly bankrupt. (Bassett, 1991) “He spent money that he had no legal right to spend,” including using restricted annuity and scholarship funds for current expenses, and making unsecured loans to friends. Bailey also inflated the value of University property in order to make the institution appear solvent. (Beckley, 1976) Despite these clear violations of fiduciary responsibility, Bailey’s supporters asserted that his intentions were good. Bailey’s bookkeeper, Edwin B. Abbott, believed that “If he had lived, there was a good chance he would have succeeded in making up the deficit.” (Bassett, 1991) Of course, the outcome of this speculation will never be known.

V. Application of Criteria

The Weinstock Proposal identified three relevant Yale Principles to be applied in considering removing the Bailey name from the library. Most relevant are Principles 1 and 4:
“Is a principal legacy of the namesake fundamentally at odds with the mission of the University?”

“Does a building whose namesake has a principal legacy fundamentally at odds with the University’s mission, or which was named for reasons fundamentally at odds with the University’s mission, play a substantial role in forming community at the University?”

The Committee agrees that these two principles are most appropriate to apply in considering the Weinstock Proposal, thus reaching the threshold of meeting more than one of the Yale principles. The Committee also carefully examined Principles 2 and 3, but did not find sufficient evidence regarding the extent of debate over Bailey’s legacy at the time of naming to further consider these Principles. Therefore Principles 2 and 3 did not “weigh heavily in the balance,” one way or the other, per the guidance provided in the Yale Report. (Yale University, 2016).

Guy W. Bailey had numerous positive accomplishments that are part of his extensive legacy as President of UVM. However, the Committee is in agreement that two principal legacies of Guy W. Bailey’s Presidency are fundamentally at odds with the mission of the University (Principle 1):

1) His active involvement as President of the University in supporting and promoting the Eugenics Survey of Vermont, and;
2) His misappropriation of University financial resources, leaving the University in a dire fiscal condition at the time of his death. Although this was not identified in the Weinstock Proposal, the Committee deemed it worthy of consideration.

Further, the Committee is in agreement that the building named for Guy W. Bailey --the Bailey-Howe Library-- is at the epicenter of forming and supporting both educational and social community at the University (Principle 4).

It should be noted that although there exists extensive written material on the broad subject of eugenics, Guy Bailey’s connection to it was limited to his support of the Eugenics Survey of Vermont, and of its primary champion, Henry Perkins. Written materials related to this specific issue are limited. As well, although extensively acknowledged and unrefuted by both supporters and detractors, written accounts regarding the questionable financial practices employed by Bailey are few in number.

VI. University Community Commentary

The Renaming Advisory Committee received 44 commentary submissions from a variety of sources: students (grad and undergrad), faculty, staff, alumni, Emeriti Trustees, a parent, and a member of the local community unaffiliated with UVM. A significant majority were in favor of removing the Bailey name from the Library.
VII. Committee Recommendation

It is the unanimous recommendation of the Trustee Renaming Advisory Committee that the name of Guy W. Bailey be removed from the University of Vermont Library complex, currently known as the Bailey-Howe Library.

VIII. Other Suggestions

Although not under the direct charge of the Renaming Advisory Committee, we further suggest, that the University work to establish a lasting educational effort with respect to the history of eugenics, UVM’s role in it, and its impacts on populations in Vermont and beyond. Such an effort might include classes, seminars, speakers, displays (such as currently exists in the library), or public works of art.

Resources:


Additional Related Readings:


**Attachments (2):**
- Weinstock Proposal
- Yale Principles
Proposal for Removing a Name from a UVM Building or Program  
April 29, 2018

I. Name(s) and contact information of proposers:

Jacqueline (Jackie) S. Weinstock  
Associate Professor, Department of Leadership & Developmental Sciences

Email: Jacqueline.weinstock@uvm.edu (preferred)  
Office Phone: (802) 656-2058

II. Facility or program for name removal consideration: Bailey/Howe Library

III. Rationale for name removal, including relevant Principles on Renaming that apply:

Bailey/Howe Library currently honors former UVM President Guy W. Bailey. Yet we have found sufficient evident that President Bailey played a significant role in supporting and promoting the Vermont Eugenics Survey, enough to warrant removing his name from the library’s name. We understand that there are other contributions that Bailey made to the university and that Bailey will still be recognized as one of UVM’s presidents. Yet we believe given the record of his direct eugenics support, and the prominence of the undergraduate library to UVM students, faculty and staff, as well as to the larger surrounding communities, the honor of having the library named after him should now be denied.

According to Nancy Gallagher—whose University of New England Press book Building Better Vermonters: The Eugenics Project in the Green Mountain State (published in 1999) originated in research for her UVM masters’ thesis—Henry Perkins “began teaching eugenics in his new Heredity course in 1921” (Gallagher, n.d., “Vermont Eugenics: A Documentary History”). The Eugenics Survey grew out of this undergraduate course (Dann, 1991), and as Kevin Dann argued, Guy Bailey played a major role in helping to obtain initial funding for this survey. Specifically, “Guy Bailey acted as intermediary in soliciting” initial funding for this survey that came from Emily Proctor Eggleston, whom he knew “from her support of the Vermont Children’s Aid Society (VCAS) of which Bailey was treasurer.” An initial $5,000 of funds from Mrs. Eggleston was presented to UVM “after which they were dispersed to Perkins” (Dann, 1991, p. 8). This was in 1925.

In 1927, Professor Perkins obtained more substantial funding to create a comprehensive rural survey, ultimately referred to as the Vermont Commission on Country Life (VCCL). Here too, Guy Bailey played an important role. Indeed, as Dann reported, Guy Bailey wrote the official grant application that supported the expanded survey, which when implemented after securing funding, was “christened the Vermont Commission on Country Life.” Furthermore, as Dann reported, “Bailey was Perkin’s continual supporter in his eugenic endeavors, granting a year’s sabbatical (1927-1928) to organize the survey” (1991, p. 18)

Nancy Gallagher (1999, n.d.) also revealed Guy W. Bailey to be one of the central supporters of Perkins’ survey. Although the Eugenics Survey was “privately funded and staffed by a succession of professional social workers who conducted investigations, compiled reports, and
promoted the findings among Vermont’s social service agencies,” it operated as an “official” adjunct to the University of Vermont’s Zoology department. From this department Professor Perkins enlisted “the cooperation and support of an impressive roster of civic leaders, private charities, government officials, and professors in relevant fields” who “endorsed the enterprise” by serving as “advisors to the survey.” Although Gallagher notes that “Perkins’ advisors frequently tempered his zeal for hereditary causes of social problems,” they also “supported state programs for identification, registration, and ‘social control’” of those families found to be “deficient.”

Among these advisors was Guy W. Bailey, listed by Gallagher (n.d.) as one of the Academic Members of the Advisory Committee for the survey (as evidenced on the subpage, http://www.uvm.edu/~eugenics/partners.html). Specifically, Gallagher notes Bailey’s role in “giving his support primarily through negotiation and administration of the sponsors’ funding of the Survey and granting Perkins sabbatical leave to expand the scope of his enterprise.” This evidence suggests that Guy Bailey was not simply involved in name only, as a result of his being President of the University, but rather was directly supportive of and involved in the Vermont Eugenics Survey.

IV. Relevant Principles on Renaming: Two of the four principles to be considered are relevant to the current renaming request.

- “Is a principal legacy of the namesake fundamentally at odds with the mission of the University?”
- “Does a building whose namesake has a principal legacy fundamentally at odds with the University’s mission, or which was named for reasons fundamentally at odds with the University’s mission, play a substantial role in forming community at the University?”

It was during Bailey’s 20-year tenure as UVM’s President (1920-1940) that we see evidence of his being a supporter of Henry F. Perkins who spearheaded the Eugenics Survey of Vermont. We also believe there is substantial evidence that Bailey’s support was more than in name and that through his support for the survey—both in terms of supporting fundraising efforts and supporting Perkins in his work on the survey—he shares responsibility for the consequences of that survey and its “results.” These consequences include the passage and enactment of Vermont’s 1931 sterilization law, the expansion of programs for segregation of the “feebleminded,” and other forms of discrimination against individuals and groups based upon racial and ethnic identity in the name of promoting “blood and breeding” among Vermonters.

It is clear that the Eugenics Survey of Vermont, and support for it evidenced by President Guy W. Bailey, runs counter to the stated vision and mission of this institution (Office of the President, 2018): “To be among the nation’s premier small research universities, preeminent in our comprehensive commitment to liberal education, environment, health, and public service” (vision) and “To create, evaluate, share, and apply knowledge and to prepare students to be accountable leaders who will bring to their work dedication to the global community, a grasp of complexity, effective problem-solving and communication skills, and an enduring commitment to learning and ethical conduct” (mission). The Vermont Eugenics Survey was embedded and
resulted in unethical conduct and oppressive policies that egregiously harmed the health and wellness of indigenous citizens of Vermont.

Even more clearly, Bailey’s support for the Eugenics Survey violates the Justice value of “Our Common Ground”:

   As a just community, we unite against all forms of injustice, including, but not limited to, racism. We reject bigotry, oppression, degradation, and harassment, and we challenge injustice toward any member of our community.

Similarly, the Responsibility value, stating that “We are personally and collectively responsible for our words and deeds” is relevant here.

In affirmation of these two common ground principles, we respectfully request that Guy W. Bailey’s name be removed from Bailey/Howe Library. Even if it could be argued that Bailey was not fully aware of the grave consequences that followed from the Vermont Eugenics Survey or that he acted from bigotry widespread in his time, there is no doubt today that this survey and the policies that followed from it reflect such a degree of prejudice and inflicted such injustice that those who gave their names and their time to support it—that is, whose beliefs and actions not only reflected the prejudice of their era but helped foster and reinforce it—should not be honored on our campus.
References


We, the undersigned University of Vermont faculty, join with UVM students in calling for the name of Bailey/Howe Library to be changed so as to no longer honor Guy W. Bailey, whose promotion of the Vermont Eugenics Survey\(^1\) devastated indigenous and other communities across the state.

1. Jamie Abaied, Associate Professor, Psychological Science
2. Tatiana Abatemarco, Lecturer, Environmental Studies
3. Eve Alexandra, Lecturer, English and Gender, Sexuality, and Women’s Studies
4. Sarah C. Alexander, Associate Professor, English
5. Kenneth Allen, Senior Lecturer, Medical Laboratory and Radiation Sciences
6. Ellen Ann Andersen, Associate Professor, Political Science and Gender, Sexuality, and Women’s Studies
7. Jacques Bailly, Associate Professor, Classics
8. JB Barna, Sr. Lecturer, Social Work
9. Annika Ljung-Baruth, Senior Lecturer, Gender, Sexuality and Women’s Studies
10. Emily Beam, Assistant Professor, Economics
11. Emily Bernard, Professor, English and Critical Race and Ethnic Studies
12. Jean Bessette, Assistant Professor, English
13. Deborah E. Blom, Associate Professor, Anthropology
14. Lynne Bond, Emeritus Professor, Psychological Science
15. Holly-Lynn Busier, Senior Lecturer, Leadership and Developmental Sciences
16. Vicki L. Brennan, Associate Professor, Department of Religion and Director, African Studies Program
17. Mary Burke, Senior Lecturer, Sociology and Gender, Sexuality, and Women’s Studies
18. Keith Burt, Associate Professor, Psychological Science
19. Nichole Caisse, Lecturer, Department of Mathematics and Statistics
20. Yolanda Chen, Associate Professor, Plant and Soil Science
21. Sheila Boland Chira, Senior Lecturer, English
22. Thomas I. Chittenden, Senior Lecturer, Grossman School of Business
23. Selene Colburn, Associate Professor, UVM Libraries
24. Nicole Conroy, Lecturer, Leadership and Developmental Sciences
25. Stephen Cramer, Senior Lecturer, English
26. Celia Cuddy, Lecturer III, Social Work
27. Daniel DeSanto, Assistant Professor, UVM Libraries

28. Jennifer Dickinson, Associate Professor, Anthropology; Director, Center for Teaching and Learning
29. Sue Dinitz, Senior Lecturer, English
30. Maev Eberhardt, Assistant Professor, Romance Languages and Linguistics
31. Deb Ellis, Associate Professor and Director, Film and Television Studies Program
32. Katherine Elmer, Adjunct Faculty, Environmental Studies
33. Tina Escaja, Professor, Department of Romance Languages and Linguistics; Director, Gender, Sexuality and Women’s Studies
34. Elizabeth Fenton, Associate Professor, English
35. Yolanda Flores, Associate Professor, Romance Languages and Linguistics
36. Alice Fothergill, Professor, Sociology
37. Gillian Galford, Research Assistant Professor, Gund Institute for Environment and Rubenstein School of Environment and Natural Resources
38. Jason C. Garvey, Assistant Professor, Leadership and Developmental Sciences
39. John Gennari, Professor, English and Critical Race and Ethnic Studies
40. Kathleen Gough, Associate Professor, Theatre
41. Anthony E. Grudin, Associate Professor, Art & Art History
42. Sayamwong E. Hammack, Professor & Director, Undergraduate Neuroscience Program, Department of Psychological Science
43. Susanmarie Harrington, Professor, English
44. Paula Higa, Lecturer, Music & Dance Department
45. Maria Hummel, Assistant Professor, English
46. Deborah Hunter, Associate Professor, Leadership and Developmental Sciences
47. Jen Hurley, Associate Professor, Education
48. Major Jackson, Professor, English
49. Vijay Kanagala, Assistant Professor, Leadership and Developmental Sciences
50. Brian Kent, Senior Lecturer, English
51. Colby Kervick, Assistant Professor, Education
52. Nikki Khanna, Associate Professor, Sociology
53. Felicia Kornbluh, Professor, History and Gender, Sexuality, and Women’s Studies
54. Eric Lindstrom, Associate Professor, English
55. O. Veronica Lopez, Lecturer, Rubenstein School
56. Teresa Mares, Associate Professor, Anthropology
57. Fred Magdoff, Emeritus Professor, Plant & Soil Science
58. Todd McGowan, Professor, English
59. Rebecca A. McLaughlin, Lecturer, English
60. Anis Memon, Lecturer, Romance Languages and Linguistics
61. Libby Miles, Associate Professor, English and Director of Foundational Writing & Information Literacy
62. Eleanor M. Miller, Professor, Sociology
63. Beth Mintz, Professor, Sociology
64. Rachael Montesano, Senior Lecturer, Romance Languages and Linguistics
65. Mindy Morales-Williams, Assistant Professor, Rubenstein School of the Environment and Natural Resources
66. Charles-Louis Morand-Metivier, Assistant Professor, Romance Languages and Linguistics
67. Helen Morgan-Parmett, Assistant Professor, Department of Theatre
68. Dianna Murray-Close, Associate Professor, Psychological Science
69. Sarah Osten, Assistant Professor, History
70. Ingrid Nelson, Assistant Professor, Geography and Environmental Program
71. Hilary Neroni, Professor, Film and Television Studies
72. Deborah Noel, Senior Lecturer in English
73. Jane E. Atieno Okech, Professor and Chair, Leadership and Developmental Sciences
74. Holly Painter, Lecturer, English
75. Bindu Panikkar, Assistant Professor, Rubenstein School of the Environment and Natural Resources
76. Janice Perry, Lecturer III Dept of English
77. Elizabeth Pinel, Associate Professor, Psychological Science
78. John Pirone, Lecturer, American Sign Language Program
79. Walter Poleman, Senior Lecturer, RSENR
80. Cynthia Reyes, Associate Professor, Education
81. Corey Richardson, Lecturer, Social Work
82. Julie Roberts, Professor, Romance Languages & Linguistics
83. Kelly J. Rohan, Professor and Director of Clinical Training, Psychological Science
84. Valerie Rohy, Professor, English
85. Kate Ross, Lecturer, Communication Sciences and Disorders
86. Lawrence Rudiger, Senior Lecturer, Psychological Science
87. Frederic Sansoz, Professor, Mechanical Engineering
88. James Lam Scheuren, Lecturer, Art and Art History
89. Helen Scott, Associate Professor, English
90. Jeanne Shea, Associate Professor, Anthropology
91. David A. Shiman, Professor Emeritus, Education
92. Jean Sienkewicz, Lecturer, Social Work
93. Brenda Solomon, Associate Professor, Social Work
94. Laura Solomon, Research Professor Emeritus, Psychological Science
95. Peter Spitzform, Associate Library Professor, UVM Libraries
96. Clyde Stats, Senior Lecturer, Music
97. Brian Tokar, Lecturer II, Environmental Studies
98. Regina Toolin, Associate Professor, Education
99. Sarah E. Turner, Senior Lecturer, English
100. John Waldron, Associate Professor, Romance Languages and Linguistics
101. Rasheda L. Weaver, Assistant Professor, Community Development and Applied Economics
102. Jacqueline S Weinstock, Associate Professor, Leadership and Developmental Sciences
103. Nancy Welch, Professor, English, and Coordinator, Graduate Writing Center
104. Dan Wells, Lecturer, Environmental Studies
105. Beverley Wemple, Associate Professor, Geography
106. Jamie Williamson, Senior Lecturer, English
107. Sean Witters, Lecturer, English
108. Hyon Joo Yoo, Associate Professor, Film and Television Studies
Procedure for Consideration of Renaming Requests

The Report of the Committee to Establish Principles on Renaming (http://president.yale.edu/sites/default/files/files/CEPR_FINAL_12-2-16.pdf), adopted by the Yale Corporation on November 28, 2016, sets forth the principles for consideration of requests to withdraw the name of a building or other campus structure or space (“renaming request”). The report provides:

☐ There is a strong presumption against renaming a building on the basis of the values associated with its namesake. Such a renaming should be considered only in exceptional circumstances.

   o The presumption against renaming is at its strongest when a building has been named for someone who made major contributions to the University.

☐ Principles to be considered:

   o Is a principal legacy of the namesake fundamentally at odds with the mission of the University?

   o Was the relevant principal legacy significantly contested in the time and place in which the namesake lived?

   o Did the University, at the time of a naming, honor a namesake for reasons that are fundamentally at odds with the mission of the University?

   o Does a building whose namesake has a principal legacy fundamentally at odds with the University’s mission, or which was named for reasons fundamentally at odds with the University’s mission, play a substantial role in forming community at the University?

☐ The report states: “We expect that renaming will typically prove warranted only when more than one principle listed here points toward renaming; even when more than one principle
supports renaming, renaming may not be required if other principles weigh heavily in the balance.”

A renaming request must be submitted in an application that meets the following administrative requirements:

- states the grounds on which the name should be changed;
- specifies how the Principles on Renaming (http://president.yale.edu/sites/default/files/files/CEPR_FINAL_12-2-16.pdf) require that the name be changed, presenting a thoroughly researched and well-documented case with supporting historical and other evidence; and
- meets other administrative requirements as the Office of the Secretary may from time to time establish.

Such applications shall be submitted in writing to the Office of the Secretary at 105 Wall Street, 2nd floor, or via email to secretary.office@yale.edu (mailto:secretary.office@yale.edu). The Secretary or designee(s) will review the application and determine whether it meets the administrative requirements. This review will not address the merits of the application. If the application does not meet the administrative requirements, the applicant will be so advised and the application will undergo no further review. If the application meets the administrative requirements, it will be forwarded to the President who will consult with members of the University Cabinet (i.e., the Provost, Vice Presidents, and Deans).

The President, following consultation with the Cabinet members, will decide whether the application warrants further review under this procedure. Further review may be warranted only if (1) the application clearly demonstrates that the request may overcome the presumption against renaming when the Principles on Renaming are applied to it and (2) the review is needed in order to address significant concerns of the University community. The President may also determine without an application having been submitted that the historical name of a building or other campus structure or space warrants review under this process.

If a renaming question warrants further review, the President will appoint an advisor or advisors who have relevant knowledge and expertise to advise the President and Corporation on the question. The advisor(s) will consider the name removal question by applying the Renaming Principles and may obtain expert advice and consultation, solicit appropriate input from the University community, require the applicant to present additional evidence (historical or otherwise), and conduct research and fact-finding. Upon completion of this review, the advisor or group of advisors will submit to the President a report and recommendation.

The President will transmit the report and recommendation to the Corporation, which will review the matter and make a final decision.
After a name has been considered under this process, it will not be considered again absent a material change in known facts and circumstances.

Student Life at Yale (#block-block-30)

Learn about all the services and resources available to Yale College, graduate, and professional school students and scholars at studentlife.yale.edu.
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

In accordance with UPMIFA, key facets of the Responsible Parties’ roles, as paraphrased below, include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets.

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.
VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return\(^1\) (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

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\(^1\) Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

**Overall Fund**

There are a number of different benchmarks for assessing performance at the overall Fund level:

**Undiversified Benchmark** – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in U.S. index funds.

**Target Benchmark** – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

**Current Allocation Benchmark** – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

**Cambridge Associates’ Universe of Endowment Pool Returns** – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

**Asset Classes & Managers**

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.
<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Index Used in Target Benchmark</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>MSCI EAFE Index</td>
<td>Portfolios are expected to focus on the world’s developed markets, excluding the U.S.</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>MSCI Emerging Markets Index</td>
<td>Portfolios are expected to focus on the world’s developing equity markets.</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td>Private Investments (Private Equity and Venture Capital)</td>
<td>2/3 C</td>
<td>A Private Equity FOF (Fund of Funds) / 1/3 C</td>
</tr>
<tr>
<td>Private Real Assets</td>
<td>2/3 NCREIF Property Index and 1/3 C</td>
<td>A Private Natural Resources</td>
</tr>
<tr>
<td>Public Real Assets Real Assets</td>
<td>Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one half each: Bloomberg Commodity Index, S&amp;P North American Natural Resources Sector Index Dynamic benchmark that reflects each underlying investment’s individual benchmark and their respective weight within the Real Assets allocation. (The Dynamic benchmark will evolve as asset types are added or removed from the portfolio and as the allocation between public and private investments changes over time.)</td>
<td>Holdings may consist of U.S.-issued TIPS, diversified commodities futures positions, and energy related equity securities. Holdings may consist of both public and private investments which may include energy related equity securities, MLPs, diversified commodities, US issued TIPS, private oil, private gas, and private real estate funds.</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Bloomberg Barclays Aggregate Bond Index</td>
<td>Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
</tbody>
</table>

2 Indices used in Target Benchmark are effective as of December 19, 2016.
Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

*Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.*

*Approved as revised by the Board of Trustees: February 9, 2013*

*Approved as revised by the Board of Trustees: February 8, 2014*

*Approved as revised by the Board of Trustees: February 6, 2016*
### Asset Allocation Policy Targets

Revised, as of February 2018

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>20.0</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>23.00</td>
<td>15-45</td>
</tr>
<tr>
<td>- <em>International Developed Equity</em></td>
<td>(13.0)</td>
<td>(10-25)</td>
</tr>
<tr>
<td>- <em>Emerging Markets Equity</em></td>
<td>(10.0)</td>
<td>(5-20)</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>19.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>13.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>13.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td><strong>88.0</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>12.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td><strong>12.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Appendix A Targets last revised by Investment Subcommittee: February 14, 2018
DRAFT
CONSENT AGENDA

February 2, 2019

COMMITTEE OF THE WHOLE

1. Acceptance of Fiscal Year 2018 Audited Financial Statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2018, have been audited by KPMG LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Board of Trustees hereby accepts the FY 2018 Audited Financial Statements as recommended by the Audit Committee and presented today, and acknowledges receipt of the FY 2018 Financial Report.

EDUCATIONAL POLICY & INSTITUTIONAL RESOURCES


BE IT RESOLVED, that the Board of Trustees approves a revision to the Equal Employment Opportunity/Affirmative Action Policy Statement, appearing as Appendix A to this document, and reaffirms the policy as revised; and

BE IT FURTHER RESOLVED, that the Board of Trustees reaffirms the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement, appearing as Appendix B to this document.

3. Resolution Approving the Creation of a Bachelor of Arts in Dance in the College of Arts & Sciences

BE IT RESOLVED, that the Board of Trustees approves the creation of a BA in Dance in the College of Arts & Sciences, as approved and advanced by the Provost and President on December 3, 2018.

4. Resolution Approving the Creation of a Certificate in Community Music: Organ in the College of Arts & Sciences

BE IT RESOLVED, that the Board of Trustees approves the creation of a Certificate in Community Music: Organ in the College of Arts & Sciences, as approved and advanced by the Provost and President on December 3, 2018.
5. **Resolution Approving the Creation of a Bachelor of Science in Anthropology in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the creation of a BS in Anthropology in the College of Arts & Sciences, as approved and advanced by the Provost and President on January 2, 2019.

**Pending review by the Faculty Senate on 1/28/19 and subsequent approval by the President and Provost:**

6. **Resolution Approving the Creation of an Undergraduate Certificate and a Continuing Education Academic Certificate in Integrated Health & Wellness Coaching in the College of Nursing and Health Sciences and Continuing and Distance Education**

BE IT RESOLVED, that the Board of Trustees approves the creation of an Undergraduate Certificate and a Continuing Education Academic Certificate in Integrated Health & Wellness Coaching in the College of Nursing and Health Sciences and Continuing and Distance Education, as approved and advanced by the Provost on ___________ and the President on ______________.

7. **Resolution Approving the Creation of an Undergraduate Certificate in Religious Literacy in Professions in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the creation of an Undergraduate Certificate in Religious Literacy in Professions in the College of Arts & Sciences, as approved and advanced by the Provost on ___________ and the President on ______________.

8. **Resolution Approving the Creation of a Minor in Reporting and Documentary Storytelling in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the creation of a Minor in Reporting and Documentary Storytelling in the College of Arts & Sciences, as approved and advanced by the Provost on ___________ and the President on ______________.

**BUDGET, FINANCE & INVESTMENT**

9. **Resolution Approving Revisions to the Debt Policy**

WHEREAS, in September 2004, the Board of Trustees adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and

WHEREAS, since its creation in 2006, the Budget, Finance, and Investment Committee has been charged with the annual review of the Debt Policy, which it most recently revised in February 2017;
BE IT RESOLVED, that the Board of Trustees hereby accepts revisions to the Policy, appearing as Appendix C to this document.

10. Resolution Approving Revisions to the Cash Management and Liquidity Policy

WHEREAS, in September 1993, the Board of Trustees adopted the Cash Management Policy to govern the investment of UVM pooled cash; and

WHEREAS, in February 2016, the Board of Trustees revised and re-named the scope of the Cash Management Policy as the Cash Management and Liquidity Policy to establish a minimum liquidity target for the University comprised of liquid funds that are unrestricted, unencumbered general fund net assets; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Cash Management and Liquidity Policy; and

WHEREAS, on December 19, 2018, the Investment Subcommittee reviewed revisions to the Cash Management and Liquidity Policy, as appended;

THEREFORE, BE IT RESOLVED, that the Investment Subcommittee hereby recommends that the Board of Trustees adopt the amended Cash Management and Liquidity Policy, appearing as Appendix D to this document.

11. Approval of Funding for the Fiscal Year 2019-2020 Deferred Maintenance Projects and Declaration of Official Intent of the University to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the Board of Trustees approved the deferred maintenance funding concept presented by the administration, at its meeting on February 4, 2017 (the “2017” Resolution); and

WHEREAS, the 2017 Resolution directed the administration to seek authorization for additional funding, consistent with goals of the deferred maintenance funding concept, at the winter meeting of the Board of Trustees each year for the next four years; and

WHEREAS, the deferred maintenance projects for FY 2019 and FY 2020 will require $4,000,000 in funding; and

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) for deferred maintenance projects included on the Deferred Maintenance Fiscal Year 2020 Plan (as it may be amended from time to time) (the “Project”) before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed $4 million will be issued, or that present value savings from a bond refunding will be available, and that certain of the proceeds of such debt obligations or savings will be used to reimburse the Reimbursement Expenditures; and
WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorize $4,000,000 in expenditures to fund the FY 2019 and FY 2020 deferred maintenance projects, and;

BE IT FURTHER RESOLVED that the university hereby declares:

Section 1. The University finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

12. Resolution Setting the Fiscal Year 2020 Comprehensive Fee, Student Government Association (SGA) and Inter Residence Association (IRA) Fees

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>UG Student Government Association (SGA) Fee</td>
<td>$222</td>
</tr>
<tr>
<td>UG Inter Residence Association (IRA) Fee</td>
<td>$30</td>
</tr>
<tr>
<td>Comprehensive Fee</td>
<td>$2,188</td>
</tr>
</tbody>
</table>
Equal Employment Opportunity/Affirmative Action Policy Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The President of the University fully supports the University’s equal employment opportunity policy and the University’s affirmative action program.

The University will accordingly recruit, hire, train, and promote persons in all positions and ensure that all other personnel actions are administered without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran, or Armed Forces service medal veteran (collectively “protected veterans”), or crime victim status, as these terms are defined under applicable law, or any other factor or characteristic protected by law, and ensure that all employment decisions are based only on valid job requirements.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment, intimidation, threats, coercion, or retaliation because they have engaged in or may engage in the following: filing a complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of any other federal, state or local law; opposing any act or practice made unlawful by VEVRAA or any other federal, state, or local law requiring equal
employment opportunities for individuals with disabilities or protected veterans; or exercising any other rights protected by VEVRAA or the Rehabilitation Act. Additionally, the University will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant.

The University of Vermont maintains an audit and reporting system that: measures the effectiveness of the University’s affirmative action program; indicates any need for remedial action; determines the degree to which the University’s objectives have been attained; measures the University’s compliance with its affirmative action obligations; and determines whether individuals with disabilities and veterans have had the opportunity to participate in all University sponsored educational, training, recreational and social activities.

Sources: Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.

Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

   Director, Office of Affirmative Action and Equal Opportunity
   University of Vermont
   428 Waterman Building
   Burlington, VT 05405
   (802) 656-3368
Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence may be directed to the University’s Title IX Coordinator:

Nick Stanton, Office of Affirmative Action and Equal Opportunity
(802) 656-3368

Questions about disability related issues may be directed to the University’s ADA/Section 504 Coordinator:

Amber Fulcher, Office of Affirmative Action and Equal Opportunity
(802) 656-0945

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.

The University has developed an Affirmative Action Plan. The portions of the plan required for disclosure are available for inspection during normal business hours; contact the University’s Public Records Officer at (802) 656-8937.

**Related Documents/Policies**

Discrimination and Harassment Policy
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf

Equal Opportunity in Educational Programs and Activities and Non-Harassment
http://www.uvm.edu/~uvmppg/ppg/student/equaledu.pdf

Procedures for Investigating and Resolving Discrimination Complaints
http://www.uvm.edu/sites/default/files/discrimination.pdf

Sexual Harassment & Misconduct Policy
http://www.uvm.edu/policies/general_html/sexharass.pdf

**Effective Date**

Reaffirmed as revised by the President: February 3, 2018
Reaffirmed as revised by the Chair of the Board of Trustees: February 3, 2018
Reaffirmed as revised by the President:
Reaffirmed as revised by the Chair of the Board of Trustees:
Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.
Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Dean of Students
University of Vermont
41-43 South Prospect Street
Burlington, VT 05405
(802) 656-3380

or to:

Director, Office of Affirmative Action and Equal Opportunity
University of Vermont
428 Waterman Building
Burlington, VT 05405
(802) 656-3368

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.

Title IX Coordinator

Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence, may be directed to the University’s Title IX Coordinator:

Nick Stanton, Office of Affirmative Action and Equal Opportunity
(802) 656-3368

ADA/Section 504 Coordinator

Questions about disability related issues may be directed to the University’s ADA/Section 504 Coordinator:

Amber Fulcher, Office of Affirmative Action and Equal Opportunity
(802) 656-0945

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.
Related Documents/Policies

Discrimination and Harassment Policy
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf
Equal Employment Opportunity/Affirmative Action Policy Statement
http://www.uvm.edu/~uvmppg/ppg/general_html/affirm.pdf
Procedures for Investigating and Resolving Discrimination Complaints
http://www.uvm.edu/sites/default/files/discrimination.pdf
Sexual Harassment & Misconduct Policy
http://www.uvm.edu/policies/general_html/sexharass.pdf

Effective Date:

Reaffirmed as revised by the President: February 3, 2018
Reaffirmed as revised by the Chair of the Board of Trustees: February 3, 2018
Reaffirmed by the President:
Reaffirmed by the Chair of the Board of Trustees:
University of Vermont
Debt Policy
As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, May 2013
Revised, February 2014
Revised, February 2015
Reaffirmed, February 2016
Revised, February 2017
Reaffirmed, February 2018
Revised, February 2019

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### OVERVIEW

#### Purpose

1. Articulate the role of UVM’s debt policy within the strategic planning process.

   - UVM’s Mission
   - Strategic financial planning
   - Other Initiatives
   - Capital planning and management policies
   - Debt Policy

The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.
INTRODUCTION AND OBJECTIVES

<table>
<thead>
<tr>
<th>Purpose</th>
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<tr>
<td>1. Articulate UVM’s philosophy regarding debt.</td>
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<tr>
<td>2. Establish objectives for debt policy.</td>
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<tr>
<td>3. Provide for regular review and potential update of policy to reflect evolving needs.</td>
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Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution’s policy objectives, with an overarching objective of managing the balance sheet. The objectives of the policy are to:

(i) Maintain the University’s access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;

(ii) Manage the University’s credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.

(iii) Limit risk of the University’s debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management’s continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and

(iv) Permit the optimization of the investment of the University’s working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM’s debt capacity and financial management to both internal and external parties.
OVERSIGHT

Purpose

1. Provide mechanism for oversight and review on periodic basis.
2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

POLICY RATIOS

Purpose

1. Identify core ratios.
   b. Balance Sheet Leverage—Viability Leverage Ratio.
2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically. The ratios are to be calculated using annual audited financial statements of the University such as the University’s associated fundraising foundation.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two primary policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

**Ratio 1 — Debt Burden Ratio**

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

\[
\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 5.75\%
\]

The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-
time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management recognizes that a growing expense base would make this ratio appear more attractive. The limit for this ratio is not to be greater than 5.75% until June 30, 2023 and will revert to 5% thereafter. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

Ratio 2 - Viability Leverage Ratio (also called calculated as Expendable Financial Assets Spendable Cash and Investments to Debt)

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net assets compared to aggregate debt. The ratio measures the medium to long-term health of the University’s balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the viability leverage ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a viability leverage ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of 0.81.0 to ensure that sufficient balance sheet strength is maintained at all times.

\[
\frac{\text{CASH & INVESTMENTS} + \text{PLEDGES} + \text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}} > 0.81\times
\]

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 0.81.0x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 0.81.0x.

Annually, based on the results of the audited financial statements, the Vice President for Finance will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. The Vice President of Finance will also report the ratio results showing the effect with and without the Governmental Accounting Standards for Other Post Retirement Benefits. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.

To further evaluate the leverage of the University, the Vice President of Finance will report the University’s Expendable Financial Assets to Debt ratio. This ratio will be reviewed relative to prior years, peers and rating
### TYPES OF FINANCINGS

<table>
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<th>Purpose</th>
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<tr>
<td>1.</td>
<td>Review of all potential funding sources for projects.</td>
</tr>
<tr>
<td>2.</td>
<td>Maximize tax-exempt University-issued debt.</td>
</tr>
<tr>
<td>3.</td>
<td>Commercial Paper program.</td>
</tr>
<tr>
<td></td>
<td>a. Provide bridge funding.</td>
</tr>
<tr>
<td></td>
<td>b. Provide continual access to capital.</td>
</tr>
<tr>
<td></td>
<td>c. Issuance on a taxable or tax-exempt basis.</td>
</tr>
<tr>
<td>4.</td>
<td>Manage derivative products, including swaps.</td>
</tr>
<tr>
<td>5.</td>
<td>Consider other financing sources.</td>
</tr>
<tr>
<td></td>
<td>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</td>
</tr>
</tbody>
</table>

The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source.

### Tax-Exempt Debt

The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.

### Taxable Debt
While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance.

**Commercial Paper**

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

**Derivative Products**

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University’s interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University’s financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures.

Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

**Other Financing Sources**

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University’s credit while the University’s limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the
University’s credit and also often can be more expensive than traditional University debt structures.

Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the likely impact on the University’s debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.

**PORTFOLIO MANAGEMENT OF DEBT**

<table>
<thead>
<tr>
<th>Purpose</th>
<th>The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University’s cash and investments.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.</td>
<td>Variable Rate Debt</td>
</tr>
<tr>
<td>Manage variable rate exposure of the debt portfolio.</td>
<td>It is recognized that a degree of exposure to variable interest rates within the University’s debt portfolio may be desirable in order to:</td>
</tr>
<tr>
<td>a. Limit variable rate exposure.</td>
<td>(i) take advantage of repayment/restructuring flexibility;</td>
</tr>
<tr>
<td>b. Manage the overall liquidity requirements associated with outstanding debt.</td>
<td>(ii) benefit from historically lower average interest costs; and</td>
</tr>
<tr>
<td>c. Target overall variable rate debt exposure.</td>
<td>(iii) diversify the debt portfolio; and,</td>
</tr>
<tr>
<td>Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis.</td>
<td>(iv) provide a hedge to short-term working capital balances</td>
</tr>
</tbody>
</table>

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University’s variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University’s outstanding debt. This limit is based on the University’s desire to (i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University’s variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

<table>
<thead>
<tr>
<th><strong>VARIABLE RATE AND LIQUIDITY EXPOSURE</strong></th>
<th>&lt;35%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL LONG-TERM DEBT OUTSTANDING</strong></td>
<td>---</td>
</tr>
</tbody>
</table>
The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University’s desired long-term variable rate allocation calculation. The numerator, **Variable Rate and Liquidity Exposure**, is defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University’s liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.

**GLOSSARY**

**Annual Debt Service** – refers to the planned principal and interest paid due on long-term debt in a fiscal year.

**Bridge Financing** – refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

**Capital Project** – refers to physical facilities or equipment or software that may be capitalized.

**Commercial Paper** – an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

**Derivative Products** – generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

**GAAP** – refers to Generally Accepted Accounting Principles.

**Leverage** – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.
INTRODUCTION

This Cash Management and Liquidity Policy governs the investment of UVM pooled cash and sets the minimum liquidity target for the University. The pooled cash includes all funds of the University other than the funds that are held in the University endowment and certain plant, restricted and loan reserves, for which separate investment guidelines have been established. This statement will be subject to periodic review and possible modification by the Budget, Finance and Investment Committee, as the Committee considers necessary to achieve cash management and investment and liquidity requirements.

I. CASH MANAGEMENT

INVESTMENT OBJECTIVES

University pooled cash for purposes of investment allocation shall be divided into three asset groups as follows:

- **Short-term pool:** Cash that is expected to be needed for normal operating expenditures within a one-year period. The primary objective is preservation of principal and liquidity. Maximization of investment income without undue exposure to risk is a secondary objective.

- **Intermediate-term pool:** Cash that is expected to be needed within a period of one year to six years. The primary objectives are preservation of principal and maximization of investment income without undue exposure to risk.

- **Long-term pool:** Cash that is not expected to be needed for operational purposes for a period exceeding six years and/or that may be designated as a permanent core. The primary investment objective is to achieve consistent long-term growth of the pool with limited exposure to risk.

MATURITY GUIDELINES

- **Short-term pool:** The average weighted maturity for a short-term portfolio shall be between one day and one year.
Intermediate-term pool: The average weighted maturity for intermediate-term portfolio shall be between one year and six years.

Long-term pool: Permanent core cash may be invested in any investment that is allowable under the University’s *Statement of Objectives and Policies* for the Endowment Fund and that meets the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

**Performance Objectives**

Short-term pool: The benchmark for the short-term portfolio shall be total return that meets or exceeds the yield of three-month U. S Treasury securities.

Intermediate-term pool: The benchmark for intermediate-term portfolio shall be total return that meets or exceeds the Bloomberg Barclays 3-5 Year U.S. Treasury Bond Index.

Long-term pool: The benchmark for the investment of the long-term pool shall correspond to the benchmarks for each asset class as specified in the University’s *Statement of Objectives and Policies* for the Long Term Investment Pool, including the Endowment Fund.

**Allowable Investments for Asset Groups**

For all of the asset groups described below, the Treasurer will develop in conjunction with the Board of Trustees Investment Subcommittee (ISC) a list of approved funds and fund managers from which the Treasurer may select managers as appropriate. This list will be reviewed and approved annually by the ISC.

**Short-term and Intermediate-term Pool:** Investments in the short-term and intermediate-term portfolio are restricted to U.S. Treasury and government agency securities, money markets, high quality corporate and asset-backed securities, and commercial and bank paper, where as the intermediate-term pool may have maturities up to six years. Investments shall be in marketable securities of the following types and with the noted credit ratings:

1. Debt securities rated Aaa, Aa, A or Baa by Moody’s Investor’s Service, Inc. or AAA, AA, A or BBB by Standard & Poor’s Corporation.

2. Obligations of, or guaranteed by, the United States of America, its agencies or instrumentalities.
3. Obligations of, or guaranteed by, national or state banks or bank holding companies rated B or better. No more than 20% of the funds held in the cash pool shall be invested in debt obligations of institutions within any single holding company.

4. Asset-backed securities (ABS) rated Aaa by Moody’s Investor’s Service, Inc. or AAA by Standard & Poor’s Corporation.

4.5. Commercial paper rated A-1 or higher by Standard and Poor’s or Prime-1 (P1) by Moody’s Investor’s Service, Inc.

5.6. Bankers’ acceptances or negotiable certificates of deposit issued by banks rated B or better. No more than 20% of the funds held in the cash pool shall be invested in certificates of deposit, bankers’ acceptances or floating rate notes of the institutions within any single holding company.

6.7. Repurchase agreements of banks having Fitch ratings no lower than B secured by the U.S. government and federal agency obligations with market values of at least 100% of the amount of the repurchase agreement.

7.8. Commingled funds may be used if they are in compliance with the above guidelines.

89. The Commonfund, a non-profit provider of investment products for colleges and universities.

Long-term pool: Investment of the long-term pool shall be restricted to those that are allowable under the University’s Statement of Objectives and Policies for the Endowment Fund and that meet the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

Moral, Ethical and Social Considerations

Cash balances will be invested consistently with the moral, social and ethical criteria adopted by the Board of Trustees on recommendation of its Budget, Finance and Investment Committee as related to the Long Term Investment Pool, including the Endowment Fund. Criteria for socially responsible investing shall include, where advisable and consistent with investment quality, return, and safety guidelines, the use of community and State institutions for investment purposes. Where returns are reasonably equal (within 10 basis points), preferences will be given to Vermont-based financial institutions.
Investment Management Responsibility and Structure

Cash management and investment responsibility resides with the Vice President for Finance and Treasurer through the Controller.

1. Investments may be made internally using allowable instruments and institutions; OR,

2. Investment managers may be engaged to invest University assets consistent with this Policy. Subject to this Policy and a written agreement between the University and the investment manager, the investment manager will be given discretion to select individual securities and to make adjustments to the structure of the portfolio.

I. Liquidity

This Cash Management and Liquidity Policy establishes a Minimum Liquidity Target for the University of $30 million, subject to future modification by the Budget, Finance, and Investment Committee. Liquid funds that are unrestricted, unencumbered General Fund Net Assets (as such capitalized term is used in the audited financial statements of the University) shall be used to satisfy the Minimum Liquidity Target. For the purposes of this Policy, General Fund Net Assets that are restricted in their use, or otherwise encumbered by Board or administrative action, shall not be available to satisfy the Minimum Liquidity Target. The objective of this policy is to ensure that the University operates with an adequate level of institutional liquidity to minimize risk associated with temporary, unforeseen liquidity needs.

II. Administration and Reporting

A. The Treasurer will report to the Budget, Finance and Investment Committee annually, the following:

   1. Cash balances in each asset group;
   2. Investments in each asset group by manager and investment type or fund; and
   3. Performance of each individual investment type within each asset group.
   4. A schedule of unrestricted, unencumbered General Fund Net Assets compared to the Minimum Liquidity Target.

B. As delegated by the Board of Trustees through its resolutions, specified University officials, including the Treasurer, are authorized to open accounts with banks, investment firms, or commercial paper institutions, and/or to execute purchases and sales, in order to implement this Cash Management and Liquidity Policy.

C. This Cash Management and Liquidity Policy will be subject to annual review by the Investment Subcommittee and the elements of the policy related to liquidity will be subject to annual review by the Budget, Finance, and Investment Committee.