

**COMMITTEE OF THE WHOLE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Committee of the Whole of the University of Vermont and State Agricultural College Board of Trustees was held on Friday, February 2, 2018, at 8:00 a.m., in the Silver Maple Ballroom, Room 401 at the Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Donna Sweaney, Briar Alpert, David Aronoff¹, Cynthia Barnhart², John Bartholomew, Robert Brennan¹, Frank Cioffi³, Johannah Donovan, Carolyn Dwyer, Caitlin McHugh, Donald McCree, Anne O'Brien, Ed Pagano, Shap Smith, Thomas Sullivan, Soraiya Thura, Tristan Toleno, Lisa Ventriss and Jeff Wilson

MEMBERS ABSENT: Richard Gamelli, Bernard Juskiewicz, Curt McCormack, and Governor Phil Scott

ALSO PARTICIPATING: Incoming Trustees Otto Berkes and Sidney Hilker⁴, Provost and Senior Vice President David Rosowsky, Alumni Association President Penrose Jackson, Student Government Association President Christopher Petrillo, Staff Council President Karmen Swim, Graduate Student Senate President Michelle DiPinto, Faculty Senate President Cathy Paris, UVM Foundation President & CEO Shane Jacobson, Vice President for Research Richard Galbraith, Director of Capital Planning and Management Robert Vaughan, Interim Dean of the Honors College Lisa Schnell, Former Acting Dean of the Honors College David Jenemann, UVM Senior JD Kelly, UVM Senior Lucy Rogers, UVM Senior Sonia Zaccheo, Dean of the Larner College of Medicine Frederick Morin, Dean of the College of Arts & Sciences William Falls, Vice President for University Relations and Administration Thomas Gustafson, Director of Institutional Research Alex Yin, Vice President for Enrollment Management Stacey Kostell, Chief Risk & Public Safety Officer Al Turgeon, Associate Chief Information Officer Julia Russell, Vice Provost for Student Affairs Annie Stevens, Vice President for Finance and Treasurer Richard Cate, Vice President for Executive Operations Gary Derr, Vice President for Legal Affairs & General Counsel and Senior Advisor to the President Sharon Reich Paulsen, and Director of Community Relations Joe Speidel

¹Participated via phone.

²Participated via phone and departed at 11:40 a.m.

³Arrived at 9:55 a.m.

⁴Departed at 11:55 a.m.

Chair David Daigle called the meeting to order at 8:09 a.m.

Approval of Minutes

Chair Daigle presented the October 20, 2017 meeting minutes for approval. A motion was made, seconded and voted to approve the minutes as presented.

Chair's Report (see full report appended to minutes, beginning on page 10)

President's Report

President Sullivan reported the following items:

- UVM has ten Alumni, representing five countries, participating in the 2018 Winter Olympics.
- *Kiplinger's Personal Finance* once again ranked UVM a best value public in higher education.
- Noted scholar of American art and chair of the Art and Art History Department at Stanford University, Alexander Nemerov, will provide UVM's commencement address on May 20, 2018. Dr. Nemerov, a UVM alum, writes frequently on the importance of the humanities in contemporary life.
- Nearly 50 state legislators attended UVM's fifth annual Legislative Summit, held this past November. The summit's topic was "Water: How Will We Ensure That It Is Clean and Plentiful."

President Sullivan moved on to thank Chair Daigle and Trustee Ron Lumbra for presenting, yesterday, their stories as first-generation Vermont UVM graduates to various committees at the Vermont Legislature.

President Sullivan next reported that searches for Dean of the Larner College of Medicine, Dean of the College of Engineering and Mathematical Sciences, and Chief Information Officer are all on schedule. Interviews will take place in March and April with decisions expected shortly after.

Lastly, President Sullivan reported that the *Move Mountains* comprehensive campaign has reached over \$468 million towards the \$500 million goal, with a year and a half remaining before the campaign is complete.

Governance Leaders Reports

Alumni Association President Penrose Jackson highlighted alumni engagement. She described that nationally, alumni relations programs face a crisis of relevance. However, there is an opportunity for these programs to pivot to engage graduates in areas that intersect more closely with institutional needs. President Jackson reported that UVM's Alumni Association has been working on this through the following: expanding the enrollment pipeline; increasing numbers of alumni participating in career development and exploration; and through micro engagement via digital means.

Student Government Association (SGA) President Christopher Petrillo provided his last report. He discussed SGA's work towards improved student health and wellbeing with focus on the improvement of clinical space, the Catamount Recovery Program, and campus counseling and mental health services. In terms of academics, SGA continues to work towards improving academic advising, has placed students on curricular review committees, continues to work on eliminating extra credit costs, established an exploratory major, and has advocated for syllabi

publication, office hours and having textbook information available earlier. President Petrillo next discussed improvements being made for educating students regarding their rights. Lastly, he outlined efforts SGA has undertaken to improve in the area of diversity and equity.

In responding to questions, President Petrillo explained that the health and wellness survey referenced in his report would be launched as early as next week. He also indicated that progress has been made on addressing the concerns raised by students in the fall, however, he feels that there continues to be room for improvement. He also explained that student concerns regarding food security pertains to affordable off-campus food options for students.

Chair Daigle reinforced the importance of hearing the student voice through SGA and expressed appreciation that SGA has become more outspoken in their support of student needs. He asked how receptive students are to fees that are used for debt of services. President Petrillo answered that students are often apprehensive about fees, however, he feels they are more willing to pay them if related to a service they utilize.

Staff Council President Karmen Swim reported that the Council is finalizing their FY 2019 non-representative staff raise recommendation to be presented to the administration next week. She next reported staff outreach will continue to share information regarding benefits and programs for parents on staff at UVM. The Council also continues work on a professional development scholarship fund. President Swim also reported that the annual Staff Council survey will be deployed in the fall, Staff Council officer elections will occur in March, and the annual Our Common Ground staff awards nomination process is underway. Lastly, President Swim stated that the Council continues to stress the need to reassess and publicize policies that support alternative commuting and public transit, such as the ability to arrange a flexible schedule.

Chair Daigle recalled that participation with the performance evaluation process had been a challenge and asked for an update on the issue. President Swim answered that participation increased from approximately 40% two years ago to 92% last year. She anticipates full participation will occur this year due to it being a requirement for determining the merit component of raises.

Graduate Student Senate (GSS) President Michelle DiPinto addressed the issue of graduate housing. She noted that this area is especially challenging for international graduate students whom do not have social security numbers and lack credit. President DiPinto referenced that the sale of the Fort Ethan Allen apartments further compounded the issue. She noted that graduate students often arrive a week later than traditional students and are not able to arrive prior to conduct housing searches. Additionally, graduate students can graduate at any time of the year, which can be challenging for leases. The issue of housing for graduate students, including medical students, was discussed. President Sullivan indicated that options are being considered on Trinity Campus.

Faculty Senate President Cathy Paris focused on nurturing UVM's General Education (GE) program. President Paris described the program's history and how it came about piece by piece, rather than through a unified vision. She noted that in the last year and a half, progress has been made to increase the program's clarity, consistency and efficiency. Moving forward, tasks will

include the development of a robust plan for the regular assessment of each GE requirement, more faculty development opportunities, and increased staff support.

In responding to questions, President Paris explained that there are no plans to increase the number of credit hours related to the general education curriculum and indicated that they consider best practices in their assessment of the program.

Chair Daigle applauded Faculty Senate's efforts in improving the GE curriculum and encouraged efficiency with the timing of finalizing the improvements. President Paris affirmed that the pace has increased, but that there is room for improvement. President Paris further stated that Provost's Faculty Fellow for Assessment J Dickinson and Associate Provost for Teaching and Learning Brian Reed are leading efforts to improve assessments at UVM.

Move Mountains: The Campaign for the University of Vermont Update

UVM Foundation President & CEO Shane Jacobson provided an update on the *Move Mountains* campaign progress since the October meeting. He stated that as of this morning, the campaign has reached over \$470 million. He anticipates that the campaign will reach its goal within the coming months, however, efforts will continue until the end of campaign. In discussing commitments versus receipts, President & CEO Jacobson noted that the campaign is pivoting to a point where it is receiving a significantly higher level of commitments. He also explained that the pipeline of commitments continues to grow, but will likely level off as decisions come to fruition.

President & CEO Jacobson next highlighted that a huge component of the campaign is to invest in people and he provided several examples varying in scope and purpose. He then concluded the presentation by announcing that the Alumni Association is offering several travel opportunities to areas such as the Galápagos Islands, Rhine River, Alaska, and northern Italy's Lake District.

Grants and Contracts Awards Report

The Board acknowledged receipt of the Grants and Contracts Awards Report for the period of August 1, 2017 – November 30, 2017. Chair Daigle commented that the period appeared quite successful to which Vice President for Research Richard Galbraith affirmed it was.

Capital Projects Update

Director of Capital Planning & Management Robert Vaughan offered an update on the construction of Innovation Hall, part of the Science, Technology, Engineering & Mathematics (STEM) Complex, and the University of Vermont Medical Center's new Patient Care Facility. He detailed the construction fencing lines related to the two projects and explained that the fencing will remain unchanged until summer, after which the area will open up.

Director Vaughan moved on to highlight that at the time of the October Board meeting, the demolition of Cook Hall had just occurred to make way for Innovation Hall. As of today, the

foundation work is complete and steel work has begun. The project remains on time and on budget.

In regards to the UVM Medical Center Patient Care Facility, since October, the structure is now fully enclosed and the double corridor connecting to McClure has been constructed.

Action Items

Audit Committee Vice Chair Jeff Wilson introduced a resolution accepting the fiscal year (FY) 2017 audited financial statements and acknowledgement of the FY 2017 financial report. At their November 6th meeting, the Audit Committee reviewed and made the recommendation. Vice Chair Wilson noted that KPMG found no material weaknesses or significant deficiencies. He commended Vice President for Finance and Treasurer Richard Cate, University Controller Claire Burlingham, and their team for the excellent audit results.

The following resolution was presented for approval:

Acceptance of Fiscal Year 2017 Audited Financial Statements

WHEREAS, the financial Statements of the University of Vermont and State Agricultural College for the Fiscal Year (FY) ended June 30, 2017, 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 2017 Audited Financial Statements as recommended by the Audit Committee and presented today, and acknowledges receipt of the FY 2017 Financial Report.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Moving on, Chair Daigle referred Trustees to the 2019 Board meeting and retreat dates as proposed in Attachment 8 of the meeting materials.

A motion was made, seconded, and voted to approve the 2019 meeting and retreat dates as presented.

At 9:22 a.m., Chair Daigle called for a brief break.

At 9:38 a.m., the meeting resumed.

Academic Presentation – *Honors College*

Following a brief introduction by Interim Dean of the Honors College (HCOL) Lisa Schnell and former acting Dean David Jenemann, three honor students highlighted leadership, research, and fellowship opportunities made available to them as part of their Honors College experience. Lucy Rogers, a Senior in the College of Arts and Sciences, from Waterville, VT discussed her involvement in research supported by the College's Undergraduate Research team. Next, Sonia

Zaccheo, a Senior in the College of Arts and Sciences, from Switzerland discussed her experience applying for a nationally competitive fellowship. Lastly, JD Kelly, a Senior in the Grossman School of Business, from Westfield, NJ discussed his involvement in the College's student advisory group and other leadership positions on campus.

Dean Schnell concluded the presentation by expressing her gratitude for being able to work with immensely talented students and for the support that the College receives. She referenced the recent \$1 million gift that Trustee Robert Brenann, and his wife Carolyn, donated to the Honors College.

Trustee Brennan expressed how proud he has been to support the Honors College and commended the students for an excellent presentation.

Dean Schnell and other presenters responded to questions from Board members related to students selecting areas of study, the impact acceptance into the Honors College effected their decision to attend UVM, plans for the Honors College to grow, aspirational goals, the admissions process, and how the College addresses student mental health issues.

College of Medicine/Psychology/Medical Research Complex Project Update

At the last meeting, the Committee was introduced to a proposal to support the University's research mission and eliminate deferred maintenance on the Given Medical Building and John Dewey Hall by building a modern research space and to rehabilitate Given to modern research and office space. These spaces will accommodate both the Larner College of Medicine faculty and the Department of Psychological Science faculty from Dewey Hall.

Dean of Larner College of Medicine Rick Morin recapped the proposed project noting that it would help eliminate \$41 million in deferred maintenance, increase facilities reimbursement in UVM's federal research grants, and reduce Given's cooling and heating loads by 50%. Dean Morin next highlighted that since the October meeting, his team has met with more than 40 design professionals, received 11 proposals, and interviewed several architectural teams. Payette-Black River Design was selected and has begun the schematic design.

Dean Morin next explained the project timeline. The schematic design will continue, and user groups input will be provided, through fall 2018. He anticipates presenting the design and financing proposals at the October 2018 Board meeting. If approved, construction could begin in November 2019 and the building could be completed by approximately May 2021. Once the new building is completed, renovations to the Given Medical Building could begin and ultimately be completed by spring 2024.

Dean of the College of Arts & Sciences William Falls presented a video highlighting the impact of research at UVM and the need for improved research facilities. The video can be viewed at: <https://drivenstudio.imagerelay.com/share/92bad0ffba294af5b22a506ec84edc7a>

In response to questions, Dean Morin explained that investments will likely come from a combination of sources including the College, physician faculty, the University, and donors. He

also explained that the College has a program where several commercially viable ideas are presented to a Board who chooses which to pursue.

Dashboard Indicators Annual Review

Provost and Senior Vice President David Rosowsky and Director of Institutional Research Alex Yin facilitated the annual review of the dashboard indicators.

Provost Rosowsky began by highlighting input-related indicators. He stated that the number of undergraduate applications are slightly less than last year as a result of UVM moving to a more focused strategy for seeking applications. The University is aiming to push down acceptance rates, which is now 66%, down from 78% in Fall 2013. Yield has sustained at 18% the last two years. Moving on to SAT figures, Provost Rosowsky noted that this area continues to improve and he reminded the Board that the SAT was redesigned in 2016. He next reported that student quality continues to improve with 76% of students being in the top 25% of their high school class. In terms of diversity, 11% of undergraduate students are students of color and 6% of students are international.

Provost Rosowsky moved on to report output indicators, beginning with the first-year retention rate which has modestly increased to 87%. Eventually, Provost Rosowsky would like to see the retention rate exceed 90% to closer align with our private peers. UVM's four-year graduation rate is strong, at 64% and well above the national average, but is also an area the University will continue to improve. Moving on to student engagement, UVM reports above average compared to peers. For student satisfaction, 87% of students who completed the survey reported they had an excellent/good overall education experience which is slightly higher than our comparators. In terms of success rate, the figure has increased from 87% in 2012 to 93% for 2017.

Undergraduate degrees granted were 2,390 for FY 2017. Total Vermont student degrees granted has remained around 1,100 students each year for the last five years. UVM has held steady with total graduate degrees granted (386 Masters and 222 Doctorates) and has a fairly aggressive plan to grow in this area despite external challenges.

Provost Rosowsky moved on to report financial indicators. He began by stating that the endowment asset per student full-time equivalent (FTE) has increased to \$36,000 in part due to the campaign. Also influenced by the campaign are total commitments, which were \$135.7 million in FY 2017. Next, Provost Rosowsky reported that state support for higher education continues to decrease and be a challenge for Vermont which ranks 47th to 50th (depending on methodology) out of 50 states in this area. Average net cost of attendance has increased similarly to our public peers and is \$19,815 for FY 2017. In terms of debt at graduation, the amount of debt has increased, however the percent of students with debt is decreasing with 42% of students graduating without debt. Provost Rosowsky added that 42% of Vermonters attend tuition free.

In responding to questions from Board members, Director Yin explained that that for fall 2017, approximately 2,200 out of 22,000 applicants were Vermonters with an acceptance rate of 66%. Provost Rosowsky explained that there are a number of reasons such as financial, health, and overall fit that impact student retention. The University conducts exit interviews and has found

that the reasoning often relates to fit, which is an area that continues to be worked on at the college level. Director Yin explained that student success rate is determined from a survey administered to alumni six months after graduation. Provost Rosowsky and Vice President for Enrollment Management Stacey Kostell explained that yield and other data are analyzed by various dimensions and at the college/school level and this information informs scholarship, recruitment, and other strategies and that the value proposition remains the biggest challenge related to yield. Provost Rosowsky concluded by indicating that two institutions in our comparator group, Boston University and Stony Brook University, stood out as examples of universities whose reputations have soared over the last 20 years.

Annual CY 2017 Risk/Opportunity Portfolio Register Update (Enterprise Risk Management)

Vice President for University Relations & Administration Tom Gustafson provided a brief history of Enterprise Risk Management (ERM) explaining that the program began as a result of a Board directive in 2009. The purpose of the program is to provide the Board assurance that management is identifying and responding to the risks and opportunities faced by the institution that could impact the University's mission, vision, strategic goals and/or competitiveness. Since the University's program began, it has risen to become a model referenced by other institutions.

Chief Risk & Public Safety Officer Al Turgeon described the risk assessment process, and reviewed this year's results using the UVM Risk-Opportunity Portfolio-Register heat map included in Attachment 10 in the meeting materials. He explained how each risk and opportunity is scored for impact and likelihood and given an overall score, and how the overall score is reflected on the heat map.

Mr. Turgeon went on to say that overall, there were modest changes to the portfolio-register in CY 2017 as compared to CY 2016. He concluded by presenting the reporting schedule of Management Response Plans (MRPs) presentations by Responsible Officials to their assigned Board of Trustees' committee.

In responding to questions, Mr. Turgeon explained that the University's phone system has become antiquated to the point that there are replacement parts that are no longer available. It is an area that solutions are currently being worked on. Associate Chief Information Officer Julia Russell responded to questions related to the recent Meltdown and Spectre flaws and explained that patches have been applied. Vice Provost for Student Affairs Annie Stevens explained that learning communities assist with retention as well as student satisfaction. In response to questions about risky student behavior and impact on retention, Mr. Turgeon and Vice Provost Stevens explained that early intervention and response are key to addressing such behavior

Chair Daigle asked what stood out most this cycle. Mr. Turgeon answered that though the heat map did not change much, he has noticed that the University is faced with an increasingly dynamic environment. He added that he is impressed by the quality of effort that campus leaders have put forth in responding to this environment.

At 11:46 a.m., Chair Daigle called for a brief break.

At 11:58 a.m., the meeting resumed.

Executive Session

At 11:58 a.m., Chair Daigle entertained a motion to enter into executive session for the purpose of discussing contracts, premature public knowledge of which would clearly place the University at a substantial disadvantage. He noted the session would last for approximately 15 minutes with action anticipated following. Everyone was excused from the meeting with the exception of Trustees, incoming Trustee Otto Berkes; Provost David Rosowsky; Vice Presidents Richard Cate, Thomas Gustafson, Gary Derr and Sharon Reich Paulsen; and Director of Community Relations Joe Speidel.

The meeting re-opened to the public at 12:05 p.m.

The following resolution was presented for approval:

Authorizing Resolution Related to UVM's Participation in the City of Burlington's Ten Year Capital Plan

RESOLVED, that the Board of Trustees hereby authorizes the Vice President for Finance and Treasurer, or his successor or designee, to execute an agreement with the City of Burlington with a twenty year term, regarding the University's participation in the City of Burlington's ten year capital plan, on material terms substantially consistent with the report and recommendations of the administration given on this date.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

President Sullivan made a point of clarification that the agreement does not include UVM's payment of services to the City of Burlington, which will be addressed separately.

Other Business

There being no further business, the meeting adjourned at 12:06 p.m.

Respectfully submitted,

David A. Daigle, Chair

David A. Daigle
UVM Board of Trustees Chair's Report
February 2, 2018

Good morning everyone, and welcome to our February board meeting.

The title of Provost Rosowsky's report, *The Age of Disruption*, appropriately captures the era of this new millennium. Many of the threads of disruption can be traced to the technology and telecommunications revolutions that began a quarter century ago and ultimately rippled through both our economic and social order. The report notes the paradox of challenge and hope that disruption reveals, and outlines several important implications for UVM.

My own career as an investor has largely paralleled this evolution. I have had the privilege of watching, and occasionally participating in, the birth and growth of incredibly successful businesses. I have also witnessed the endangerment or extinction of others. Companies that did not exist 25 years ago are now among the largest in the world, while broad segments of the economy have been devastated by disruptive change.

If disruption itself is a paradox of challenge and hope, universities seem to be the embodiment of that paradox. The challenges universities face from disruption are immense, and, in some cases, existential. Yet the hope that universities can offer is equally immense, and arguably essential for solving global issues. If universities are to survive these challenges and thrive as beacons of hope, I am convinced they will need to adapt more purposefully to this rapidly changing environment.

The evidence from the corporate world is crystal clear - inflexible, high cost, low value ecosystems will be targeted relentlessly by innovative disruptors. A quote from a recent BCG letter titled *Governing in the Age of Disruption*, highlights one of these challenges:

“...systems of education are not changing fast enough. Employers are increasingly dissatisfied with the workforce readiness of new employees, with 40% reporting difficulty finding people with the communication, critical thinking, and collaborative skills needed in the modern workplace.”

Wait, is this another call to vocational-ize universities and downsize humanities departments? Not at all. As was so eloquently argued in a recent Cynic editorial, written by the esteemed chair of our English department, English majors highly skilled in communications, critical thinking, persuasion and research have very bright futures.

Instead, it most certainly is a call to universities to be more proactive and willful in affirmatively teaching these essential skills, while simultaneously getting serious about doing so more efficiently. Once again, we raise the value proposition question.

If we look to companies that have been disrupted, frequently the disrupted had, ex ante, no real awareness or appreciation of the threat. IBM consulting has found that executives who view the risk of disruption as minimal tend to work for underperforming firms. Universities dismissive of

the threat ultimately risk the erosion of their academic and financial standing, as innovative disruptors create alternatives for dissatisfied families and employers.

The following passage from Hemingway's *The Sun Also Rises* illustrates the dynamic that disrupted institutions frequently endure. It is a favorite of mine, as it captures most institutional failures.

"How did you go bankrupt?" Bill asked.

"Two ways," Mike said. "Gradually, and then suddenly."

How are we adapting and evolving at UVM? Progress has surely been made, most notably in reducing tuition escalation and transforming the budget model to improve incentives. Still, so much more is possible if our faculty, administration, and board coalesce around a shared vision of institutional reform. If we seek to foster communication, critical thinking, collaboration and innovation among our students, we ought to collectively set an example by advancing those same principles in the management of the affairs of UVM.

We need honest, data-driven assessments of our academic processes, academic outcomes, student satisfaction outcomes, and business processes. Where we find opportunities for improvement, we need to act with purpose, conviction, and speed.

Let me conclude with a recent example. I applaud the efforts on the part of the provost and the faculty senate to initiate reviews of our general education requirements, starting with the diversity requirement. As we have heard from both students and faculty, there are issues that need to be resolved. However, a three or four year review cycle is going to feel awfully long to a student who is here for only four years. I encourage the review teams to act with purpose, conviction, and, importantly, speed.

I would like to congratulate Erin Dickinson, who recently celebrated her tenth anniversary with UVM. Erin, on behalf of our board, thank you so very much for helping us achieve our objectives, and we wish you the best over your next ten years at UVM.

Finally, I would like to introduce three new trustees whose terms will commence on March first.

Sidney Hilker will be joining us as our new student trustee. Sidney is a native of Shelburne, received her undergraduate degree at Harvard, and is now a graduate student in our Larner College of Medicine.

Jodi Goldstein, another Vermont native and a UVM graduate, is the managing director of the Harvard Innovation Labs in Cambridge. Jodi was unable to attend, but she and her family visit Vermont regularly.

Finally, Otto Berkes, who is not a native Vermonter, but still a wonderful person, has spent his career in technology circles. He is currently the chief technology officer at CA Technologies. Otto has an MS degree from UVM in computer science and electrical engineering. He also sits on the UVM Foundation Leadership Council.

Please join me in a warm welcome for all of our new trustees.

This concludes my chair's report.