

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

**FULL BOARD MEETING**

Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary Johannah Donovan, John Bartholomew, Otto Berkes, Susan Brengle, Robert Brennan, Kevin Christie, Frank Cioffi, John Dineen, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, Stephanie Jerome, Kisha Kalra, Donald McCree, Kenny Nguyen, Carol Ode, Ed Pagano, Kristina Pisanelli, Lucy Rogers, Governor Phil Scott, Shap Smith, Catherine Toll, and Samuel Young

**Saturday, February 11, 2023**

8:30 a.m. – 10:30 a.m.

Silver Maple Ballroom, (401) Dudley H. Davis Center

**AGENDA**

	<b>Item</b>	<b>Enclosure/ Exemption</b>	<b>Discussion Leader</b>	<b>Time</b>
	<b>Reconvene</b>			<b>*8:30 a.m.</b>
1.	Approval of October 28-29, 2022 minutes	Attachment 1	Ron Lumbra	8:30-8:35
2.	Public comment		Ron Lumbra	8:35-8:50
3.	Committee reports			8:50-9:20
	Audit		Shap Smith	
	Educational Policy & Institutional Resources		Carolyn Dwyer	
	Budget, Finance & Investment		Don McCree	
	VT Agricultural College Board		Carol Ode	
	UVM Board		Jodi Goldstein	
	Board Governance Committee		Frank Cioffi	
4.	Election of board & university officers		Ron Lumbra Frank Cioffi	9:20-9:25
5.	Retiring trustee resolutions		Ron Lumbra	9:25-9:40
6.	Approval of consent agenda	Attachment 2	Ron Lumbra	9:40-9:45
	<b>Motion to enter executive session**</b>			
7.	Honorary degrees update	Contract	Jonathan D'Amore	9:45-9:50
8.	Legal issues and collective bargaining updates	Advice of counsel; labor relations agreement	Trent Klingerman	9:50-10:15
	<b>Motion to go out of executive session</b>			
9.	Other business <ul style="list-style-type: none"> <li>• Resolution authorizing negotiation and settlement of collective bargaining agreement</li> </ul>	Separate distribution	Ron Lumbra	10:15-10:30
	<b>Motion to adjourn</b>			<b>10:30 a.m.</b>

\*Times are approximate.

\*\*The Chair will entertain a motion to enter into executive session to discuss contracts, labor relations agreements and to receive advice of counsel. Action is anticipated following.

**BOARD OF TRUSTEES**  
**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, October 28, 2022, at 3:00 p.m. in the Silver Maple Ballroom (401) at the Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary John Bartholomew, Otto Berkes, Susan Brengle, Kevin “Coach” Christie, Frank Cioffi, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein<sup>1</sup>, Stephanie Jerome, Kisha Kalra, Don McCree, Kenny Nguyen, Ed Pagano, Kristina Pisanelli, Lucy Rogers, Shap Smith, Catherine Toll, and Samuel Young

**MEMBERS ABSENT:** Robert Brennan, John Dineen, Carol Ode, and Governor Phil Scott

**ALSO PARTICIPATING:** Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel Trenten Klingerman, Vice President for Finance & Administration Richard Cate, and Special Assistant to the President Jonathan D’Amore

<sup>1</sup> Participated by phone.

Chair Ron Lumbra called the meeting to order at 3:05 p.m.

**Approval of consent agenda**

Prior to the introduction of the consent agenda, President Suresh Garimella offered opening remarks. He recognized that the cost of higher education for students and their families is one of the most important societal issues and that affordable education is a crucial component of economic development, both locally and nationally. He acknowledged that in spite of UVM’s well-earned reputation and role as the state’s flagship university, tuition rates for in-state residents and out-of-state students are high, especially compared to other flagship public institutions. That’s why he has asked the board to approve level rates every year he has been president and why he is doing so again this year. If approved, 2023-24 would mark the fifth consecutive year of frozen tuition and comprehensive fee rate and a fourth year of frozen room and board fees for residential students.

He noted that this is historic for a school like UVM and he feels the institution must embrace its responsibility to students and their families to do all that can be done to keep education affordable, especially in these times. Despite the challenging environment of cost inflation, and the diligence required to control costs, he is confident this can be achieved. He recognized the \$10,000,000 increase in the state appropriation contributes greatly to the ability to do this and feels it is the university’s responsibility to the state to recognize how necessary the increase is, and how directly it is being used to help Vermont students. He acknowledged that inflation would continue to pose a challenge in the foreseeable future and that he has asked Vice President for Finance & Administration Richard Cate, and Budget Director Shari Bergquist, and their teams, to look closely and he is assured that between what we know about future expenses and early enrollment projections that the university can and should continue this important effort.

Next, Budget, Finance & Investment Committee Chair Don McCree introduced the following tuition and fee rate resolutions reiterating that no increases are recommended and a balanced budget is projected:

1. **Resolution approving tuition rates for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees hereby approves the following tuition rates effective with the 2023-2024 academic year. These are the same rates as those charged beginning with the 2019-2020 academic year, except for the 2022-2023 academic year when in-state tuition was further reduced by \$112.

- In-state tuition \$16,280 per year, or \$678 per credit hour.
- Out-of-state tuition \$41,280 per year, or \$1,720 per credit hour.
- Medical student in-state tuition \$37,070 per year.
- Medical student out-of-state tuition \$64,170 per year.

2. **Resolution setting the undergraduate comprehensive fee, student government association and inter residence association fees for fiscal year 2024**

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

Undergraduate comprehensive fee	\$2,388
Student Government Association (SGA) fee	\$222
Inter Residence Association (IRA) fee	\$30

3. **Resolution setting the graduate comprehensive fee for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates for full-time graduate students:

Graduate comprehensive fee	\$2,036
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4. **Resolution approving graduate student senate fee for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees sets the following rates for the graduate student senate fee:

- Less than 5 credits, \$7 per semester
- 5 or more credits, \$10 per semester

5. **Resolution approving the continuous registration fee for graduate students for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees hereby sets the following rates for the varying graduate continuous registration fee:

- Less than half-time, \$100 per semester
- Half to full-time, but not including full-time, \$200 per semester
- Full-time, \$300 per semester

6. **Resolution approving room and meal plan rates for fiscal year 2024**

BE IT RESOLVED, that the Board of Trustees hereby approves the room and meal plan rates for the 2023-2024 academic year (the same rates that have been in effect since the 2021-2022 academic year) as follows:

Room Rates Per Year

Private Single with Bath	\$10,942
Private Double with Bath	\$9,720
Private Triple with Bath	\$8,058
Suite Single with Shared Bath	\$10,500
Suite Double with Shared Bath	\$9,168
Suite Triple with Bath	\$7,664
Large Single with Shared Bath	\$10,500
Traditional Single	\$10,094
Traditional Double	\$8,756
Traditional Triple	\$6,934
Traditional Quad	\$5,870

Meal Plan Rates

Retail Points Plan	\$4,568
Unlimited Access Plan	\$4,568
Flex Plan	\$5,104

7. **Resolution approving summer session tuition**

BE IT RESOLVED, that the Board of Trustees hereby approves the tuition rate for summer session 2023 of \$475 per credit hour for in-state students and \$1,204 per credit hour for out-of-state students except that, with prior approval from the Provost, graduate programs may maintain summer tuition rates for 2023 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

Chair Lumbra offered an opportunity for questions. There being none, a motion was made, seconded and all resolutions were unanimously approved as presented.

The meeting was recessed at 3:13 p.m.

Chair Lumbra reconvened the meeting on Saturday, October 29, 2022 at 9:30 a.m. in the Silver Maple Ballroom (401) at the Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary John Bartholomew, Otto Berkes, Susan Brengle, Robert Brennan<sup>1</sup>, Kevin “Coach” Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein<sup>2</sup>, Stephanie Jerome, Kisha Kalra, Don McCree, Kenny Nguyen, Carol Ode, Ed Pagano<sup>3</sup>, Lucy Rogers, Shap Smith, Catherine Toll, and Samuel Young

**MEMBERS ABSENT:** Kristina Pisanelli and Governor Phil Scott

**ALSO PARTICIPATING:** Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel Trent Klingerman, Vice President for Finance & Administration Richard Cate, Vice Provost for Diversity, Equity & Inclusion Amer Ahmed, Special Assistant to the President Jonathan D’Amore, Chief Communications and Marketing Officer Joel Seligman, and Director of Athletics Jeff Schulman

<sup>1</sup> Participated by phone; joined at 10:15 a.m.

<sup>2</sup> Participated by phone.

<sup>3</sup> Departed the meeting at 11:15 a.m.

### **Approval of previous meeting minutes**

A motion was made, seconded and it was voted to approve the minutes from the May 21, 2022 meeting as presented.

### **Election of Assistant Board Secretary**

Board Governance Committee Chair Frank Cioffi reported that Sharon Reich-Paulsen’s departure from UVM in August 2022 left a vacancy in the office of Assistant Secretary. Historically, the office of Assistant Secretary has been filled by UVM’s General Counsel. On September 14, 2022, Trenten Klingerman began serving UVM as its Vice President for Legal Affairs and General Counsel. As such, he is recommending that the board elect Trenten Klingerman as Assistant Secretary to serve the remainder of the current term and run through the annual election of officers, which will occur at the February 2023 board meeting.

A motion was made, seconded and it was unanimously voted to elect Trenten Klingerman as Assistant Board Secretary.

### **Public comment**

Chair Lumbra opened the public comment period by reviewing the process. He then invited Eleanor Miller to address the board.

Professor Miller, a faculty member in the department of Sociology, and President of United Academics shared concerns related to antisemitism on campus as well as negotiations for a collective bargaining agreement with part-time faculty and expressed the faculty’s continued support for potential legislation regarding board composition.

## **Committee reports**

### Audit Committee

Committee Chair Shap Smith offered a summary report of their meeting held on September 12, 2022.

The committee received presentations and discussed the following topics:

- Lead Audit Engagement Partner Renee Bourget-Place and Senior Audit Manager Sara Timmerman reported on the results of the Uniform Guidance audit pertaining to federally sponsored programs. KPMG reported that no findings related to compliance and internal control were identified during the audit.
- KPMG Lead Audit Engagement Partner Renee Bourget-Place and University Controller Claire Burlingham provided a brief status report on the FY 2022 financial statement and uniform guidance audits. At the time, there were no issues to report.
- Chief Internal Auditor Bill Harrison provided a summary of current internal audit projects and a summary of audit follow-up activity. He also provided the committee with a summary of FY 2022 Presidential housing expenditures as required by the President's Official Residence University Operating Procedure.
- Vice President for Finance and Administration Richard Cate reported on the FY 2022 Presidential expense reimbursements and travel expenses in accordance with the Audit Committee Charter.
- Lastly, The committee conducted its annual review of the Audit Committee charge and charter. No changes were recommended.

### Educational Policy and Institutional Resources Committee (EPIR)

Committee Chair Carolyn Dwyer reported that Provost Patricia Prelock introduced new hires Sonja Lunde, the Director of the Fleming Museum, and Charles Holmes-Hope, the new Director of Residential Life in the Division of Student Life. She also introduced new appointments including Sarah Heath as the new Director of UVM's Career Center, Lina Balcom, the Director of Student Life in the Division of Student Affairs, Allan Strong, Interim Dean of the Rubenstein School of Environment and Natural Resources, and Barb Arel serving as the Acting Dean of the Grossman School of Business this year while Dean Sharma is on sabbatical, and Jane Okech, appointed as the new Vice Provost for Faculty Affairs. Provost Prelock recognized Dean of the Graduate College Cindy Forehand who will be stepping down at the end of the academic year after 10 years of leadership. Referencing her written report she acknowledged the Department of Education Office of Civil Rights investigation of the university's response to complaints of antisemitism and shared steps the university is taking to address this situation.

The Provost then introduced a resolution approving the Rutland and Addison County 4-H Foundations as affiliated organization. Trustees originally approved the Rutland County 4-H Foundation, Inc. and the Addison County 4-H Foundation, Inc. for affiliated organization status in 2013 subject to execution of an appropriate Memorandum of Understanding. The MOUs created in

2013 have since expired. Additionally, the board approved, and UVM created, the University of Vermont and State Agricultural College 4-H Program, Inc. in 2015 for the purpose of managing the finances of the individual 4-H clubs and activities operated through UVM Extension. Therefore, new MOUs are required to continue the affiliation pursuant to University policy, which reflects the commitment of all three entities. The committee endorsed the resolution for board approval.

Chair Dwyer called to attention the Curricular Affairs Committee report included as attachment 4 in the meeting materials and highlighted the summary of academic programs initiated or terminated in academic year 2021-2022. She noted that the board has approved 8 new programs and 12 program terminations.

The committee endorsed the following curricular affair proposals for board approval:

- The creation of a PhD in Social-Emotional and Behavioral Health and Inclusive Education in the Graduate College in conjunction with the College of Education and Social Services.
- Termination of a BS in Athletic Training in the College of Nursing and Health Sciences.

Chair Dwyer reported that the committee also unanimously endorsed the establishment of the Osher Center for Integrative Health for board approval.

Chair Dwyer concluded by sharing highlights from presentations made to the committee on the following topics:

- Vice Provost for Student Affairs Erica Caloiero and Affirmative Action and Equal Opportunity Director Nick Stanton provided an update on the status of the actions for support and prevention of sexual misconduct. Four working groups have been established: Prevention and Education, Policy and Procedure, Case Response, and Stakeholder Communications. In addition, a new Title IX Coordinator has been appointed.
- Vice Provost for Diversity, Equity, and Inclusion Amer Ahmed reported on the results of the Campus Climate Survey which the university administered during the spring 2022 semester. Faculty and staff had a response rate of 54% and students had a response rate of 32%. Overall, more than 70% of the faculty/staff and students reported a sense of inclusivity on campus although this percentage represents a 4% decrease among faculty/staff and an 8% decrease for students since the 2019 Campus Climate Survey. Moving forward, the survey will be administered on a three-year cycle for the university to track longitudinal DEI across all units.
- Provost Prelock, Vice Provost for Enrollment Management Jay Jacobs and Vice Provost for Academic Affairs and Student Success J. Dickinson gave a presentation on Catamount Global and Global Trek. One focus of the recommendations of the Art and Science Group was to engage prospective students with a range of global opportunities available at UVM. After consulting a group of administrators, staff, and faculty, a vision and mission for ‘Catamount Global’ was developed. Catamount Global envisions every student at UVM participating in study, research, and/or internship experiences that maximize their engagement as global citizens. Global travel/global perspective opportunities for first-year students are being increased as a recruitment and retention strategy. A Global Experiences



Coordinator will establish several different types of travel opportunities for first year students next August before classes start. This will include international trips initially in Canada, ‘point of origin’ trips in Seattle, Chicago and Washington DC and trips within Vermont – all with a focus on global connections.

- Provost Prelock, Vice Provost Jay Jacobs, and Vice President for Research Kirk Dombrowski gave a presentation on the second Art and Science Group recommendation which is centered on innovation and entrepreneurship (I&E). The Provost’s Office and the Office of the Vice President for Research have partnered to enhance the culture of innovation and entrepreneurship on campus, to provide greater visibility to UVM’s I&E opportunities, and to bring student and faculty entrepreneurship programs into close coordination. Initiatives include inventorying existing I&E resources, plans to bring UVM’s “maker” facilities under a single organizational structure with the potential to expand this space, and a UVM I&E summit planned for summer 2023. In addition, the recruitment of a Student Entrepreneurship Coordinator has been launched. Further work includes building a long-term strategy to more fully integrate I&E into UVM’s identity and brand; identifying additional opportunities to catalyze existing programs, resources and relationships; enhancing innovative co-curricular activities in the residential learning communities and specifically within the I&E residential learning community; exploring academic credential sin entrepreneurship that will be available to all students; and deepening relationships with neighboring external resources.

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

Committee Chair Don McCree reported that in addition to the tuition and fee resolutions approved by the board yesterday afternoon, the committee endorsed the following resolutions for approval:

- As recommended by the Investment Subcommittee, the committee reaffirmed the Endowment Budget policy with no changes and approved the Endowment Administration Fee policy.
- The committee approved transferring the balance of the President’s Strategic Initiatives Fund (PSI) to the Strategic Investment Fund (SIF). The PSI fund was established in 2015 and was used at the President’s discretion and drew from non-operating one-time sources of revenue. The SIF is used to support new and emerging university initiatives with a primary focus on academics and is built into UVM’s budgeting model. This will dissolve the SIF fund and create efficiencies.

Investment Subcommittee (ISC) Chair Rob Brennan reviewed the performance update report provided by Prime Buchholz, the university’s investment advisor. The market value of the endowment as of September 30, 2022 was \$695 million, down \$27 million from the last report.

Chair McCree concluded by noting the committee received reports and status updates on the following:

- The university's external auditor, KPMG, is completing the FY 2022 financial statement audit, and the University Controller expects to deliver an unqualified letter with no material weaknesses or significant deficiencies to the November 7, 2022 Audit Committee. This is the 12<sup>th</sup> consecutive clean audit the university has received and the administration was congratulated on this unprecedented record.
- For FY 2022, 397 high school students took classes at UVM through the Dual Enrollment Voucher Program and 102 additional high school students were enrolled outside the Dual Enrollment Voucher Program.
- Vice President Cate provided status updates on seven of the top projects across campus. Construction projects costing less than \$2 million do not require board approval, but those costing more than \$1 million do have to be reported to the board. Project details are included in attachment 4 of the meeting materials.

### Vermont Agricultural College Board

Chair Carol Ode reported the board discussed strategies for the 2023 legislative session. She noted that with a 33% turnover in the legislature 10% turnover in Senate this year that UVM has an excellent opportunity to introduce the importance of the university and its impact on the state to the general assembly. A half-day event is planned on campus for legislators and senators to meet with President Garimella, researchers and students.

The board discussed potential legislative action pertaining the composition of the board, changes to the ability of colleges and universities to hold transcripts for unpaid debt, and increases in funding for our base appropriation and supplemental asks.

### University of Vermont Board

Vice Chair Otto Berkes reported the board approved the 2022-2023 Wilbur Trust Fund grant awards noting that 162 Vermont high school students received grants totaling \$658,792.

The board also reviewed a summary of the Wilbur Trust Fund financial report from July 1, 2021 through July 31, 2022. The fund declined 6.4%, which is reflective of the broad market.

The remainder of the meeting was held in executive session to discuss trustee recruitment and succession planning for future board members.

### **Executive session**

At 9:58 a.m., Chair Lumbra 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, labor relations agreements, and to receive advice of counsel. He noted the session would last for approximately 1 hour and 10 minutes and no action is anticipated following. Everyone was excused from the meeting with the exception of Trustees, Provost Patricia Prelock, Vice President for Legal Affairs & General Counsel Trent Klingerman, Vice President for Finance & Administration Richard Cate, Special Assistant to the President Jonathan D'Amore, and Chief Communications and Marketing Officer Joel Seligman.

At 10:18 a.m. Director of Athletics Jeff Schulman was invited to join.

The meeting re-opened to the public at 11:29 a.m.

### **Presentation and adoption of a university land acknowledgment statement**

Vice Provost for Diversity, Equity and Inclusion Amer Ahmed and Special Assistant to the President Jonathan D'Amore introduced a proposed land acknowledgment statement developed by the administration, led by the President's and Provost's offices with support from the Division of Diversity, Equity and Inclusion (DEI). It was noted that land acknowledgements are increasingly common practice for universities and other organizations as one means of recognizing the relations between the land on which a university sits and the Indigenous peoples who long inhabited those lands and continue in community there.

The intention is for the acknowledgment to be used at university events, appear in documents, and to be published on the university website. Use of the land acknowledgement statement is at the discretion of each unit, department, program, or individual, and its use would not be mandated.

The UVM land acknowledgment text derives from many years of engagement with Indigenous peoples, especially the Abenaki tribal communities in Vermont. The DEI Division, the College of Education and Social Services, other colleges, and the administration generally have had meaningful points of relationship, which inform and motivate the need and desire for an official university acknowledgment statement.

The land acknowledgement statement was developed over the last year, building from language and principles drawn from text of the existing statement used by DEI in recent years and drawing from input provided by the Indigenous Peoples Working Group. It reflects feedback from Vermont tribal community leaders, reflection from the Inclusive Excellence Symposium 2022 discussions, ongoing collaboration among administration representatives, and study of existing acknowledgments and supporting material from the Association of Public and Land-Grant Universities and many other universities.

The following resolution was introduced and an opportunity for discussion offered. Special Assistant to the President D'Amore highlighted proposed amendments made since the resolution was originally distributed in the meeting materials.

### **Resolution adopting a university land acknowledgment statement**

BE IT RESOLVED, that the Board of Trustees approves the following as the university land acknowledgment statement for use, when appropriate, at university events and in any university documents that include a land acknowledgment:

The campus of the University of Vermont sits ~~in~~within a place of gathering and exchange, shaped by water and stewarded by ongoing generations of Indigenous peoples, in particular the Western Abenaki.

Acknowledging the relations between water, land, and people is in harmony with the mission of the university. Acknowledging the serious and significant impacts of our

histories on Indigenous peoples and their homelands is a part of the university's ongoing work of teaching, research, and engagement and an essential reminder of our past and our interconnected futures for the many of us gathered on this land.

UVM respects the Indigenous knowledge interwoven in this place and works commits to uplift the Indigenous peoples and cultures present on this land and within our community.

Following an opportunity for discussion, a motion was made, seconded and the statement was unanimously adopted as amended.

### **Approval of consent agenda**

Chair Lumbra introduced the resolutions for approval, reminding trustees that all would be voted on as a consent agenda, including resolutions introduced and endorsed following yesterday's Committee of the Whole executive session and this morning's full Board executive session. As discussed and decided at yesterday's Committee of the Whole meeting, the resolution adopting the 2022 Campus Plan has been deferred to the December 12, 2022 Executive Committee meeting to allow trustees additional time to review the plan.

Chair Lumbra presented the consent agenda for approval. An opportunity for any resolution to be voted on separately was offered.

## **COMMITTEE OF THE WHOLE**

### **1. Resolution regarding FY 2022 presidential evaluation and compensation**

WHEREAS, on this date the Annual Review Subcommittee ("the Subcommittee") has reported on the status of its work to this Board;

BE IT RESOLVED, that the Board of Trustees hereby authorizes the Board Chair to finalize the President's annual FY 2022 performance evaluation and compensation following such additional consultation with the Subcommittee as he deems necessary or desirable; and

BE IT FURTHER RESOLVED, that the Board Chair shall report his final actions to the Board in due course.

## **EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE**

### **1.2. Resolution approving the Rutland County 4-H Foundation, Incorporated and Addison County 4-H Foundation, Incorporated as Affiliated Organizations**

BE IT RESOLVED, that the Board of Trustees hereby approves continuation of the Rutland County 4-H Foundation, Incorporated and Addison County 4-H Foundation, Incorporated as affiliated organizations of the University of Vermont and State Agricultural College in support of 4-H programs administered by UVM Extension Services, subject to the execution of a

Memorandum of Understanding for each organization pursuant to the University’s Affiliated Organizations Policy.

BE IT FURTHER RESOLVED, that the President is authorized to enter into such a Memorandum of Understanding for a term of three years.

3. **Resolution approving the creation of a PhD in Social-Emotional and Behavioral Health and Inclusive Education in the Graduate College in conjunction with the College of Education and Social Services**

BE IT RESOLVED, that the Board of Trustees approves the creation of a PhD in Social-Emotional and Behavioral Health and Inclusive Education in the Graduate College in conjunction with the College of Education and Social Services, as approved and advanced by the Provost on September 20, 2022 and President on September 21, 2022.

4. **Resolution approving the termination of the B.S. in Athletic Training in the College of Nursing and Health Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the B.S. in Athletic Training in the College of Nursing and Health Sciences, as approved and advanced by the Provost on September 20, 2022 and President on September 21, 2022.

5. **Resolution approving the establishment of the Osher Center for Integrative Health**

BE IT RESOLVED, that the Board of Trustees approves the creation of the Osher Center for Integrative Health at the University of Vermont as approved and advanced by the Provost on September 20, 2022 and President on September 21, 2022.

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

6. **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 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 20, 2017*  
*Board of Trustees - October 27, 2018*  
*Board of Trustees - January 31, 2020*  
*Board of Trustees - September 25, 2020*  
*Board of Trustees – October 29, 2021*  
*Board of Trustees –*

7. **Resolution approving revision to the Endowment Administration Fee Policy**

RESOLVED, that the *Endowment Administration Fee policy* is reaffirmed as reads below:

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves that an endowment management fee equal to 100 basis points, 80 of which shall flow to the University of Vermont Foundation and 20 of which shall flow to the University, shall be applied to the University endowment beginning as of July 1, 2022 and continuing through June 30, ~~2024~~2023; and

BE IT FURTHER RESOLVED, that calculation of the endowment management fee will be based on the average market value of the University endowment 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 Administration Fee Policy* each year no later than December 31.

*Adopted by: Board of Trustees - September 13, 2003*

*Reaffirmed: Board of Trustees - September 8, 2007*

*Board of Trustees - September 5, 2008*

*Amended: Board of Trustees - October 24, 2009*

*Reaffirmed: 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 - January 31, 2020*

*Board of Trustees - May 15, 2020*

*Amended: Board of Trustees - September 25, 2020*

*Board of Trustees – October 29, 2021*

*Board of Trustees –*

8. **Resolution approving the transfer of the President’s strategic initiatives fund assets into the strategic investment fund**

WHEREAS, the Board endorsed the establishment of the President’s Strategic Initiatives Fund on February 7, 2015; and

WHEREAS, the fund was established to allow for the accumulation of resources from one-time sources of revenue that are not part of the University’s annual operating budgets; and

WHEREAS, over the course of the last several years the funds were used for the advancement of strategic initiatives that enhanced the quality and affordability of this institution; and

WHEREAS, the balance of the President’s Strategic Initiatives Fund is \$468,000; and

WHEREAS, the administration has no plans of using the Fund for this purpose in the future; and

WHEREAS, the administration is asking approval to transfer the President’s Strategic Initiatives Fund assets into the Strategic Investment Fund;

THEREFORE, BE IT RESOLVED, that the Committee hereby endorses the transfer of the President’s Strategic Initiatives Fund assets to the Strategic Investment Fund and recommends its approval by the Board of Trustees.

**FULL BOARD**

9. **Resolution authorizing collective bargaining agreement with United Academics Part-Time Faculty**

BE IT RESOLVED, that the Board of Trustees authorizes the administration to negotiate and, as appropriate, execute a collective bargaining agreement with United Academics Part-Time Faculty on the material terms reported on this date.

An opportunity for discussion was offered. There being none, a motion was made, seconded and the consent agenda was unanimously approved as presented.

**Other business**

Chair Lumbra proposed establishing a Work Group to discuss the current status and remaining options for the Multipurpose Center including the advantages, disadvantages, financing, scope and impact of those options.

He then introduced the following resolution:

**Resolution approving Multipurpose Center Work Group appointments and charge**

RESOLVED, that the Board hereby approves the appointment of Trustee Ed Pagano (leader), Otto Berkes, Frank Cioffi, Carolyn Dwyer, Kisha Kalra, Don McCree, Kristina Pisanelli, Shap Smith and Kitty Toll, as well as university administration liaisons Dave Blatchly, Jonathan D'Amore, Monica Delisa, Trent Klingerman and Jeff Schulman to the Multipurpose Center Work Group and the charge as set forth in Appendix A to this document.

Following an opportunity for discussion, a motion was made, seconded and it was unanimously voted to approve the resolution.

**Adjournment**

There being no further business, the meeting adjourned at 11:55 a.m.

Respectfully submitted,

Ron Lumbra, Chair



Appendix A

**Multipurpose Center Work Group Charge**

The Multipurpose Center Work Group will discuss current status and remaining options for the Multipurpose Center previously approved by the Board. The Work Group will report on the advantages, disadvantages, financing, scope and impact of those options and provide an update at the February 2023 Board meeting.

**DRAFT**  
**CONSENT AGENDA**

**February 11, 2023**

**AUDIT COMMITTEE**

1. **Resolution accepting fiscal year 2022 audited financial statements**

WHEREAS, the financial statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2022, have been audited by KPMG LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

WHEREAS, the audited financial statements for the fiscal year 2022 were presented to the Audit Committee of the Board of Trustees at the Audit Committee's November 7, 2022 meeting;

WHEREAS, the Audit Committee approved a resolution recommending acceptance of the FY 2022 audited financial statements;

BE IT RESOLVED, that the Board of Trustees hereby accepts the fiscal year 2022 audited financial statements as recommended by the Audit Committee.

**EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE**

2. **Resolution to establish a School of World Languages and Cultures in the College of Arts and Sciences**

WHEREAS, the School of Languages and World Cultures in the College of Arts and Sciences will unite the language departments into a more coherent body; raise the visibility of language study on campus through common programming; support the recruitment of more students interested in studying languages and strengthen existing majors and minors; increase opportunities for collaboration; and widen research and pedagogical networks and conversations beyond the boundaries of individual departments; and

WHEREAS, the proposal for the School of World Languages and Cultures in the College of Arts and Sciences has been reviewed and endorsed by the faculty the Department of Asian Languages and Literatures, the Department of Classics, the Department of German and Russian, and the Department of Romance Languages and Cultures; the faculty of the College of Arts and Sciences; the Dean of the College of Arts and Sciences; the Faculty Senate; Provost Patricia Prelock and President Garimella; and

WHEREAS, the Programs of Asian Languages and Literatures; Classics; French and Italian; German, Russian, and Hebrew; Linguistics; and Spanish will be created as internal units within the School of World Languages and Cultures to maintain their unique identities and visibility,

and the existing stand-alone Department of Asian Languages and Literatures, Department of Classics, Department of German and Russian, and the Department of Romance Languages and Cultures will be eliminated;

BE IT RESOLVED that the Board of Trustees approves the establishment of a School of World Languages and Cultures within the College of Arts and Sciences effective July 1, 2023.

3. **Resolution approving the establishment of an Institute for Agroecology**

WHEREAS, in 2021 the Office of the Vice President for Research (OVPR) sought to identify transformative research ideas at the University of Vermont and an Agroecology proposal emerged as a transformative research idea; and

WHEREAS, over the last two years the project leaders have socialized the idea of the Institute for Agroecology (IFA) within the UVM community, gathered strong momentum, secured funds, established a leadership team, and engaged in programs both nationally and internationally, and developed a proposal to establish a university-wide Institute; and

WHEREAS, the IFA’s mission to use participatory, holistic, and equity-focused approaches to support just transformations in food systems aligns with the University of Vermont’s land-grant mission; and

WHEREAS, the Institute for Agroecology builds on the foundation of the UVM Agroecology and Livelihoods Collaborative, a community of practice that has been recognized internationally for its work; and

WHEREAS the Institute will allow UVM to leverage and crystalize its research, learning, and extension on agroecology, equity in food systems and food systems transformations; and

WHEREAS, the Faculty Senate; Provost Prelock; and President Garimella have endorsed the creation of the IFA;

BE IT RESOLVED, that the Board of Trustees approves the establishment of an Institute for Agroecology at the University of Vermont.

4. **Resolution approving the termination of the B.A. in European Studies in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the B.A. in European Studies in the College of Arts & Sciences, as approved and advanced by the Provost on January 30, 2023 and President on February 1, 2023.

**5. Resolution approving the termination of the B.A. in Russian and Eastern European Studies in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the B.A. in Russian and Eastern European Studies in the College of Arts & Sciences, as approved and advanced by the Provost on January 30, 2023 and President on February 1, 2023.

**6. Resolution approving the termination of the B.A. in Latin American and Caribbean Studies in the College of Arts & Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the B.A. in Latin American and Caribbean Studies in the College of Arts & Sciences, as approved and advanced by the Provost on January 30, 2023 and President on February 1, 2023.

**7. Resolution Reaffirming Equal Opportunity Policy Statements<sup>1</sup>**

BE IT RESOLVED, that the Board of Trustees reaffirms the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement with no changes, attached here as Appendix A; and

BE IT FURTHER RESOLVED, that the Board of Trustees reaffirms the Equal Employment Opportunity/Affirmative Action Policy Statement with no changes, attached here as Appendix B, both effective as of February 4, 2017.

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

**8. 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 2022;

BE IT RESOLVED, that the Board of Trustees hereby accepts revisions to the policy, appearing as Appendix C to this document.

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<sup>1</sup> The following housekeeping updates were made: separated out Title IX Coordinator position from AAEO Director position and responsible official and policy numbers updated to reflect transition of Human Resources from the Vice President for Finance and Administration to the Chief Human Resource Officer.

9. **Resolution reaffirming the Statement of Investment Policies and Objectives**

WHEREAS, in February 2011, the Board of Trustees 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, on December 14, 2022, the Investment Subcommittee reviewed the Statement of Investment Policies and Objectives,

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends the Statement of Investment Policies and Objectives, appearing as Appendix D to this document, for reaffirmation and referral to the Board of Trustees.

10. **Resolution approving reappointment of Investment Subcommittee advisors**

BE IT RESOLVED, that the Board of Trustees approves the reappointment of H. Whitney Wagner and David Aronoff as advisors to the Investment Subcommittee, for a one-year period commencing March 1, 2023, subject to the terms and conditions reported on this date.



The University of Vermont

OFFICE OF COMPLIANCE SERVICES  
UVM.EDU/POLICIES



## POLICY

**Title:** 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

<b>Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):</b>	
<b>Title(s)/Department(s):</b>	<b>Contact Information:</b>
Director, Office of Affirmative Action and Equal Opportunity	Nick Stanton 428 Waterman Building (802) 656-3368
<b>Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence</b>	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Emily McCarthy 428 Waterman Building (802) 656-3368
<b>Questions about disability related issues</b>	
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher 428 Waterman Building (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 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

- [Accessibility Policy](#)
- [Discrimination, Harassment, and Sexual Misconduct Policy](#)
- [Equal Opportunity in Educational Programs and Activities and Non-Harassment](#)
- [Handling and Resolving Discrimination, Harassment, and Sexual Misconduct Complaints](#)

## Regulatory References/Citations

- Titles VI and VII of the Civil Rights Act of 1964
- Immigration Reform and Control Act of 1986
- Title IX of the Education Amendments of 1972
- Equal Pay Act of 1963
- Age Discrimination in Employment Act of 1967
- Age Discrimination Act of 1975
- Sections 503 and 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974
- Executive Order 11246
- Genetic Information Nondiscrimination Act of 2008
- Vermont Fair Employment Practices Act

## About This Policy

<b>Responsible Official:</b>	Chief Human Resource Officer	<b>Approval Authority:</b>	President and the Chair of the Board of Trustees
<b>Policy Number:</b>	V. 7.3.11	<b>Effective Date:</b>	February 4, 2017
<b>Revision History:</b>	<ul style="list-style-type: none"> <li>• V. 7.0.1.1 effective April 7, 2006</li> <li>• V. 7.0.1.2 effective September 5, 2008</li> <li>• V. 7.0.1.3 effective April 13, 2009</li> <li>• V. 7.0.1.4 effective March 8, 2010</li> <li>• V. 7.0.1.5 effective May 22, 2011</li> <li>• V. 7.0.1.6 effective May 19, 2012</li> <li>• V. 7.3.7/V. 7.0.1.7 effective February 9, 2013</li> <li>• V. 7.3.8 effective February 8, 2014</li> <li>• V. 7.3.9 effective February 7, 2015</li> <li>• V. 7.3.10 effective February 6, 2016</li> <li>• V. 7.3.11/V. 4.23.11 Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018, March 6, 2019</li> <li>• Reaffirmed by the President February 3, 2020, February 9, 2021, March 7, 2022 and the Chair of the Board of Trustees January 30, 2020, February 8, 2021, March 10, 2022</li> <li>• Responsible official officially changed from the Vice President for Human Resources, Diversity and Multicultural Affairs and Vice President for Finance and Administration on May 1, 2020</li> <li>• Responsible official officially changed from the Vice President for Finance and Administration to the Chief Human Resource Officer October 3, 2022</li> </ul>		

University of Vermont Policies and Operating Procedures are subject to amendment. For the official, approved, and most recent version, please visit UVM's [Institutional Policies Website](#).





OFFICE OF COMPLIANCE SERVICES  
UVM.EDU/POLICIES

## POLICY

**Title:** 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

<b>Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):</b>	
<b>Title(s)/Department(s):</b>	<b>Contact Information:</b>
Questions regarding this policy statement or compliance with its provisions may be directed to:	
Dean of Students	41-43 South Prospect Street Burlington, VT 05405 (802) 656-3380
Or	
Director, Office of Affirmative Action and Equal Opportunity	Nick Stanton 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.	
<b>Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence</b>	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Emily McCarthy 428 Waterman Building Burlington VT, 05405 (802) 656-3368
<b>Questions about disability related issues</b>	
Student Accessibility Services	Sharon Mone A-170, Living/Learning Center 633 Main Street Burlington VT, 05405 (802) 656-4075
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher 428 Waterman Building Burlington VT, 05405 (802) 656-0945

## Related Documents/Policies

- [Discrimination, Harassment, and Sexual Misconduct Policy](#)
- [Equal Employment Opportunity/Affirmative Action Policy Statement](#)
- [Handling and Resolving Discrimination, Harassment, and Sexual Misconduct Complaints Procedure](#)

## Regulatory References/Citations

- Age Discrimination Act of 1975
- Americans with Disabilities Act of 1990
- Section 504 of the Rehabilitation Act of 1973
- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Vermont Public Accommodations Act
- Vermont Statutes at Title 16, section 11(a)(26)

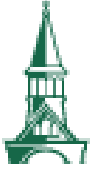
## About This Policy

<b>Responsible Official:</b>	Chief Human Resource Officer	<b>Approval Authority:</b>	President and the Chair of the Board of Trustees
<b>Policy Number:</b>	V. 7.4.11	<b>Effective Date:</b>	February 4, 2017
<b>Revision History:</b>	<ul style="list-style-type: none"> <li>• V. 7.0.5.1 effective April 7, 2006</li> <li>• V. 7.0.5.2 effective September 5, 2008</li> <li>• V. 7.0.5.3 effective April 13, 2009</li> <li>• V. 7.0.5.4 effective March 8, 2010</li> <li>• V. 7.0.5.5 effective May 22, 2011</li> <li>• V. 7.0.5.6 effective May 19, 2012</li> <li>• V. 7.4.7/V. 7.0.5.7 effective February 9, 2013</li> </ul>		

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| <ul style="list-style-type: none"><li>• V. 7.4.8 effective February 8, 2014</li><li>• V. 7.4.9 effective February 7, 2015</li><li>• V. 7.4.10 effective February 6, 2016</li><li>• V. 7.4.11 Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018 and March 6, 2019</li><li>• V. 7.4.11/V. 4.24.11 Reaffirmed by the President February 3, 2020, February 9, 2021, April 4, 2022 and the Chair of the Board of Trustees January 30, 202, February 8, 2021, April 5, 2022</li><li>• Responsible official officially changed from the Vice President for Human Resources, Diversity and Multicultural Affairs to the Vice President for Finance and Administration on May 1, 2020</li><li>• Responsible official officially changed from the Vice President for Finance and Administration to the Chief Human Resource Officer October 3, 2022</li></ul> |
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## 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

Reaffirmed, January 2020

Reaffirmed, February 2021

Revised, February 2022

Revised, February 2023

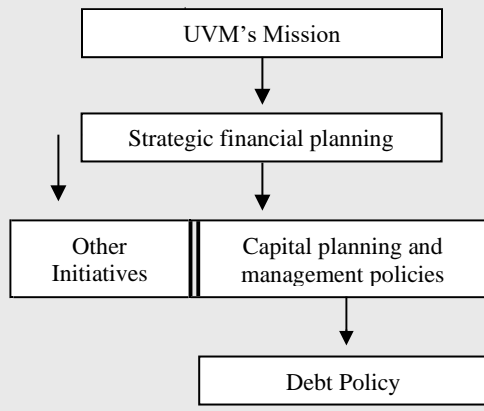
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**OVERVIEW**

**Purpose**

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



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, public-private partnerships, and external University-supported debt, including leases.

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

### Purpose

1. Articulate UVM's philosophy regarding debt.
2. Establish objectives for debt policy.
3. Provide for regular review and potential update of policy to reflect evolving needs.

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**

<b>Purpose</b>	
<ol style="list-style-type: none"> <li>1. Provide mechanism for oversight and review on periodic basis.</li> <li>2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.</li> </ol>	<p>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.</p> <p>The Office of the Vice President for Finance and Administration 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.</p> <p>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.</p>

**POLICY RATIOS**

<b>Purpose</b>	
<ol style="list-style-type: none"> <li>1. Identify core ratios.             <ol style="list-style-type: none"> <li>a. Operating Statement—Debt Burden Ratio.</li> <li>b. Balance Sheet Leverage—Leverage Ratio.</li> </ol> </li> <li>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.</li> </ol>	<p>This policy establishes limits to measure the total amount of outstanding debt <u>and leases</u> compared to University balance-sheet resources and the annual operating budget.</p> <p>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 and should not include “Discretely Presented Component Units” of the University such as the University’s associated fundraising foundation.</p> <p>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.</p> <p>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.</p> <hr/> <p><i>Ratio 1 – Debt Burden Ratio</i></p> <p>This ratio measures the University’s ability to repay debt service associated with all outstanding debt <u>and leases</u> 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.</p> $\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 5.75\%$ <p>The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-</p>



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%. 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 - Leverage Ratio (calculated as ~~Spensible~~Total 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 assets~~University resources 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 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 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 1.~~250~~ to ensure that sufficient balance sheet strength is maintained at all times.

$$\frac{\text{TOTAL CASH \& INVESTMENTS} - \text{PERMANENTLY RESTRICTED NET ASSETS} + \text{PLEDGES CLASSIFIED AS PERMANENTLY RESTRICTED NET ASSETS}}{\text{AGGREGATE DEBT}} > 1.~~250~~x$$

AGGREGATE DEBT

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

The 1.~~250~~x 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 1.~~250~~x.

Annually, based on the results of the audited financial statements, the Vice President for Finance and Administration 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. 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 for Finance and Administration will report the University's Expendable Financial Assets to Debt ratio. This ratio will be reviewed relative to prior years, peers and rating agency medians and will be calculated with and without the Governmental Accounting Standards for Other Post Retirement Benefits. The Vice President for Finance and Administration will report to the appropriate Board of Trustee committee on any existing conditions that cause notable year-over-year changes in this ratio, particularly relative to peers and rating medians.~~





$$\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}}$$

*Ratios as a Credit Factor*

The University has established its ratios and associated ratio limits based on internally established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process.

The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s assessment of self-determined debt capacity and affordability, which is subject to ongoing review.

**TYPES OF FINANCINGS**

Purpose
1. Review of all potential funding sources for projects.
2. Maximize tax-exempt University-issued debt.
3. Commercial Paper program. <ul style="list-style-type: none"> <li>a. Provide bridge funding.</li> <li>b. Provide continual access to capital.</li> <li>c. Issuance on a taxable or tax-exempt basis.</li> </ul>
4. Manage derivative products, including swaps.
5. Consider other financing sources. <ul style="list-style-type: none"> <li>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</li> </ul>

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. Examples of appropriate cases to utilize taxable debt include timing, fees and rates relative to tax-exempt rates, the nature of the project being funded, and private use, among others.

#### Commercial Paper (CP) & Lines of Credit (LOCs)

The CP program and lines of credit 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 and LOCs 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

### Purpose

1. Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.
2. Manage variable rate exposure of the debt portfolio.
  - a. Limit variable rate exposure.
  - b. Manage the overall liquidity requirements associated with outstanding debt.
  - c. Target overall variable rate debt exposure.
3. Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis.

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.

### Variable Rate Debt

It is recognized that a degree of exposure to variable interest rates within the University's debt portfolio may be desirable in order to:

- (i) take advantage of repayment/restructuring flexibility;
- (ii) benefit from historically lower average interest costs;
- (iii) diversify the debt portfolio; and,
- (iv) provide a hedge to short-term working capital balances

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 service, (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.

$$\frac{\text{VARIABLE RATE AND LIQUIDITY EXPOSURE}}{\text{TOTAL LONG-TERM DEBT OUTSTANDING}} > \del{1.0} \times 35\%$$

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 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.



## 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 the 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").

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.

Restrictions on the portfolio made via Board of Trustee resolutions, such as the Resolution on Socially Responsible Investing, may be found on the University of Vermont website (<https://www.uvm.edu/trustees/resolutions>).

## **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<sup>1</sup> (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 5.50%. 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 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. 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**.

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<sup>1</sup> 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.

## 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.

## 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.

### **Total Fund**

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

**Policy Index** – 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.

**Actual Index** – 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.

**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 index funds.

**NACUBO-TIAA Study of Endowments (NTSE)** – a universe of over 700 institutions, a broad peer universe against which the ISC compares the Fund's return. In addition to this specific annual study, the ISC may also compare the Fund's results to other relevant institutional investor comparisons.

### **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 Public Global Equity benchmark is MSCI ACWI but US equity managers, for example, will be compared to an appropriate US equity benchmark.

<b>Asset Class</b>	<b>Market Index Used in Policy Index<sup>2</sup></b>	<b>Underlying Investments</b>
Public Global Equity	MSCI AC World Index (Net)	Portfolios are expected to focus on public global, US, international developed, and/or emerging markets.
Marketable Alternatives	Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index	Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.
Private Investments	MSCI ACWI, lagged	This asset class includes private investment strategies of all types, including but not limited to buyouts, venture capital, secondaries, distressed, real estate, private energy, and similar strategies. Market values and return information is lagged by one quarter, or more, as the underlying investments are not readily valued at the close of the latest quarter.
Fixed Income	Bloomberg Barclays U.S. Aggregate Bond Index	Holdings may consist of U.S. Treasury, U.S. government/agency, asset-backed, and corporate credit securities.
Cash	Self-benchmarked	Cash and cash equivalents

<sup>2</sup> Indices used in Policy Index are effective as of February 5, 2022.

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.

### **A. 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.

### **B. PROXY VOTING GUIDELINES**

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

### C. 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*

*Approved as revised by the Board of Trustees: February 3, 2017*

*Approved as revised by the Board of Trustees: May 19, 2018*

*Approved as revised by the Board of Trustees: October 27, 2018*

*Approved as revised by the Board of Trustees: May 18, 2019*

*Reaffirmed by the Board of Trustees: May 15, 2020*

*Approved as revised by the Board of Trustees: February 5, 2021*

*Approved as revised by the Board of Trustees: June 4, 2021*

*Approved as revised by the Board of Trustees: February 5, 2022*

*Reaffirmed by the Board of Trustees:*

**ASSET ALLOCATION POLICY TARGETS***April 2021*

Asset Class	Target (%)	Allowable Range (%)
Public Global Equity	45.0	30-65
Marketable Alternatives	10.0	5-15
Private Investments	35.0	15-45
Fixed Income	8.0	5-25
Cash & Cash Equivalents	2.0	0-5

*Targets last revised by Investment Subcommittee: April 21, 2021*