

**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 Saturday, October 26, 2019, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

**MEMBERS PRESENT:** Vice Chair Ron Lumbra, Secretary Curt McCormack, Briar Alpert, David Aronoff, Cynthia Barnhart<sup>1</sup>, John Bartholomew, Otto Berkes, Robert Brennan, Kevin “Coach” Christie<sup>2</sup>, Frank Cioffi, Johannah Donovan<sup>3</sup>, Carolyn Dwyer, President Suresh Garimella, David Gringeri, Sidney Hilker, Bernard Juskiewicz, Don McCree, Carol Ode, Ed Pagano, Shap Smith, Tristan Toleno<sup>3</sup>, and Samuel Young

**MEMBERS ABSENT:** Chair David Daigle, Jodi Goldstein and Governor Phil Scott

<sup>1</sup> Joined by conference phone.

<sup>2</sup> Arrived at 8:51 a.m.

<sup>3</sup> Arrived at 8:38 a.m.

Vice Chair Ron Lumbra called the meeting to order at 8:31 a.m.

**Approval of previous meeting minutes**

A motion was made, seconded and it was voted to approve the minutes from the May 18, 2019 meeting as presented.

**Public comment**

Vice Chair Lumbra opened the public comment period by reviewing the process. He reminded all of the three-minute time limit allotted to each speaker and that there is no discussion or action taken by the board at public comment sessions. Vice Chair Lumbra invited the following persons to address the board:

Sarah Sciortino, a representative from Organize, a newly formed environmental club, discussed the club’s proposal to divest from fossil fuel that was distributed to trustees in advance of the meeting. Vice Chair Lumbra acknowledged trustees’ receipt of the proposal.

Betsy McGavisk, a 2019 graduate of the College of Agriculture and Life Sciences, addressed the topic of environmental justice and expressed her support for the proposal to divest from fossil fuel.

Emil Assing, a senior at UVM studying environmental sciences, also addressed the topic of environmental justice at UVM and expressed his support for the proposal to divest from fossil fuel.

Christopher Harrell, a third-year student at UVM studying political science, spoke regarding the university’s economic future and he also expressed his support for the proposal to divest from fossil fuel.

Vice Chair Lumbra thanked each of the presenters and acknowledged that the board heard their concerns.

## **Committee reports**

### Audit Committee

Chair Bernard Juskiewicz offered a summary report of the meetings held on July 8 and September 9, 2019. At both meetings, University Controller Claire Burlingham and Lead Audit Engagement Partner Renee Bourget-Place, of KPMG, provided status reports on the fiscal year (FY) 2019 Financial Statement and Uniform Guidance audits. At the time, there were no issues to report. Chair Juskiewicz acknowledged that this is the seventh year in a row with no issues reported and recognized Vice President for Finance Richard Cate, Controller Burlingham and their staff for their excellent work. He further noted that the annual NCAA Agreed-Upon Procedures report will be completed in January and no issues are anticipated.

At the September meeting, Chief Information Officer (CIO) Simeon Ananou and Ms. Bourget-Place reviewed KPMG's computer controls assessment. KPMG reported no issues with the design of the controls over the PeopleSoft (human resources & financial) and Banner (student information) systems.

At the July meeting, Chief Internal Auditor (CIA) William Harrison provided an update on compliance and privacy program activity since the January 2019 meeting and a summary of the office's work on the seven elements of an effective compliance program as outlined by the Federal Sentencing Guidelines to which the University's compliance program is modeled.

Also in July, CIO Ananou offered an update on the enterprise risk management voice communications systems reliability risk. Dr. Ananou discussed plans to replace the current phone system and implement modern communications tools.

At the September meeting, the committee discussed and received updates on the following:

- An overview of CIA Harrison's written report, including a summary of internal audit activity as well as the status of the internal audit work plan as of July 31, 2019 and audit recommendations.
- A summary of FY 2019 presidential housing expenditures. As required by the President's Official Residence University Operating Procedure, the committee reviews this information annually.
- Controller Burlingham reported on the FY 2019 presidential expense reimbursements and travel expenses. In accordance with the audit committee charter, the committee reviews this information annually.
- The committee conducted its annual review of its charge and charter. It was presented with two housekeeping changes to the charter's guidelines. There were no changes to the committee charge.

*Educational Policy and Institutional Resources Committee (EPIR)*

Committee Chair Carolyn Dwyer reported the committee had an incredibly engaging meeting with great discussion and feedback. The meeting began with time for members to ask questions regarding the following written reports:

- Provost's report, including discussion with input from Provost Patricia Prelock, who emphasized the university's commitment to student success including efforts to further strengthen strong graduation rates, the implementation of Elevate (a new non-credit student information system), and UVM's research portfolio.
- Annual UVM Foundation report
- Annual enrollment report
- Annual information technology report
- Annual career success action plan progress report
- Capital projects progress reports
- Faculty Senate Curricular Affairs Committee chair's report – no new programs were presented for approval.

The committee received progress reports on the following enterprise risk management (ERM) portfolio-level risk and opportunities:

- Vice Provost for Student Affairs Annie Stevens, Executive Director of the Center for Health and Wellbeing Harry Chen, and Director of Counseling and Psychiatry Services Carrie Fleider reported on student mental health needs (ERM risk #15), providing national context, and current steps being taken to expand access to care providers, intervention strategies for education and assessment, and future initiatives.
- Vice Provost Stevens and Director of Residential Life Rafael Rodriguez presented a progress report on strengthening, promoting, and assessing residential learning communities (ERM opportunity #10), providing a timeline, learning community themes, engagement indicators for improving student retention and satisfaction, and refining faculty involvement.
- CIO Ananou provided an update on ERM opportunity #13: create data warehouse. Enterprise Technology Services and the Office of Institutional Research and Assessment have established a prototype data warehouse that allows for improved access to data, increasing awareness and transparency. A working group has been tasked to develop an inventory of data marts and models, and will make recommendations for creating data governance to formalize long-term strategies for data reporting and analytics.

Associate Provost for Academic Affairs J. Dickinson and Faculty Representative Laura Almstead provided an overview of the academic program review and identified strengths and weaknesses in the process and how improvements are being made through training and assessment planning.

Wanda Heading-Grant, Vice President of Human Resources, Diversity and Multicultural Affairs, presented the annual diversity report in collaboration with Alex Yin, Executive Director of the Office of Institutional Research. The report addressed the results from the 2019 UVM campus climate survey and what the University's next steps will be in light of the results.

Budget, Finance and Investment Committee (BFI)

Chair Don McCree reported that the committee had a robust meeting and unanimously endorsed three resolutions for approval by the board today including the administration's recommendation for summer session tuition for 2020. As has been the case since summer session 2015, these rates are 30% below the rates charged during the previous fall and spring semesters. However, the continuing recommendation is that certain graduate programs, with prior approval of the Provost, are allowed to keep the same tuition rate as the prior fall/spring tuition rate.

The committee also endorsed the total cost of attendance for Global Gateway and pre-master's programs for summer/fall 2020 and spring 2021. For the 2020 summer semester, the tuition component of the total cost-of-attendance fee will be set at the same tuition rate as the prior spring semester. For those Global Gateway students whose program includes a semester of non-credit coursework, the tuition component of their total cost-of-attendance fee for that semester will be set at \$8,000 per semester for fall 2020 and spring 2021.

As recommended by the Investment Subcommittee (ISC), the committee reviewed and reaffirmed the quasi-endowment fund policy with no changes. ISC Chair Rob Brennan provided an update on the subcommittee's activities since the last board meeting. As of September 30, 2019, the endowment balance was \$539 million.

The committee discussed and received updates on the following:

- Bond refinancing and rating agency action - FY 2009 bonds were refinanced with a net savings of \$17 million. This is the sixth bond refinance that the university has undergone, taking advantage of low-interest rates. \$45 million of new bonds will be used for the on-campus multipurpose center project, now known as the Athletics Facility Project (Tarrant/Gutterson/Davis). The university has retained a bond rating of Aa3.
- FY 2019 external audit – as reported by the Audit Committee chair the university is on track for a clean FY 2019 audit, free of findings, from KPMG, who is completing their field work regarding the financial statement audit. To date, there are no material weaknesses or significant deficiencies.
- Dual enrollment - as of September 5, 2019, for FY 2019, 403 students took classes at UVM through the dual enrollment voucher program, most during summer 2019. This compares to 371, 450, and 405 dual enrollment students in the previous three fiscal years. In FY 2019, there were another 97 high school students who took classes at UVM outside of the dual enrollment voucher program.
- President's strategic initiatives fund - Controller Burlingham provided an annual update on the fund, noting that as of June 30, 2019 the balance is \$333,308, the vast majority of which now has been committed.
- FY 2019 end-of-year general fund budget to actuals - University Budget Director Shari Bergquist reported the year-end results were positive with units spending \$13.9 million less than budgeted and actual revenues \$13.4 million over budget. After reappropriations and adjustments of \$19.1 million, there was a fund balance of \$5.3 million, of which \$5 million will be used to help fund the remaining on campus multi-purpose center.

- UVM Foundation President and CEO Shane Jacobson updated the committee on the progress in fundraising for capital projects and donor engagement. As of September 30, 2019, the Foundation had commitments totaling \$32.86 million for the on campus multi-purpose center). The Foundation projects they will have cash receipts for the project totaling \$15.2 million by December of 2021.

### Vermont Agricultural College Board

Chair Tristan Toleno reported that trustees discussed upcoming issues of interest for the 2020 legislative session and planning for the legislative summit scheduled on November 21, 2019, the focus of which will be on interactive teaching and research in the Larner College of Medicine. Chair Toleno reminded trustees that the annual summit is an opportunity to elevate the research mission of UVM and connect the research activities of UVM's faculty with policymakers.

### University of Vermont Board

Chair Lumbra reported that the board reviewed a summary of the Wilbur Trust Fund financial report from July 1, 2018 through July, 2019. He reminded trustees that the Wilbur Trust Fund was established by James Benjamin Wilbur and funds are invested under the oversight of the Investment Subcommittee. He noted the Wilbur Trust currently has assets totaling \$22 million, from which a portion is used to help make tuition more affordable for Vermont high school students. Annually, in February, the board receives a report on recipients who have received grants in the previous academic year.

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

### **Approval of consent agenda**

Vice Chair Lumbra introduced the revised consent agenda, noting that resolutions presented and endorsed at yesterday's Committee of the Whole meeting have been added (#1-4). An opportunity for discussion was offered. There being none, Vice Chair Lumbra presented the following resolutions to be voted on as a consent agenda:

#### **COMMITTEE OF THE WHOLE**

##### **1. Resolution approving appointment of Thomas Sullivan as President Emeritus**

WHEREAS, E. Thomas Sullivan served seven distinguished years as the 26<sup>th</sup> president of the University of Vermont, from July 2012-June 2019;

WHEREAS, the Chair of the Board of Trustees today shared with the Board a summary of President Sullivan's many accomplishments and contributions as president;

WHEREAS, the entire Board is grateful to President Sullivan for his service and acknowledges his many successes;

BE IT RESOLVED, the Board of Trustees is pleased to bestow on President Sullivan the title President Emeritus.

**2. Appreciation resolution for David Rosowsky**

WHEREAS, Dr. David V. Rosowsky served from August 2013-April 2019 as Provost and Senior Vice President of the University of Vermont with energy and dedication;

WHEREAS, the Chair of the Board of Trustees today shared with the Board a summary of some of the initiatives led by Dr. Rosowsky during his years of service as provost;

WHEREAS, the entire Board is grateful to Dr. Rosowsky for his unwavering commitment to the University of Vermont, his willingness to accept and address challenges, and his steadfast optimism about the University's accomplishments and its future;

BE IT RESOLVED, the Board of Trustees is pleased officially to thank Dr. Rosowsky for his years of service as provost and his dedication to the University of Vermont.

**3. Resolution regarding a legal matter**

WHEREAS, the Board of Trustees received today a report from the Vice President for Legal Affairs and General Counsel regarding a potential legal matter;

BE IT RESOLVED, the Office of the General Counsel is authorized to proceed with resolution of the identified legal matter on the terms and conditions today discussed.

**4. Resolution regarding a legal matter**

WHEREAS, the Board of Trustees received today a report from the Vice President for Legal Affairs and General Counsel regarding a potential legal matter;

BE IT RESOLVED, the Office of the General Counsel is authorized to proceed with resolution of the identified legal matter on the terms and conditions today discussed.

**BUDGET, FINANCE & INVESTMENT COMMITTEE**

**5. Resolution approving summer session tuition**

BE IT RESOLVED, that the Board of Trustees hereby approves the tuition rate for summer session 2020 of \$478 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 2020 in-state and out-of-state students equal to the prior fall and spring tuition rates for their program.

**6. Resolution approving total cost of attendance fees for Global Gateway and Pre-Master's programs (summer/fall 2020 & spring 2021)**

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

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

THEREFORE, BE IT RESOLVED, that for the 2020 summer semester, the tuition component of the total cost-of-attendance fee charged to Global Gateway Program students and Pre-Master's Program students will be set at the same tuition rate as the prior spring semester; and

BE IT FURTHER RESOLVED, that for those Global Gateway students whose program includes a semester of non-credit coursework that the tuition component of their total cost-of-attendance fee for that semester shall be set at \$8,000 per semester for fall 2020 and spring 2021.

**7. Resolution to reaffirm Quasi-Endowment Funds Policy**

WHEREAS, in May 2011, the Board adopted a Quasi-Endowment Funds Policy to govern the creation, management, and termination of quasi-endowment funds; and

WHEREAS, the Investment Subcommittee is charged with review of the Quasi-Endowment Funds Policy; and

WHEREAS, at their meeting held on August 14, 2019, the Investment Subcommittee reviewed the Quasi-Endowment Funds Policy and recommended that the Budget, Finance and Investment Committee reaffirm the Quasi Endowment Funds Policy;

THEREFORE, BE IT RESOLVED, that the Budget, Finance and Investment Committee hereby recommends that the Board reaffirm the Quasi-Endowment Funds Policy, appearing as Appendix A to this document.

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

**Adjournment**

There being no further business, the meeting adjourned at 9:05 a.m.

Respectfully submitted,

Vice Chair Ron Lumbra  
(on behalf of Chair David Daigle)

Appendix A



The University of Vermont

Policy V 4.12.1

Responsible Official: Vice President for  
Finance and Treasurer

Effective Date: May 21, 2011

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## Quasi-Endowment Funds

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### Policy Statement

The University, through its Board of Trustees, may establish, alter, or terminate quasi-endowment funds. A quasi-endowment fund functions in substantially the same manner as a true or permanent endowment fund, except that (1) the terms of a quasi-endowment fund are established by the University, not by an external donor, and (2) the University may spend down the principal of a quasi-endowment fund under the authority of the Board. If the original source of a quasi-endowment fund is a restricted gift or other restricted assets, the fund must retain the restricted purpose as originally specified, and the fund's principal and earnings may be expended only for that purpose.

### Reason for the Policy

From time to time the University may decide to designate assets as quasi-endowment funds. These funds gain the benefit of the earning power of the University's consolidated endowment pool while retaining the flexibility to be expended in whole or in part. Because the creation, management, and termination of quasi-endowment funds involve the University's consolidated endowment pool, they may proceed only with the approval of the Board of Trustees. These funds create a mechanism for the University to save and invest sums of money to be spent over time to achieve long-range academic objectives.

### Applicability of the Policy

This policy applies to all University of Vermont faculty, staff, and students and to all academic and non-academic units.

### Policy Elaboration

A minimum asset value of \$50,000 is necessary to establish a quasi-endowment fund. A department may use its own internal funds for this purpose. Once established, a quasi-endowment fund's principal must remain within the consolidated investment pool for at least three years. New cash or assets may be added to a quasi-endowment

fund only if that cash or those assets are unrestricted or bear restrictions that are compatible with the established quasi-endowment fund.

Following the establishment of a quasi-endowment fund and the expiration of the three-year lock-up period, its principal may be partially or totally expended only with the approval of the Board.

## **Definitions**

A quasi-endowment fund is an expendable fund designated by the Board of Trustees for medium- to long-term investment. A quasi-endowment fund is established by the Board to function like an endowment fund but may be totally expended at the discretion of the Board. The fund's assets are invested in the same manner as those of a true endowment and have the same payout provisions.

## **Procedures**

Requests or proposals to establish quasi-endowments must be directed in the first instance to the University Controller. That official may then advance the request or proposal to the Vice President for Finance and Treasurer (VPF). If the VPF determines that a quasi-endowment should be established, said establishment will be subject to the approval of the Board of Trustees Investment Subcommittee.

## **Forms**

None

## **Contacts**

Questions related to the daily operational interpretation of this policy should be directed to:

University Controller  
Claire Burlingham  
(802) 656-2903

The Vice President for Finance and Treasurer is the official responsible for the interpretation and administration of this policy.

## **Related Documents/Policies**

None

## **Revision History**

Approved by the University of Vermont Board of Trustees: May 21, 2011  
Approved by the President on June 7, 2011 and reaffirmed: May 7, 2016  
Reaffirmed by the University of Vermont Board of Trustees Chair: May 20, 2016  
Reaffirmed by the University of Vermont Board of Trustees: October 26, 2019