

**Minutes of the Tuesday, July 8, 2014 VSC Board of Trustees meeting, APPROVED by the Board Thursday, July, 31, 2014**

The Vermont State Colleges Board of Trustees conducted a Board meeting on Thursday, July 8, 2014 at the Office of the Chancellor in Montpelier, Vermont.

The following were present:

Trustees: Jerry Diamond, Lynn Dickinson, Michelle Fairbrother, Kraig Hannum, Tim Jerman, Bill Lippert, Karen Luneau, Chris Macfarlane, Jim Masland, Linda Milne, Martha O'Connor, Heidi Pelletier

Absent: Gary Moore

Presidents: Joe Bertolino, Joyce Judy, Barbara Murphy, VTC Interim President Dan Smith, Dave Wolk

Office of the Chancellor:

Bill Reedy, Vice President and General Counsel  
Tom Robbins, Vice President and Chief Financial Officer  
Elaine Sopchak, Executive Assistant to the Chancellor

Members of the Public: Tess Conant, VSC United Professionals  
Janis Henderson, VSC Staff Federation  
Pat Moulton, VT State Employees Association  
Tim O'Connor  
Josh O'Gorman, VT Press Bureau

Chair O'Connor called the meeting to order at 11:05 a.m.

A. ITEMS FOR DISCUSSION AND ACTION

Chair O'Connor informed the Board that Chancellor Donovan was away at a conference and Trustees Fairbrother and Moore would be late. She handed out a draft schedule of meetings for 2015, to be voted on at the July 31<sup>st</sup> meeting. She also handed out proposed committee appointments. Both drafts are attached to these minutes.

Trustee Milne inquired whether there would be any one-day Board meetings in 2015. Chair O'Connor answered that the Board will return to its usual practice of committee meetings on a Wednesday followed by a Board meeting on the Thursday of the next week.

Chair O'Connor thanked the presidents for discussing the following three questions at their annual retreat last week:

- a. What are the expectations for a chancellor?
- b. What skills/qualities are desired for a chancellor?
- c. What is the process to seek a chancellor?

She asked trustees to keep an open mind on whether to appoint an interim or a permanent chancellor.

Chair O'Connor stated that the Executive Committee will meet on July 17<sup>th</sup> and will prioritize the thoughts from today's meeting. Executive Assistant to the Chancellor Elaine Sopchak will send the minutes of today's meeting to everyone as soon as possible. Then on July 31<sup>st</sup> the full Board will vote on the process to be followed. Chair O'Connor told the Board that there is no one in the wings under consideration for the position. It is an open process. She asked the members of the audience from the public to chime in with thoughts. Also at the July 31<sup>st</sup> meeting, General Counsel Reedy will update the Board on changes to the Vermont Open Meeting Law.

Chair O'Connor opened the discussion and asked Castleton State College President Dave Wolk to share the thoughts of the Council of Presidents. President Wolk shared a document listing the following qualities and skills of a new chancellor that the presidents agreed upon:

- Ability to manage a complex \$200M budget;
- Experience in having cultivated and nurtured statewide relationships, with the skills to keep them thriving;
- Respected as a non-partisan; someone with respect across parties and sectors;
- Forger of collegial relationships and the ability to sustain them;
- Understanding of the nature of a public enterprise;
- Excellent communicator across media; not just someone who is skillful but also perceived as forthright and fair;
- A tough advocate for the VSC colleges and deeply committed to their individual and collective success.

Chair O'Connor asked for clarification of the last item in regards to advocating for the system as it is now, or for changes in the future. President Wolk explained the new chancellor should lead the system through changes, and be a tough advocate on behalf of the VSC to the governor and legislature. They should be committed to the VSC as an entity but also to the colleges going forward.

Johnson State College President Barbara Murphy said the presidents chose these qualities because in the end they are more important than any particular skill set.

Trustee Jerman noted that the presidents' list does not include experience in higher education. President Wolk acknowledged that successful chancellors of the past had experiences as college presidents or faculty members that helped in their role as chancellor.

Community College of Vermont President Joyce Judy emphasized that the presidents feel it is most important to have someone able to lead an entity but that they also believe deeply in the power of education and are committed to the core mission of the colleges. She added that two additional important qualities would be a strong communicator and having a really good understanding of complex budgets. President Murphy suggested that there may be an applicant who hasn't managed such a budget but has all the signs that they can.

Trustee Dickinson stated that experience as a faculty member or president is really important but that they must also be receptive to change (as was discussed in the Board's recent strategic inquiry). She suggested a manager with an entrepreneurial spirit rather than just an education background.

Trustee Diamond asked the presidents whether they thought a good candidate should have a post-graduate degree or similar qualifications. Presidents Wolk and Judy said no. Trustee Diamond suggested that the new chancellor will have tremendous changes to decide upon, and having someone in that role who has shared the same experiences as faculty might help. President Wolk agreed but felt the Board should not exclude applicants who don't have a post-graduate degree.

Trustee Pelletier stated it is more important for a candidate to have breadth of experience rather than the degree. Trustee Lippert agreed and said it could bring some perspective to a candidate but it is not a basis for screening applications. He shared a concern that being rigid with recruiting qualifications could exclude some of the most successful leaders. He said the two most important qualifications in his opinion are the ability to think and act strategically, and a deep level of interpersonal skills. Trustee Masland agreed.

Trustee Luneau reminded the Board of other Vermont organizations in the recent past that chose a new leader with all the skills but with no specific experience who pulled the organizations into shape. To her, connections in the state and region are very important, and coming up through the ranks of the VSC is not a requirement. She would prefer for the immediate future someone with a lot of connections to inspire confidence in the leadership. She referred to the successful role

played by former Lyndon State College Interim President Steve Gold. She feels that skills lend credibility but that an immediate need is someone with charisma who inspires respect.

Chair O'Connor asked Trustee Luneau whether she would have the same requirements for a permanent chancellor. Trustee Luneau answered that it depends on where we think we are as a system and how much change we think our system needs to experience in order to have long term viability. The Board needs to discuss whether they require an interim chancellor that becomes permanent, or whether it should be two different people. She feels however that the VSC has been put on the back burner by legislators and we need someone with star power to keep the system in the forefront.

Trustee Macfarlane inquired about the timeframe, stating that he feels a sense of urgency, and wonders whether the rest of the Board feels the same. Chair O'Connor stated that she felt the need to at least start the discussion now and not wait until the fall.

President Murphy agreed that there is urgency, as Chancellor Donovan is deferring appointments while this process happens. The new leader will need to do some organizing. Trustee Macfarlane suggested the Board find the right candidate and have them spend time with Chancellor Donovan. President Wolk agreed with President Murphy, stating that it would be better for the colleges if there were a sense of urgency to find someone who can hit the ground running, who could work with Chancellor Donovan, and could be a longer term interim or permanent chancellor. An 18-month interim or a permanent chancellor would provide stability and security for both the system and the new leader.

Trustee Jerman said he does not want to be rushed into a decision before Chancellor Donovan leaves—he may be available after he leaves to help in some way. Trustee Macfarlane stated it seems like the Board labors over decisions a long time, and that it would make a big statement if the Board came together and made a decision quickly.

Trustee Diamond said it is important to have an interim chancellor ready to hit the ground for a year. He wants a chancellor who will implement the strategic decisions the Board needs to make. The Board could use the upcoming opportunity of the September retreat to redirect itself for the next five years, not the next twenty. Referring to the recent article on Castleton State College's name (<http://bit.ly/1xTilt7>), he feels the Board needs to make decisions regarding whether to create a state university system for example. He believes Chancellor Donovan's departure is an opportunity that forces the Board to discuss its strategic issues. He believes the Board could choose a strong interim chancellor by September or October and that there is urgency for certain aspects of the job but also for the Board to start making some very important decisions before choosing a new permanent leader.

Trustee Dickinson referred to the recent experience at Fletcher Allen Health Care, when they hired an interim leader who guided the board to find and hire a new permanent leader. This process might take a year.

Trustee Jerman stated that the potential qualified applicants for a yearlong interim period are people who are already working, and asked whether the Board should consider leaving the interim period open-ended. It is possible the interim chancellor will be the best permanent choice. A time limit on the interim period could limit who applies.

Trustee Luneau agreed that a long term interim without a timeframe is the best way to go. She believes the VSC is not taken as seriously and is not as respected as it should be in Vermont; therefore the person the Board chooses needs to be able to articulate that and command the respect the VSC needs and deserves.

Trustee Masland asked Trustee Diamond what are the decisions he thinks the Board needs to make. The Board would need that list if this is the case.

Trustee Milne said she would emphasize the ability to think and act strategically. She is leaning towards someone who can come to strategy with different perspectives, asking lots of questions and turning the Board towards new directions. President Murphy added that this person should question assumptions.

Chair O'Connor asked if they should seek someone who has experience with a 15-member board. They will need a leader who could work with this many different people. Trustee Pelletier agreed candidates would definitely need board experience. Trustee Luneau stated it would be hard to find someone with the qualities the Board wants who doesn't have board experience. She suggested someone who is either retired or not someone at the peak of their career and might be interested in an interim position. She also stated that the Board itself is very connected could suggest some candidates. She suggested someone like University of Vermont Interim President Edwin Colodny.

Trustee Hannum emphasized that the ideal candidate would need to be passionate about the position. Someone with a lot of experience would command a high price tag, and so would need passion and seek challenge, since the position would not pay competitively. He inquired about past interim chancellors and how they were brought on board.

President Murphy asked if an interim chancellor should be allowed to be considered for the permanent position. President Judy stated that the financial attractiveness of the position is very important. She said that it is a very big, stressful job, and while she feels a sense of urgency,

bringing in the wrong person could be disastrous. Trustee Macfarlane suggested that the Board not let the pay scale dictate the kind of candidates the position attracts.

Trustee Luneau stated that money will not be the draw for this position but rather the opportunity to contribute, and a commitment to Vermont. She does not want someone who will learn on the job but who will come in with rich experience they can use in the role.

Chair O'Connor stated that the Board needs to identify what it wants this person to do. Trustee Luneau said that the questions are, where are we as a system and what are our needs? She asked the presidents how they feel the system stands and whether they feel secure at this time.

Trustee Fairbrother arrived.

Vermont Technical College Interim President Dan Smith suggested that the person the Board chooses could help them come to the consensus they need. The shape of the VSC organization, where one person communicates the desires of the Board through the presidents to 2300+ employees throughout the state, requires communication to flow effectively in two directions. Governance flows down from the Board, but there needs to be vertical communication from the institutions back to the Board about what they have the capacity to deliver, especially when the Board talks about innovation in a constrained resource environment. In terms of how we are all doing, we don't know each other well enough to have a handle on that; it is institution-by-institution. President Smith stated that he is leading an institution that is vulnerable right now. The chancellor needs to communicate all the risks and opportunities each college faces back up to the Board and then communicate back to the colleges and get buy-in from them. It's not a directive relationship; the chancellor succeeds because of his ability to communicate within the system as well as his leadership. A Board cannot overcorrect the system's path because what one college needs is different from another. President Murphy agreed and added that higher education in our region is in a difficult place right now and the person chosen will need to be very skilled in framing and leading those conversations.

Lyndon State College President Joe Bertolino stated that he does not feel vulnerable, but unsettled. As a president, he is concerned about where the system is and is headed, and whether the presidents have the support they need to be successful. He shared that, speaking as the only VSC president without roots in Vermont, he believes that state relationships are critical to the success of the institutions and the position of chancellor. He feels the Board needs to be decisive and to make some key decisions based on the recommendations and needs of the presidents. He feels a lot of instability across the system to consider: there are contracts that have not been negotiated; there is presidential turnover at some colleges coupled with seasoned presidents at other colleges who may or may not make decisions in the next decade; and the financial positions of all the colleges. A chancellor who understands the colleges and people and is able to

navigate these constituencies, particularly faculty, is critical. Previous layoff experience at Lyndon State caused a lot of anxiety; other colleges have recently experienced layoffs, and it may be that these begin to affect the system. The presidents need reassurance that when making these tough decisions, the chancellor will have the presidents' backs.

Trustee Pelletier stated the Board should go with an interim chancellor. Chancellor Donovan's departure is only six months away and there not enough time to select a permanent chancellor. Possibly the interim chancellor could become permanent. This Board does not have the expertise to make the strategic decisions that need to be made, and the sooner a new chancellor is selected the sooner the Board can make decisions.

Chair O'Connor expressed appreciation for President Bertolino's words and encouraged everyone to speak their minds. She reminded the Board that although the tuition discussion and decision is often the biggest meeting of the year, what the Board is discussing today it the most important thing it will do.

President Bertolino challenged the idea of choosing an interim chancellor, wondering if that would add instability. There is uncertainty and another transition inherent in having an interim chancellor. He feels it is very important that the Board is clear in its messaging so that regardless of the search for a chancellor there is a system wide message that the Board is being decisive, supports the colleges, and has the plan for the future.

Chair O'Connor asked members of the audience for their comments.

VSC Staff Federation Chair Janis Henderson said she really likes that the Board is starting the process early. She said she was on the chancellor search committee last time, and she remembers positive experiences working with former Lyndon State Interim President Steve Gold. She emphasized a new chancellor should be someone who is experienced in organizing, and that we definitely need someone in time for the next legislative session.

The Board took a break for lunch. Chair O'Connor called the meeting back to order at 12:53 p.m.

Trustee Lippert suggested that the Board weigh the various options, focusing first on an interim chancellor, and then on a permanent chancellor. The following pros, cons and questions were established:

INTERIM CHANCELLOR	
PROS	CONS
Enough time to choose	Potentially limiting the pool significantly
Opportunity to find someone to guide permanent chancellor search	Could contribute to instability
Different pool of applicants with different skills	Could postpone/defer loyalty
Able to push boundaries more than a permanent chancellor	Would cause a change in the dynamic between COP and the chancellor
Could lead to becoming permanent chancellor	Would a short term appointment allow for passion?
QUESTIONS	
Caretaker or active leader? Able to reassure What is the pool of applicants? Would the Board appear indecisive if it seeks an interim and a permanent chancellor at the same time?	

Trustee Lippert pointed out the Board needs to decide whether they wish to hire an interim chancellor only, and then a permanent chancellor, or if they wish the interim chancellor to be considered to be a candidate for permanent chancellor. That decision may inform the search process.

President Bertolino stated that the presidents need to know where the Board wants to go, because it makes the presidents' job much more difficult if they do not know the Board's direction. Would an interim chancellor be a placeholder, or would they be given permission to make significant and sweeping changes without having to worry about being the bad guy because they are leaving soon. Or would they be building relationships in a way that allows them to be the leader longer term.

Chair O'Connor stated that, regarding the Board's direction, the Board could come up with any number of strategies, but the presidents would be the ones executing the plans, and so the Board and presidents need to work together.

President Murphy asked President Bertolino whether in his experience he saw institutions advertise for an interim position that would turn into a permanent one. President Bertolino shared that his experience has been that a board would talk about candidates, then have confidential, quiet conversations with potential candidates for an interim position, and then appoint and announce an interim, with the caveat that this person would be an interim for a set amount of



time, and would be permitted / not be permitted to be a candidate for the permanent position (which would be decided up front). Once the interim announcement was made, immediately after that the board would initiate a search for a permanent leader.

PERMANENT CHANCELLOR	
PROS	CONS
Stability	Not enough time for search
Hit the ground running	Mismatch of skill sets: current versus future needs
Wider pool of applicants	Riskier
Show of confidence by the Board	Possibility of failed search
	Timing of candidate availability
	Different pool of candidates

Chair O'Connor opened the discussion of the process for selecting a new chancellor.

The Executive Committee will meet on July 17<sup>th</sup>. All Board members are welcome to attend. The committee will come up with a recommendation for the full Board to vote on at the July 31<sup>st</sup> meeting.

Trustee Milne suggested forming a committee of the Board that included community members, even if it is a quiet search for an interim chancellor.

Chair O'Connor suggested a process in which people could be nominated, and people could apply directly to the Executive Committee, which would vet the applications and bring recommendations to the full Board.

Trustee Fairbrother stated she is in favor of a separate search committee. Whether the position is interim or permanent should determine whether there are other community members on the committee.

Trustee Diamond agreed that the search committee should be separate from the Executive Committee. It could include others not on the Executive Committee, a representative from the Council of Presidents, and a representative from the community. He suggested considering hiring a firm that specializes in succession planning, especially if the Board decides to hire a permanent chancellor.

Trustee Masland said he sees the merits of using a search firm so long as they do not filter out applicants the Board might want to see.

Interim President Smith suggested the Board ought to test the assumption of whether a permanent chancellor could be found by January 1, 2015 by asking some search firms if that is reasonable. If not, then the Board could identify an interim chancellor and give themselves time to do a permanent search.

Trustee Diamond expressed concern not only with time but that the Board faces some very difficult strategic decisions, and he wants a chance to discuss those things in the next few months, get a plan, and then look for a chancellor.

Tess Conant, of the VSC United Professionals, reminded the Board that both Lyndon State and Vermont Tech were facing critical times at the time of their leadership transitions; an interim had a definite purpose at those times.

Interim President Smith stated that a lack of strategic consensus of the Board may put off a permanent candidate. An interim chancellor could build strategy with the Board.

Trustee Lippert inquired about the expectations of confidentiality of those considering applying, assuming there would most likely be a high level of confidentiality, and that the search would not in its entirety be a public process.

Chair O'Connor shared that people have already suggested names, and some have made contact to say that they are interested. General Counsel Reedy advised that anything the Board discusses can be done in executive session, as is described under the revised Open Meeting Laws. When the Board comes out of executive session and makes a decision, they must be prepared to explain why the decision was made. A document containing the candidates' names may be considered a personal document not subject to public inspection. At some point the names of the finalists would be public information, but not during the earlier stages of the process.

Trustee Masland suggested it would be good to test the waters about whether permanent candidates are out there, and to do that soon.

President Murphy asked Trustee Diamond if he felt the Board was not yet ready to submit to a search for a permanent chancellor. Trustee Diamond stated he did not think the Board was ready and that it needs to clarify the issues of the next five years in order to share those questions with the candidates. President Murphy suggested the Board needs to set a calendar or deadline and a list of questions to answer.

Trustee Jerman asked if the Board could have more information on how it would work with a search firm, and a ballpark estimate of cost. Then the Executive Committee could discuss that at its next meeting as well. Interim President Smith said a search firm will look at a January 1<sup>st</sup>

deadline and tell the Board whether it is reasonable. Trustee Diamond recommended Cope & Associates of Burlington, which specializes in creating and implementing a search process (<http://www.consultcope.com>). Chair O'Connor asked the Board if she and Trustee Jerman could contact this company on the Board's behalf to learn about their services. Board members agreed.

President Murphy suggested the Board should also inquire into a more traditional higher education search firm. The Council of Presidents will send suggestions. Both presidents and Board members suggested contacting former VSC Chancellor Charles Bunting, who conducts searches for senior positions at colleges and universities.

(<https://www.storbeckpimentel.com/team/partners/charles-bunting/>)

Trustee Lippert suggested that the Board could share with the new leader that it is in the process of strategic planning, rather than doing that planning absent the person who is going to lead everyone forward. He challenged the suggestion that the Board could resolve all the issues and then bring in somebody new who wasn't engaged in the process of making those decisions and expect them to lead. He feels that is missing a fundamental element of what the Board has been discussing, which is moving forward together. He does not think the Board and the Council of Presidents are currently in sync on these issues. He thinks the first job of a new leader is to actually engage with everyone and confront the difficult issues. That is what a leader does. He believes there is a myth that boards set the strategy. Actually, boards make strategic decisions when they listen carefully to the people who are leading, collaboratively and collectively—they don't do it themselves. The Board wants someone to work with to help it move forward—that is not a failure of the Board or the Council of Presidents. That is the first charge for a leader, interim or permanent, and the Board should be up front with them about that.

President Wolk stated that Trustee Lippert's suggestions resonate with the presidents and suggested that perhaps an outside firm is not needed. Trustee Milne agreed.

Trustee Macfarlane stated he thought there was more healthy discussion today than all of last year, and that the Board was headed in the right direction, although he is still not clear on the entire process.

Trustee Milne suggested that if it is feasible, the Board should try to look for a permanent chancellor. Trustee Dickinson said the Executive Committee should still have conversations with search firms to learn what's feasible. Chair O'Connor confirmed that she and Trustee Jerman will have those conversations.

Trustee Luneau said she would like to know who is out there that is a possibility, because knowing that might narrow the focus. Chair O'Connor said she will talk to General Counsel Reedy to make sure it is appropriate to have that kind of discussion in executive session. General

Counsel Reedy responded that if the Board has reason to discuss things in executive session, then they can pursuant to 1 VSA Section 313. The VSC is a state entity and requires a two-thirds majority and legitimate reason to enter executive session. The Board may hold an executive session on July 31<sup>st</sup> if the discussion warrants and the Board so votes.

Trustee Hannum moved and Trustee Milne seconded a motion to adjourn. Chair O'Connor adjourned the meeting at 2:15 p.m.