

Minutes of the Board of Trustees annual retreat Tuesday and Wednesday, September 23 and 24, 2014, APPROVED by the Board Thursday, October 30, 2014.

The Vermont State Colleges Board of Trustees conducted its annual retreat Tuesday and Wednesday, September 23 and 24, 2014 at the Lake Morey Resort in Fairlee, Vermont.

The following were present:

Trustees: Jerry Diamond, Lynn Dickinson, Michelle Fairbrother (for day two only), Kraig Hannum, Tim Jerman, Bill Lippert (by phone), Karen Luneau, Chris Macfarlane, Jim Masland, Linda Milne, Gary Moore, Martha O'Connor, Heidi Pelletier, Alyssa Slaimen

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

Office of the Chancellor:

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

Members of the Public:

Linda Olson, FT Faculty Federation
Sam Montgomery, Vermont AFT

Chair O'Connor called the meeting to order at 10:00 a.m. She informed the Board that Trustee Fairbrother would be joining the meeting later in the afternoon, and that Trustee Lippert would be participating via phone. The Board introduced themselves formally to new student Trustee Alyssa Slaimen.

Board Discussion of Chancellor Search and Board Operations

Chair O'Connor stated that the Board would spend most of the morning discussing the chancellor search process. She thanked Chancellor Donovan for all of his work as chancellor and noted this would be his last Board retreat. Chair O'Connor shared an overview of the chancellor search process up to this time.

Trustee Jerman moved and Trustee Pelletier seconded a motion to enter executive session pursuant to 1 V.S.A. §313(a)(3) to discuss the appointment or employment of a public officer, and more specifically to discuss a candidate or candidates for the position of Chancellor of the Vermont State Colleges, to include the Trustees, Chancellor Donovan, and General Counsel Reedy. The Board voted unanimously to enter executive session. The Board entered executive session at 10:13 a.m. Trustee Lippert joined the executive session via phone at a later time..

The Board exited executive session at 11:45 a.m. and took no action. Trustee Lippert left the meeting.

Trustee Luneau stated she wished to discuss board operations and the role of the Executive Committee. She expressed concern that non-committee Board members do not have access to the timely, in-depth information that the Executive Committee receives. She acknowledged that the Executive Committee should exist as a sounding board for the Chancellor but is concerned about devolving into two boards.

Chair O'Connor reminded the group that the Board voted to have seven members make up the Executive Committee just this past spring. Trustee Jerman said he thinks the Committee is the right size and noted there is always an open invitation for other Board members to attend Committee meetings. He recommended staying on course and revisiting the question in a year.

Trustee Luneau stated that some members are appointees of the Chair and are not selected by the Board as a whole. She thinks the full Board should elect committee chairs, which would require a bylaw change but would be more democratic. That way the entire Executive Committee is elected.

Chancellor Donovan referred to the Board Bylaws Article 6.1. He noted that the Board has latitude to change committee makeup.

Trustee Lippert returned to the meeting via phone.

Chancellor Donovan suggested that the Board could authorize the Executive Committee to approve certain things that otherwise may not be the best use of the full Board. Trustee Moore reminded the Board of the former Priorities Committee. Meetings were called when necessary and all Board members were invited. He suggested that perhaps the Executive Committee should consist of just the four elected officers. General Counsel Reedy said he would need to research whether the Board can delegate decision making to committees. Chair O'Connor stated this would be a topic to discuss with the new chancellor.

The Board took a recess for lunch at 12:20 p.m. and reopened the meeting at 1:25 p.m.

College Outlooks

Johnson State Colleges President Barbara Murphy reported on the current state of the college:

- The college awarded 394 degrees in May.
- There are 249 new first-year students. Twenty are high school seniors enrolled in the Early College Program. There are 71 new transfers, 140 new EDP students, and 60 new grad students. Continuing EDP student enrollment is soft.
- The college appears to be seeing an increase in first and second year retention of several percentage points. Confirmation of this: October 15 date.
- The college has strengthened the first year experience by attaching volunteer staff and faculty mentors to first-year seminars. They are piloting two learning communities of paired courses along with a studies skills course and senior mentors.
- They have pulled together financial services into one office for efficiency and easier student access.
- They have ramped up their work with students on making their post-graduation plans.
- JSC has launched a new website with a focus on recent and younger alums.
- Twenty-four undergraduate students are currently doing research with faculty.
- The college is undergoing an external review of recruitment. Forty-seven percent of students are Pell eligible; 85% are eligible for some kind of aid. They recognize the need to work more with local high schools as Lamoille County high school graduates whose parents did not attend college have the lowest rate of intention to enroll in college following high school.
- In terms of capital projects, all major academic buildings and SHAPE and Student Center have been significantly renovated and/or expanded. Ongoing projects would include parking lots and walkways; upgrade to more energy efficient heating systems; and upgrades to the Dibden Center for the Arts. The college's capital debt is 3.5% of operating budget.

The Board discussed barriers to students' finishing college in four years. President Murphy stated that, among other reasons, sometimes course offerings don't align with student timelines; changing majors also causes delay. Some majors may have too many credits; some students have trouble meeting internship requirements. Interim President Smith shared that Vermont Tech is adjusting tech math courses in an attempt to remove barriers to success. President Bertolino noted that students often take longer because they work (often full-time) or have family responsibilities. Lyndon State is working to improve course delivery to ensure students have a path they can see long term, and looking at creating a 3-year degree. President Wolk stated that offering 4-year scholarships and financial incentives to allow students to remain enrolled full-time are helpful. He also noted that most of Castleton's graduate programs are 4+1.

Trustee Macfarlane asked President Murphy to clarify the college's employee numbers. She explained that the college had laid off five staff members, accepted some retirements, moved some positions to 80%, and made some positions part time. Faculty composition has been low, and so the college has added six full-time faculty.

Lyndon State College President Joe Bertolino reported on the current state of the college:

- He is starting his third year as president.
- He is optimistic about the future but for the present there will be sobering decisions to make short term. The college is focusing on the students "who are there, not the ones who aren't."

- Changes on campus include a new learning center incorporating advising, study assistance, and the library. There is a new Music Business and Industry lab, which was greatly needed as the program is growing. There is also a new chemistry lab, and a new office of institutional research.
- The college is working with Education First, which in May 2015 will bring 30 international students for a precollege semester; they are hopeful they will matriculate as full-time students.
- They have hired a consultant to help with grant research and development opportunities.
- The college received a \$200K grant from IBM for the Atmospheric Sciences program that will provide paid internships for students. Vermont Tech Interim President Smith was instrumental in bringing the grant about.
- Last year the college raised \$2 million.
- They have hired full-time faculty and coaches.
- They have paused the drive for an all-weather field and are performing an external review of athletics programs first.
- President Bertolino is enthusiastic about newly developing partnerships with the Lyndon Institute and St. Johnsbury Academy.
- The IT department has determined there are 11K+ individual electronic devices using college bandwidth.
- The five priorities for this year are featured in the president's annual report in the Board's materials.
- Eighty percent of LSC's budget is funded by students. Retention is stable but new student enrollment is down by about 78 students. The shortfall is concentrated in Vermont students. LSC has the smallest number of VT students in the VSC. The shortfall consists mostly of women; most of these students received late acceptance to UVM or went to a private college at a higher discount rate.
- Several retirements are upcoming. They have reduced spending; saw more revenue from summer; and used unspent endowments and carryovers. There is a possibility they may use some strategic reserves. The budget will balance this year without taking any personnel action. However this is not sustainable; LSC has a structural, \$1.5 million deficit. There will be a structural deficit of \$800K going into next year, which could be higher. It is hard to imagine not having layoffs. A strong level of Board support when making serious decisions is essential.

The Board discussed tuition discounting and its effect on VSC enrollment. They noted that surrounding states are also providing financial incentives for students to stay in-state, further reducing the pool. State funding is low; in addition there is discrepancy in how state appropriations are divided between the VSC and UVM.

Vermont Tech Interim President Dan Smith reported on the current state of the college:

- Vermont Tech's new website has driven up traffic significantly.
- The college's marketing director has given notice.
- They are working with manufacturers to give scholarships, internships, and jobs for engineering students.

- A faculty strategic planning inquiry identified four priorities: reduce, share, and consolidate programs; redesign early math; closer collaboration between faculty, marketing and admissions; revise practices around first year experience.
- The Academic Dean has worked with faculty and staff to reduce workload hours approximately 15% from SP14 to FA14.
- They are using VSC Event Management software for more efficient scheduling and cost savings.
- Overall they are conservative regarding projections for spring.
- Enrollment currently is down 3%. Nursing and allied health programs are doing well; they have added 27 spots in nursing and smoothed pathways through the nursing program. There is a decline of about 10% in non-nursing programs resulting in a negative budgetary impact of approximately \$200K.
- The biodigester is operating at 1/6 of capacity. Plans are in place for it to run at full operation hopefully by January 1. At that point they will take a hard look at its business plan to see if it can be at least revenue neutral. This translates into a negative budgetary impact of approximately \$300K. Additional capital investments need to be made. New Dean of Administration Lit Tyler is taking over the management of the biodigester.
- The dairy farm continues to lose money but less than before. They are using TAACCCT grant money to buy equipment. The dairy farm has a negative budgetary impact of approximately \$200K.
- There are budgeted layoffs that did not occur due to contractual obligations that have a negative budgetary impact of approximately \$150K.
- There are three reaccreditation visits happening this year: nursing, NEASC 5-year, ABET.

Chancellor Donovan encouraged the Board to view the dairy farm as something other than a cost center; it is an educational opportunity. Interim President Smith stated that dairy students largely tend to be second generation children of parents who also went to Vermont Tech. The college needs to enhance any experience those students can get above what they already get on their own farms. Trustee Dickinson inquired about the dairy 2+2 program, which is a state funded program where students start at Vermont Tech and finish at UVM and the Miner Institute. President Smith stated that students are dropping out to continue at Vermont Tech, and UVM doesn't have a farm anymore.

The Board discussed Vermont Tech's student population in terms of the number of programs that attract male versus female students. President Smith stated that the college is redesigning early math courses to help students perform better, regardless of gender. He is more interested in attracting the 40% of Vermont students who don't go to college at all. The Board discussed cost analysis of programs and weighing their cost against their relevancy. President Smith described a cost analysis tool developed by Dean Tyler that the college is applying to each of the colleges' programs, and went on to say that the state economy depends on these programs.

Chair O'Connor thanked CFO Robbins for his extensive work with Vermont Tech.

Castleton State College President Dave Wolk reported on the current state of the college:

- He is starting his 14th year as President.
- Headcount enrollment is level with recent years, and although there has been an increase in graduate and part-time students, there has been a corresponding decrease in full-time undergraduates, creating obvious budget challenges. Headcount is around 2100-2200.
- They have implemented a 10% rescission on all non-personnel items to accommodate the drop in enrollment. They are cutting back on non-essential expenses, such as catering and certain out of state conferences, and increasing efforts to bring in more grant money.
- They are undertaking ten entrepreneurial ventures that President Wolk described, including a new and aggressive international student initiative, expansion of graduate programs, investments in Rutland (including the rapid growth of the Polling Institute) and realizing the positive effects of baccalaureate nursing accreditation.
- They have launched a new website that is very attractive to current and prospective students, parents and friends of the college. It is highly professional and interactive.
- Entrepreneurial ventures are essential to future financial success; the college cannot grow out of financial problems. With declining state support and restraint on tuition increases, the college needs to continue to pursue other sources of revenue. The Polling Institute is doing very well. Students are immersed in the community and in the downtown economy. The Center for Schools is ramping up with new vigor. Spartan Arena memberships are up. Spartan Dome will be going up next summer adjacent to the Arena, and open to the community as a regional recreation facility.
- New graduate programs the Board recently approved are starting this year and next summer. The Board will see proposals for additional graduate programs in school psychology, business, a Master's in nursing, and a Ph.D. in education.
- Conferences and events generate new revenue; the college store is now online and bringing in more revenue. The downtown art gallery is doing well and they are building a strong relationship with the Paramount Theater in Rutland.

The Board discussed the possible Ph.D. in education program. President Wolk explained it will be a hybrid, low-residency program primarily for principals and superintendents.

The Board discussed the challenges to enrollment imposed by area private and public colleges. President Wolk stated that Endicott, UVM, Keene, and Plymouth State are Castleton's primary competitors. Many competing schools are in states that offer state funding for capital improvements, and many offer scholarships to stay in-state. Vermont does neither.

Community College of Vermont President Joyce Judy reported on the current state of the college:

- President Judy is starting her 5th year as president.
- She remembered Elmer Kimball, CCV's Chief Technology Officer, who recently passed away.
- CCV's enrollment is currently on budget. Summer was above budget; fall is on target.
- CCV will continue to have a special focus on reaching out to special populations, including veterans, high school students, and new Americans. Currently there are 60 students enrolled in the Early College Program.

- The college has extensive relationships with the all VSC colleges, UVM, businesses, tech centers, and high schools; the plan is to strengthen those and build new relationships.
- VSAC had served as the primary student loan lender and servicer for CCV students prior to 2010 when the Direct Lending program was launched. CCV's default rate has risen since 2010 from 9.8% to 17.1%.
- CCV has contracted with a default prevention agency to improve their default rate. Since July 1 the delinquent borrower rate has dropped 4% so that these borrowers are not headed towards default.

The Board recessed for a short break.

Upon return Trustee Diamond moved and Trustee Jerman seconded a motion to enter executive session pursuant to 1 V.S.A. §312(a)(1) for the purpose of considering labor relations agreements with employees including arbitration. Premature general public knowledge would clearly place the Colleges at a substantial disadvantage by revealing management strategies.

Trustee Milne moved and Trustee Jerman seconded a motion to enter executive session pursuant to 1 V.S.A. §312(a)(2) for the purpose of negotiating or securing of real estate purchase options.

Attendance in the executive sessions was limited to the Trustees, Chancellor Donovan, college presidents, General Counsel Reedy, Associate General Counsel Zdatny, and CFO Robbins.

The Board voted unanimously to enter executive session. The Board entered executive session at 3 p.m. The Board exited executive session at 4:45 p.m. and took no action.

Performance Indicators, Data and Dashboards

Trustee Macfarlane stated to the Board that he has asked Chancellor's Office staff for a draft of a dashboard of system related data to which the Board can refer to moving forward. Suggestions for information to include in the dashboard included:

- Using the same employee categories that the colleges use
- Indicating administrators that do multiple duties
- Part-time versus full-time faculty
- Refining the definitions to be used
- Cost structures of competitors
- Revenue streams and cost drivers
- Student debt, completion rates
- Energy efficiency investments
- Facilities and infrastructure benchmarks

CFO Robbins will provide the Board with performance indicators the Business Affairs Council has considered.

President Bertolino shared that a recent study on salary distribution at his college revealed that faculty represent a large proportion of the highest paid members of the college. Faculty

Federation President Linda Olson stated that the Federation supports the kind of dashboard analysis the Board is undertaking. She stated that there is a very large gap between non-bargaining unit and bargaining unit employees in terms of salary, and clarified that according to her records, of the top ten highest paid members of Lyndon State, six are non-bargaining and four are faculty. President Bertolino clarified that his information includes overload and research pay.

At this time Chair O'Connor called for a recess of the retreat until 9 a.m. the next morning. The meeting adjourned at 5:20 p.m.

Board Retreat Continuation—Wednesday, September 24, 2014

Chair O'Connor reopened the meeting at 9:05 a.m.

Trustee Jerman moved and Trustee Milne seconded a motion to enter executive session pursuant to 1 V.S.A. §313(a)(3) to discuss the appointment or employment of a public officer, and more specifically to discuss a candidate or candidates for the position of Chancellor of the Vermont State Colleges, to include the Trustees, General Counsel Reedy, the college presidents, and Vermont Secretary of Administration Jeb Spaulding. The Board voted unanimously to enter executive session. The Board entered executive session at 9:10 a.m.

The Board took a break at 10:30 a.m. Secretary Spaulding departed and the Board returned to executive session. The Board exited executive session and took no action. The Board adjourned its retreat at 11:35 a.m.

Unapproved minutes of the Board of Trustees meeting Wednesday, September 24, 2014

Note: These are unapproved minutes, subject to amendment and/or approval at the subsequent meeting.

The Vermont State Colleges Board of Trustees conducted a regular meeting Wednesday, September 24, 2014 at the Lake Morey Resort in Fairlee, 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, Gary Moore, Martha O'Connor, Heidi Pelletier, Alyssa Slaimen

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

Office of the Chancellor:

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

Members of the Public:

Linda Olson, FT Faculty Federation
Sam Montgomery, Vermont AFT
Jeb Spaulding, Vermont Secretary of Administration (by phone)

Chair O'Connor called the meeting to order at 12:06 p.m.

A. ITEMS FOR DISCUSSION AND ACTION

1. Approval of the Minutes of the July 31, 2014 Board of Trustees Meeting

Trustee Moore moved and Trustee Pelletier seconded the approval of the minutes of the July 31, 2014 meeting. The Board voted unanimously to approve the minutes.

2. Chancellor Search

Secretary Spaulding joined the meeting via phone. Trustee Jerman moved and Trustee Pelletier seconded a resolution to appoint Jeb Spaulding as Chancellor of the Vermont State Colleges, effective no later than January 15, 2015, and to authorize the Executive Committee to negotiate

contractual terms. President Bertolino clarified that it is a permanent appointment. The Board voted unanimously in favor of the resolution. Secretary Spaulding accepted the position before departing the meeting.

3. Adoption of Policy 311-A, Sexual Misconduct, Domestic Violence, Dating Violence, and Stalking

Associate Counsel Zdatny stated that the version of the proposed policy before the Board reflects updates for consistency and additional input regarding who explicitly is covered by the policy. Chair O'Connor explained to the Board that this policy did not go through the usual committee process due to an October 1st deadline. Chancellor Donovan stated that the Board normally does not approve procedures, but the procedures behind this policy will be reviewed at the October EPSL meeting. Associate Counsel Zdatny shared that the VSC Deans of Students, Deans of Administration, Directors of Human Resources and the bargaining units all gave input. Trustee Lippert asked for a Board-level briefing on safety on campus. Chancellor Donovan said it is on the October EPSL agenda.

Trustee Diamond moved and Trustee Jerman seconded the motion to adopt Policy 311-A, Sexual Misconduct, Domestic Violence, Dating Violence, and Stalking. The motion passed unanimously.

4. Approval of Grants: Consent Agenda

Trustee Macfarlane moved and Trustee Pelletier seconded the resolution Approval of Grants: Consent Agenda. The resolution passed unanimously.

5. Approval of CCV Bennington and Newport Leases

Trustee Hannum moved and Trustee Moore seconded the resolution Approval of CCV Bennington and Newport Leases. The resolution passed unanimously.

B. ITEMS FOR INFORMATION AND DISCUSSION

1. Report of the Executive Committee

Chair O'Connor reported that no actions were taken at the September 9th Executive Committee. They briefly discussed the upcoming Johnson State presidential search. The Committee will discuss the search at its October 6th meeting.

2. Reports of the College Presidents

Because of the reporting by the presidents during the retreat, this item was skipped.

3. Other Business

The Board discussed the possibility of changing the start time of the October 30th meeting. The meeting time will remain as established at 3 p.m.

4. Comments from the Public

Faculty Federation Chair Linda Olson had several points to raise:

- Regarding President Bertolino's comments about faculty salaries, Ms. Olson stated the salaries of faculty and upper level administrators are not comparable.
- Regarding Policy 311-A, implementation is more important than policy. She expressed hope that the policy will be implemented in a way that is accessible. She advocated for training that is accessible by students and faculty. She also noted that there are still problems with original Policy 311 yet to be addressed. General Counsel Reedy responded that there was a deadline to establish Policy 311-A, and the next project will be to review Policy 311.
- Ms. Olson observed that the Board benefits from having a student trustee and suggested that it could also benefit from having a faculty trustee.
- Finally, Ms. Olson expressed her deep disappointment that the selection of a permanent chancellor occurred without consultation with faculty and staff, who were promised they could take part in the selection.

Chair O'Connor responded that at the time of decision about the process, the Board had no nominees. Once nominations came forward, Secretary Spaulding met every quality the Board sought. The college presidents were concerned about what effect having an interim chancellor would have on stability. She apologized to the Federation for making the selection in this way. She also stated that presidential searches are different from a chancellor search, for the bylaws of the VSC state that the Board chooses the chancellor whereas the Board chooses a president in consultation with the Chancellor and the college community. The decision to act in this way was not premeditated.

5. Date and Place of Next Meeting:

Thursday, October 30, 2014

Hosted by Community College of Vermont

Brooks House, Brattleboro, Vermont

Trustee Masland moved and Trustee Hannum seconded a motion to adjourn. The meeting adjourned at 12:46 p.m.

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

Endorsement of Grant Proposals: Consent Agenda

WHEREAS, VSC Policy 408 requires Board of Trustees approval of grant proposals requesting annual funding of \$150,000 or when annual matching or cost sharing is \$50,000 or more; therefore, be it

RESOLVED, That the Vermont State Colleges Board of Trustees hereby endorses the following grant proposals titled, in the amount, and from the specific granting entity as indicated:

CCV: "Northern Lights Career Development Center Grant" in the amount of \$350,259 from the State of Vermont Department of Children and Families; and

VTC: "Perkins IV Basic Grant" in the amount of \$160,487 from the U.S. Department of Education.

September 24, 2014

VERMONT STATE COLLEGES

BOARD OF TRUSTEES

RESOLUTION

CCV Bennington & Newport Leases

- WHEREAS, VSC Policy 426 states that any lease over \$100,000 per year or over five years in duration shall require Board approval; and
- WHEREAS, CCV operating leases at Bennington and Newport are up for renewal; and
- WHEREAS, CCV has received a five-year lease renewal for the Bennington property from the State of Vermont; and
- WHEREAS, CCV has received a one-year lease renewal for the Newport property from the State of Vermont; and
- WHEREAS, CCV desires to continue renting these two properties from the State of Vermont; therefore, be it
- RESOLVED, That the Vermont State Colleges Board of Trustees hereby approves the CCV lease renewals for the Bennington and Newport sites.

September 24, 2014